

Forestry Report

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Housing On The Rise!

By Marshall Thomas, President of F&W Forestry Services, Inc.



It looks like a trend is emerging in the housing market! Housing starts increased in November, continuing a slow but steady rise that began in September.

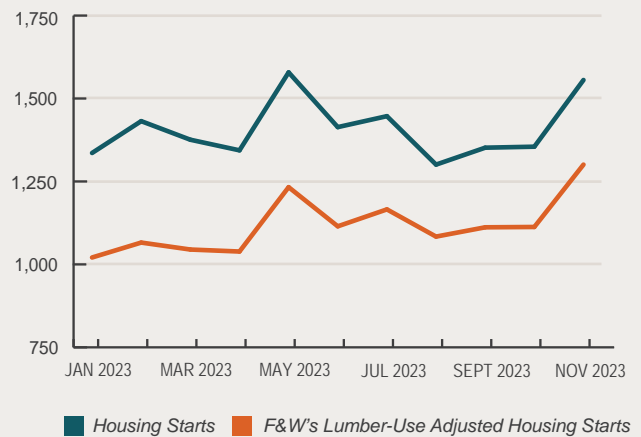
The better way to look at it is by examining the two price plateaus that occurred this year. In the early part of the year, January through April, F&W's Lumber-Use Adjusted Housing Starts ranged from 1.025 to 1.07 million, annualized. After taking a big jump in May, starts dropped back down, but not to the earlier levels. In the latter part of the year, adjusted starts ranged from 1.09 to 1.31 million.

The F&W-adjusted starts factor in the different lumber usage in single-family homes vs. multiple-family buildings, which is necessary for long-term comparisons. During the boom period of 1994 to 2006, adjusted starts were in excess of 1.2 million. We find ourselves back in that range, with November adjusted starts surpassing 1.31 million. Watch this number. If it stays above 1.2 million for several months, we could start to see demand impact timber stumpage prices.

Of course, interest rates need to continue to decline for that to happen, but the good news is that the Federal Reserve is signaling stable to dropping rates through 2024. And we probably need to tweak the adjusted starts amount to account for sawmill efficiencies that have occurred since the early 2000's, but nonetheless, this is a good indicator.

Investment managers like to tout timberland's lack of

**2023 HOUSING STARTS &
F&W'S LUMBER-USE ADJUSTED HOUSING STARTS**



correlation to other markets, and recent years bear that out. While the real estate market has been depressed due to high interest rates and stock market volatility, timberland has been steadily increasing in price. See the article on page 6.

On the political front, the European Union passed a deforestation-free policy in June which may cause problems for U.S. wood exporters, manufacturers, and producers. The final regulations will be published later this year, but early signs indicate that exporters of wood and wood products to Europe may have to show the geographic locations and management history of all the sites from which wood was harvested to produce their product. The U.S. has almost nothing in place to do that. Our mills are large and tend to aggregate wood from many sources before processing, which will create issues with source tracking. And pulp and paper manufacturers rely

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Southern Forestry Practices: Insights And Trends

In the Southern Pine Belt, where the rich tapestry of working forests plays a crucial role in the region's economy, a recent survey sheds light on the forest management techniques employed by timberland owners and managers, their associated costs, and the prevailing trends.

SURVEY DEMOGRAPHICS

The survey collected data on forest management activity in 2022 across 14 Southern states, spanning more than 10 million acres. The information was collected from three distinct physiographic regions: the Southern Coastal Plain, Northern Coastal Plain, and Piedmont and Uplands. Survey participants included family forest landowners, consultants on non-industrial land, industrial forest landowners, publicly funded organizations, and others. Of the total landownership responses received, more than half

came from family forest landowners, emphasizing the significance of smaller-scale operators in the Southern forestry landscape.

The first survey on the cost of forestry practices took place in 1952 and it has been conducted biennially since 1982. The 2022 survey was overseen by Adam Maggard, Ph.D., an Associate Professor and Extension Specialist at Auburn University's College of Forestry, Wildlife and Environment, and Jeremy Natzke, MSc., the Rob Olszewski Fellow in Forest Policy & Analysis at the Forest Landowner Foundation. A report of their findings was published in the November/December issue of *Forest Landowner* magazine.

EVOLUTION OF PRACTICES

The survey focused on major forest management practices: mechanical site preparation, tree planting, prescribed burning, herbicide application, fertilization, timber cruising, timber marking, pre-commercial thinning, and custodial management. This year the survey included a new category, emerging technology, to capture such practices as drone applications and GPS mapping.

Two standout trends in the latest survey are the substantial decrease in timber cruising and the concurrent rise in chemical application. Only 29 percent of the respondents said they utilized timber cruising in 2022, a drop of 78 percent since 2020. Likewise, the cost for timber cruising dropped by 31.5 percent per acre to an average of \$9.12/acre. On the flip side, chemical application usage surged by 120 percent and the cost increased by 16.3 percent to an average of \$89.64/acre. Notably, chemical application emerged as the most widely adopted practice, with 94 percent of respondents employing it

in 2022.

Mechanical site prep, the costliest practice in 2022 at an average of \$172.83/acre, increased by 8.2 percent since the 2020 survey. However, a shift towards chemical site prep is evident, indicating a broader industry trend.

COST DYNAMICS

Marking trees for harvest saw the most significant cost increase in 2022, jumping by 128 percent to an average of \$71.96/acre, with the increase attributed to the skyrocketing cost of solvents in paints over the last two years.

In 2022, respondents reported planting a little more than 185,000 acres, with 58 percent planted by hand and 42 percent by machine. Approximately two-thirds of the planted acres utilized bareroot seedlings. Both hand and machine planting averaged 561 seedlings per acre, a decrease that is attributed to improved genetics and seedling quality.

Planting costs for the 2022 survey were determined differently from years past and therefore are no longer directly comparable to previous surveys. The latest survey now includes the cost of seedlings and oversight, whereas previous surveys did not. The overall average cost for hand-planted stands in 2022 was \$133.92/acre while the cost for machine planting was \$130.02/acre.

For other forestry practices, the average cost for pre-commercial thinning dropped 3.2 percent from 2020 to 2022 to \$139.40/acre while prescribed burning increased 2.4 percent to an average of \$31.88/acre and fertilization was an average of \$90.97/acre (up 3.6 percent from 2020).

The overall cost estimates are based solely on survey responses

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Forestry Report

For further information on material in this report or to discuss your forestry needs, contact the nearest F&W office or the Albany headquarters at:

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Survey Of Southern Forestry Practices *(continued from page 2)*

and many factors impact the costs of implementing forestry practices, such as location, terrain, the amount of acreage treated, contractor availability, labor shortages, fuel prices, and more.

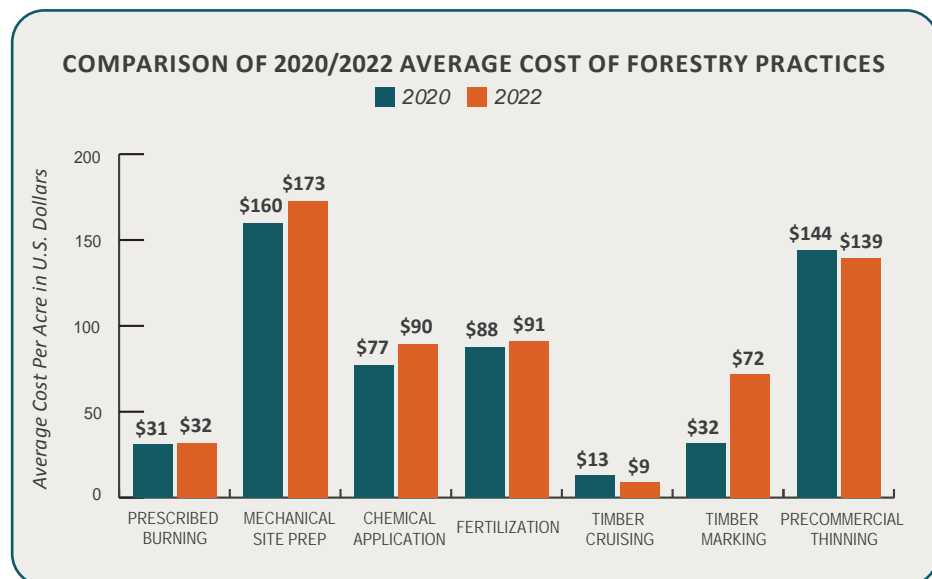
EMERGING TECHNOLOGY

For the first time, the survey included emerging technology practices, which encompass various applications by drones (imagery, mapping, herbicide, general) and

GPS mapping, showcasing the industry's increasing reliance on modern technologies. The average cost for technology practices was \$54.12/acre; however, Dr. Maggard said this is based on a small number of respondents with a wide range of responses, so it is likely not a meaningful number.

INTERACTIVE DASHBOARD

In addition to conducting the survey, the Forest Landowner Foundation has incorporated the results into a cutting-edge interactive dashboard. This tool, compiled with data from the last 70 years, enables users to compare costs and trends over past years, categorizing practices by landowner type, regions, states, and subcategories. The new dashboard provides a comprehensive overview of forestry practices across the Southern Pine Belt. 🌲



QUICK LINK ► [CLICK HERE FOR MORE INFORMATION AND TO VIEW THE DASHBOARD](#)

Marshall Thomas *(continued from page 1)*

on chips and sawdust from sawmills for a significant portion of their supply. How do you track a chip or a piece of sawdust back through a sawmill to a tree, and then back to the forest from which it was harvested? See article on page 4.

In Washington, amidst the turmoil surrounding the removal and replacement of the House speaker and heightened partisan divisions in Congress, lawmakers failed to pass a new five-year Farm Bill. However, they did take action to extend the existing law and its associated funding for forest and conservation practices until September (see page 7).

Back to general forestry news, Auburn University and the Forest Landowners Association published

their new and improved forest operations cost survey, and even made it accessible online. As in all surveys of this type, the numbers are averages, and not predictive of a particular situation, but the trends are sure interesting. See page 2.

Chip exports and their values are climbing, yet the largest U.S. producer is in financial trouble. See page 5 for details on Enviva's crisis.

Carbon continues to show up in the news. The latest entry is that Weyerhaeuser received approval for a carbon credit program on some of its forestland in Maine. The company has also indicated that it has more projects in the pipeline. With all the recent bad press about carbon credits, it is nice to see some good news. See page 9.

The Rural Forest Markets Act, introduced in the Senate, would provide seed money to companies and nonprofits to aid small landowners in storing and selling carbon credits. See page 7 for details about some more good carbon news.

As we close out 2023 and enter 2024, I think the most significant indicators of how our tree markets will perform are housing starts and interest rates. If housing can stay in the adjusted starts range of 1.3 to 1.5 million and interest rates go down, we could see the beginning of a recovery in our markets. Additionally, if we have a wet Southern winter and we see some big price jumps, that could serve as an early indicator over the next few months. 🌲



EU Deforestation Law Presents Challenges For U.S. Wood Trade

With a goal of making Europe the first climate-neutral continent by 2050 and to curb global deforestation and forest degradation linked to European consumption, the European Parliament and Council passed an ambitious zero-deforestation trade law. However, compliance with the measure presents significant challenges and imposes excessive burdens, costs, and technical barriers for U.S. exporters of wood and wood products to the European Union (EU), which are valued at more than \$3.5 billion annually.

UNDERSTANDING THE EUDR

Formally adopted on June 29, 2023, the European Union Deforestation-free Regulation (EUDR) aims to combat global forest loss primarily caused by agricultural conversion of forestland. The EUDR applies to seven commodities identified as the main drivers of agricultural expansion that lead to deforestation and forest degradation: cattle, cocoa, coffee, palm oil, rubber, soy, and wood. It also covers products derived from these commodities, i.e., fuel wood and wood chips, lumber, plywood, and OSB, and items made from wood such as furniture, household tools, kitchenware, and paper. The regulation will require any operator importing these commodities and their derivatives to the EU to prove the products are deforestation-free.

The new law defines “deforestation-free” to mean that the relevant products contain, have been fed with, or have been made using commodities that were produced on land that has not been subject to deforestation since December 31, 2020. “Deforestation” is defined as the conversion of forest to agricultural use, whether human-induced or not. For wood and wood products, the law requires that wood is harvested from the forest without inducing forest degradation after Dec. 31, 2020. “Forest degradation,” the

most concerning definition for the forestry sector, is defined as structural changes to forest cover such as the conversion of primary forests or naturally regenerating forests into plantation forests or into other wooded land, and the conversion of primary forests into planted forests.

EVALUATING RISK

While the EUDR requirements and prohibitions take effect Dec. 30, 2024, the EU is currently developing a benchmarking system designed to evaluate the risk posed by countries in terms of their production of commodities and products contributing to deforestation. The benchmarking assessment is based on three criteria:

- deforestation and forest degradation rates;
- rate of expansion of agricultural land for relevant commodities; and
- production trends for both relevant commodities and associated products.

The assessment system will classify countries in one of three categories: high risk, low risk, or standard risk.

In order to sell any of the covered products in the EU, business operators will be required to provide extensive information about the product’s origins, including the precise location(s) and general time of production. Products sourced from standard or high-risk origins must comply with additional risk assessment and mitigation procedures.

CONCERNS FOR THE WOOD SECTOR

Forests and woodlands comprise more than one-third of the U.S. landscape, spanning 823 million acres. Annually, U.S. forests experience growth rates double that of harvested volume. The wood products sector produces more than \$200 billion in products every year and the substantial demand for pulp, paper, packaging, and wood-based products provide compelling reasons for landowners to maintain their land

as forests, rather than converting it to other uses.

But even if the U.S. is categorized as a low-risk country under the EUDR benchmarking, Jennifer Conje, the U.S. Forest Service’s Assistant Director of Policy for International Programs, said the compliance requirements will be costly and challenging to meet, with at least \$8 billion of annual U.S. agricultural exports to the EU affected by the new rule.

For all products covered by the regulation, operators are required to collect and retain specific product-related information, supported by evidence, for a period of five years. The most significant barrier to compliance for the forestry sector is expected to be the traceability requirement. The EUDR mandates exact geo-coordinates for every parcel of land where the wood and/or wood contained in the product was harvested.

COMPLIANCE BARRIERS

Ms. Conje said the geolocation and traceability down to the processed/derived products entering the EU is essentially full chain-of-custody throughout a product’s entire supply chain. Furthermore, she said the reliance predominately on remote sensing through the EU Earth Observatory could bring serious challenges in accuracy depending on the adopted mapping criteria/scale/definitional interpretation, particularly for timber production. Furthermore, two years after implementation, the EU intends to expand the regulation to additional commodities and other ecosystems, including wetlands, savannas, and peatlands.

ESCALATING PRESSURE

While numerous aspects of the EUDR’s intricate details remain uncertain, one aspect is clear: Companies exporting these

(continued on page 5)



Leading Wood Pellet Producer Flounders

The largest producer and exporter of wood pellets in the U.S. is teetering on the edge of closure as it grapples with a series of financial setbacks and management changes.

Enviva, which owns and operates ten plants in the Southern Pine Belt that produce approximately 5 million metric tons of wood pellets annually, recently faced a cascade of challenges that sent shockwaves through the investment community.

Wood pellets have gained global traction as a cleaner alternative to coal, driving exponential demand worldwide. However, despite the rising demand for its product, Enviva has found itself in dire straits. The company's third quarter financial and operating results revealed a staggering net loss of \$85.2 million during the third quarter, a figure significantly higher than initial

expectations. To compound the crisis, Enviva also replaced its CEO with the recently hired chief financial officer, signaling internal unrest.

The company said it had discarded its earlier earnings guidance and brought in restructuring advisors to navigate the turbulent financial waters. These revelations triggered a startling 78 percent drop in Enviva's shares, plummeting to less than \$1. This sharp decline is particularly disconcerting when compared to the stock's value of more than \$80 less than two years ago.

The root cause of Enviva's financial turmoil is not a lack of demand for wood pellets. According to data from the U.S. Department of Agriculture, the country exported 7.88 million metric tons of wood pellets in the first 10 months of 2023, representing a robust

6.8 percent increase compared to the same period in 2022.

The earnings report attributes the company's woes to the unfavorable provisions of long-term supply contracts, which were negotiated when prices favored the company more than they do now. As market conditions shifted, these contracts became a financial burden, contributing significantly to Enviva's precarious situation.

"We are actively addressing the company's cash flow and liquidity challenges as well as working with customers to renegotiate contracts," said the incoming CEO Glen Nunziata.

Enviva's financial difficulties raise concerns for the wood pellet industry and could have negative effects on the markets in areas where the company operates. 🌲

New European Regulation *(continued from page 4)*

commodities and their byproducts to the EU face significant compliance challenges which may result in limited access of U.S. forest products to the European market.

This new law is receiving more attention in the U.S. and the forestry sector has been vocal in expressing concerns to policy makers about how the EUDR creates significant trade barriers. Members of Congress have weighed in on the matter as well, sending letters to U.S. Trade Representative Katherine Tai urging active government-to-government engagement to ensure that the U.S. forestry sector—a world leader in sustainably managed forests—will not be harmed by EU regulations.

Following are three issues of particular concern impacting the forestry sector.

• **Country risk benchmarking**

The U.S. should be identified as a "low-risk" country given its robust laws, regulations, and extensive third-party certification of sustainable forest management practices to lessen the burden that American companies face in complying with the law.

• **Forest degradation definition**

The current EUDR definition is vague, subject to wide interpretation, and was developed without international stakeholder input. The current definition could prohibit forest restoration or best management practices (BMP) that improve forest landscapes.

• **Geolocation & traceability**

The geolocation requirements create new and likely impossible reporting burdens. This is not because of illegal deforestation but rather

because 42 percent of the wood fiber used in the U.S. pulp and paper mills comes from wood chips, forest residuals, and sawmill manufacturing residues. These wood sources lose their identity during the complex fiber blending that occurs before and after delivery to the mill, making it impossible to trace them back to an individual forest plot.

OPPOSITION IN THE EU

Meanwhile, some members of the EU are also starting to push back against the new regulation. The Forest Resources Association recently reported that the Portuguese Association of Wood and Furniture Industries has informed the EU that Portugal would not be able to comply with the EUDR in its current form. Additional opposition is expected from other European forestry organizations. 🌲



Timberland Real Estate Markets Thriving Despite Economic & Global Uncertainty

By Jody Strickland, Chief Business Officer & Qualifying Broker



The real estate market in the rural land and timberland sectors has remained strong despite fluctuations in the economy,

increased interest rates, and global instability. In fact, some of this uncertainty is most likely the driver of the remarkable resilience exhibited in the market in recent times. As we enter 2024, we can take stock in the current market and explore trends that may affect the market in the coming months.

One of the most notable trends in the current market is the sustained strong prices. Timberland, recreational, and rural areas have seen significant valuation increases over the past five years. However, prices seem to be stabilizing, at the higher levels, as interest rates rise.

Interestingly, higher interest rates, which typically influence the real estate market, have not significantly impacted demand for timberland investment properties. Most buyers in this segment tend to acquire properties with cash, thus insulating themselves from interest rate fluctuations. The surge in value has deterred some, but certainly not all buyers, particularly those interested in timberland investment properties. The resilience of timberland during economic uncertainty and an increased interest in sustainability and “all things green” have kept the demand for such investments robust.

Conversely, demand for recreational timberland and rural estates has experienced a slight softening compared to last year. Nevertheless, there is a scarcity of quality properties for homesites and recreation on the market in



all of our operating regions. This scarcity, combined with the fact that many of these buyers are still buying with cash, means good properties continue to sell well and are snapped up quickly.

As with any market experiencing long-term growth like we have seen recently, there is the potential for a pause in the escalating values, or even a period of slow demand that may cause a drop in value. But indications suggest that the rural land market has enduring strength and sustainability. So, despite the possibility of a temporary plateau in value appreciation, the market's resilience and continued demand suggest a robust future.



The pandemic heightened interest in rural land from recreational and estate buyers, and the interest in sustainability and green investments has attracted a new class of buyers to timberland from institutional investors and renewed interest in timberland investing from traditional buyers. As our veteran agent, George Peake, notes, “Timberland markets seem to have staying power.”

For those navigating this evolving market, a thoughtful approach that considers the ongoing trends and opportunities in the recreational land and timberland sectors is essential. Looking ahead, these properties continue to represent a sound investment choice and a unique lifestyle opportunity.

For more insights and expert guidance on navigating the timberland real estate market, reach out to our team at F&W Forestry Services, Inc. (aka Fountains Land). Whether you are selling or buying, we are here to help you make informed decisions in this dynamic landscape. 🌲



Congress Extends Farm Bill, Averts Year-End Crisis For Ag Programs

In a move to prevent a looming year-end cliff for farm and food aid programs, Congress extended the current 2018 Farm Bill for an additional year. The extension, proposed by new House Speaker Mike Johnson (R-La.), was included in the stopgap funding measure approved by the House and Senate in November to avoid a government shutdown.

The deal gives lawmakers more time to develop and finalize a new five-year Farm Bill without a gap in funding for farmers, forest landowners, ranchers and other agriculture producers.

Leaders of the House and Senate Agriculture committees played a pivotal role in brokering the deal, which ensures the extension of the

Farm Bill until Sept. 30, 2024.

“As negotiations on funding the government progress, we were able to come together to avoid a lapse in funding for critical agricultural programs and provide certainty to producers. This extension is in no way a substitute for passing a five-year Farm Bill, and we remain committed to working together to get it done next year,” the four committee leaders said in a joint statement.

However, the move faced resistance from House GOP hardliners who were opposed to attaching a one-year Farm Bill extension to any House GOP government funding plan. Despite this opposition, the bill had bipartisan support and easily passed the House and Senate.

The 2018 Farm Bill, which expired on Sept. 30, serves as a cornerstone of U.S. agricultural policies, setting the course for the next five years. The conservation and forestry programs outlined in the Farm Bill stand as the largest single source of federal funding available to private landowners. These programs provide technical and cost-share assistance for a diverse array of forestry and conservation practices, emphasizing the critical role of sustainable forest management.

Traditionally a bipartisan bill, the Farm Bill has faced challenges in recent times due to differing perspectives on key provisions, including commodity support programs, food assistance, and climate-related agriculture initiatives. 🌱

Rural Forest Markets Act Proposes Economic Boost For Small Forest Landowners

A new bipartisan legislative initiative, the Rural Forest Markets Act, has been introduced by U.S. Senators Bob Casey (D-Pa.), Mike Braun (R-Ind.), and Debbie Stabenow (R-Mich.). The proposed legislation aims to empower small-scale, family forest owners by facilitating access to new economic opportunities through the adoption of climate solutions via sustainable forest management practices.

The centerpiece of the bill is the establishment of the Rural Forest Market Investment Program, designed to offer guaranteed loans of up to \$150 million for nonprofits and companies to help small and family forest owners create and sell forest credits for storing carbon or providing

other environmental benefits.

“This legislation represents a significant step forward in addressing environmental challenges while fostering economic growth in our rural areas,” remarked Sen. Casey. “By encouraging sustainable practices and providing financial support, we can empower small forest owners to be stewards of our environment and contributors to their local economies.”

The bill’s multifaceted approach aims to create new revenue streams for small-scale, family forest owners by enabling them to generate innovative credits that they can sell in established environmental marketplaces, creating a sustainable financial model for forest owners

while benefiting the environment.

Furthermore, the Rural Forest Markets Act mitigates financial risks for private investors, reducing barriers to entry for those willing to contribute upfront financing. This, in turn, is expected to attract more investment into rural communities, fostering economic development and job creation.

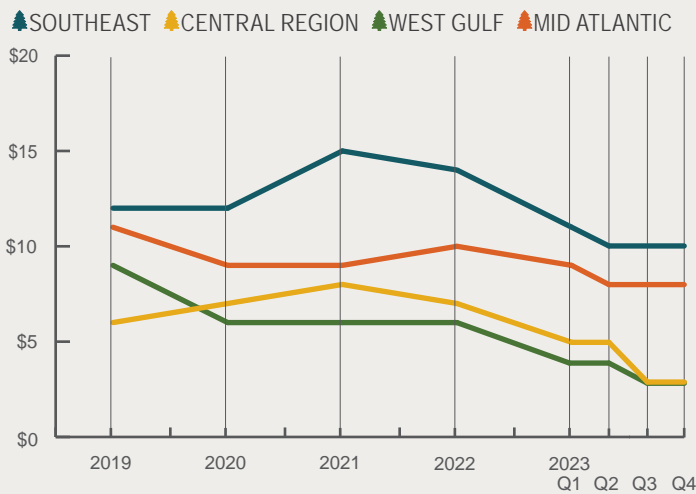
The initiative could support innovative programs such as the American Forest Foundation’s Family Forest Carbon Program, which helps small forest owners develop climate solutions and address other environmental challenges by adopting sustainable land management practices. 🌱



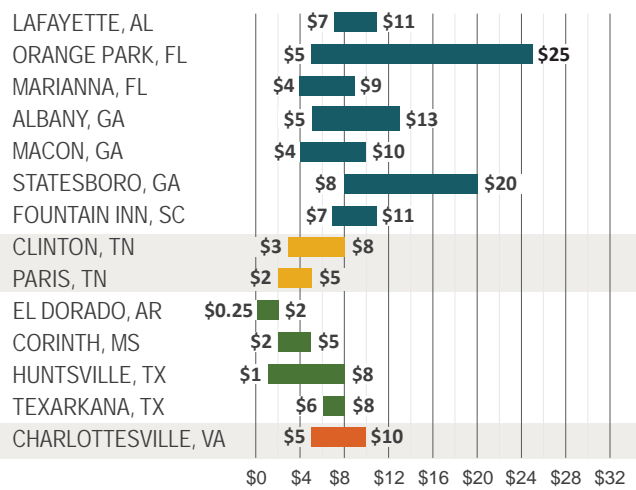
SOUTHERN TIMBER PRICES

PINE PULPWOOD (\$/TON)

Timber Stumpage Price Averages By Region

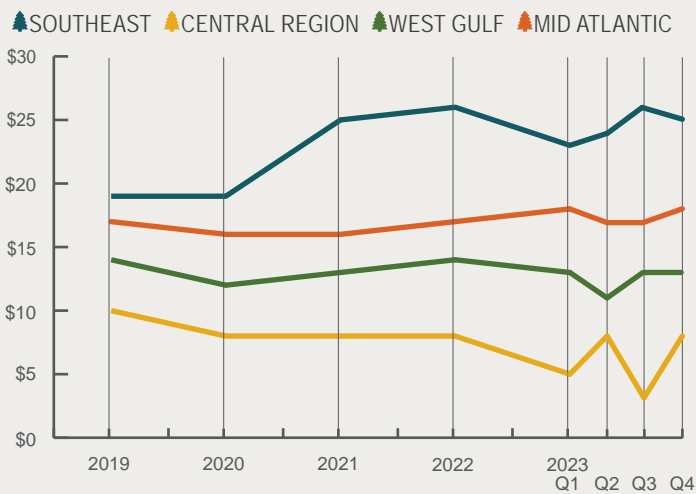


2023 Fourth Quarter Price Range

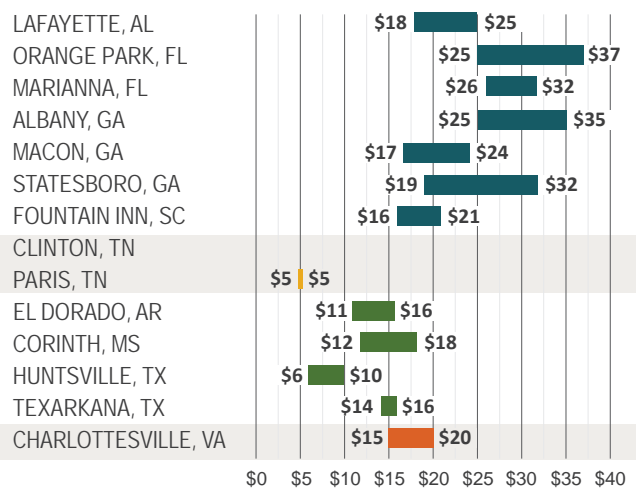


PINE SMALL SAWTIMBER (\$/TON)

Timber Stumpage Price Averages By Region

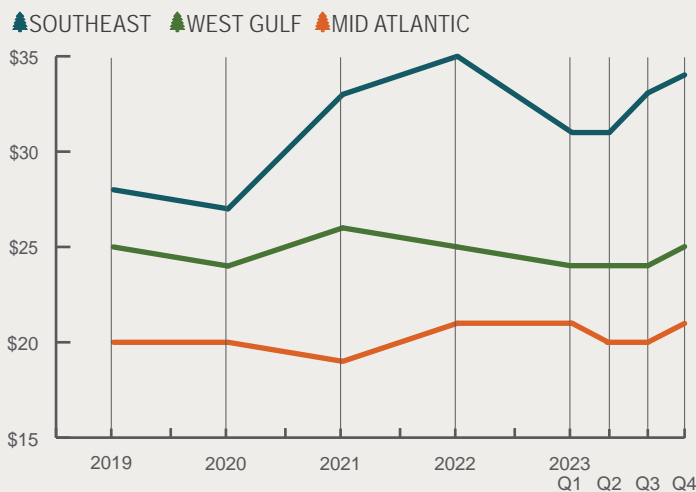


2023 Fourth Quarter Price Range

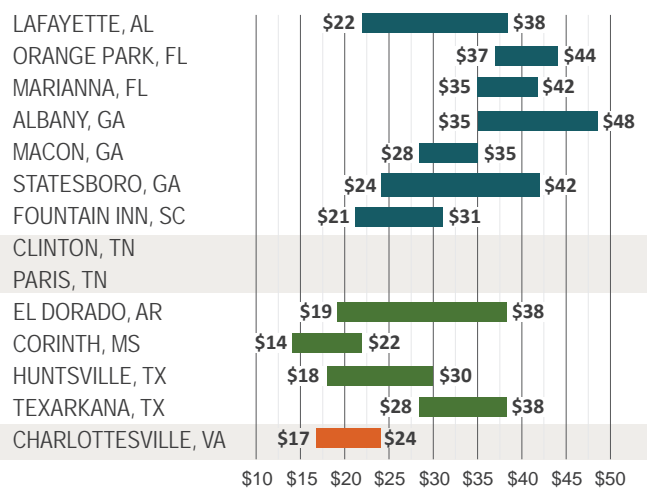


PINE LARGE SAWTIMBER (\$/TON)

Timber Stumpage Price Averages By Region



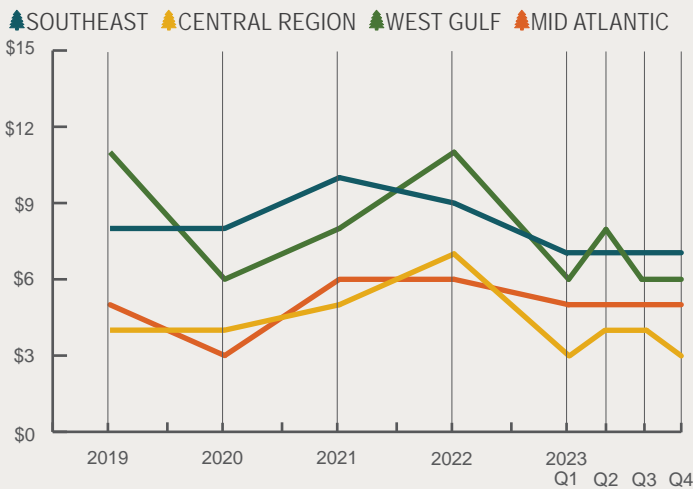
2023 Fourth Quarter Price Range



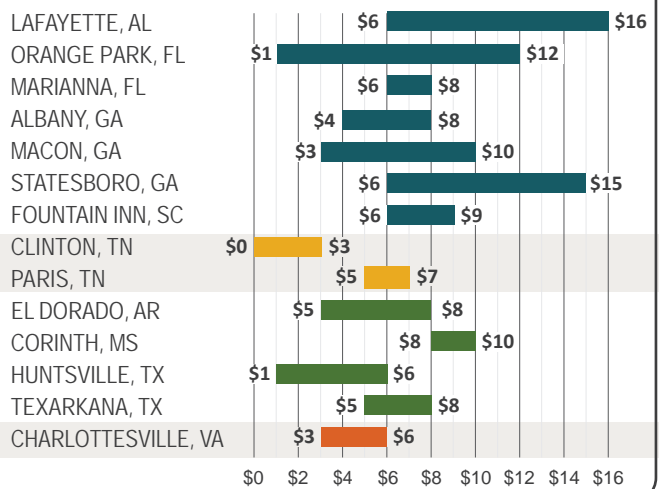
SOUTHERN TIMBER PRICES *(continued)*

HARDWOOD PULPWOOD (\$/TON)

Timber Stumpage Price Averages By Region

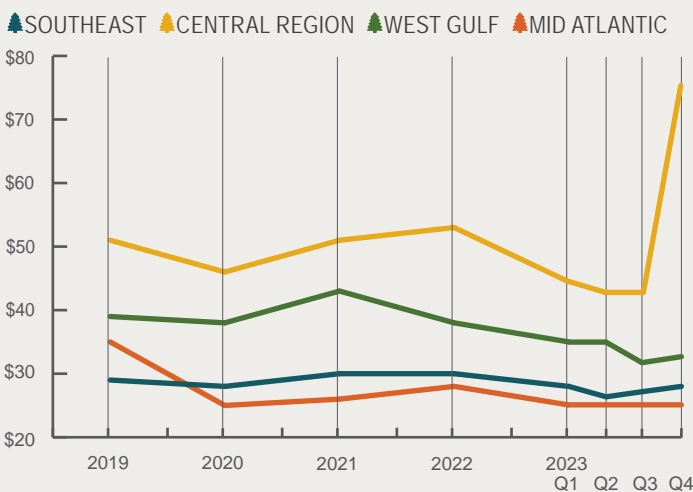


2023 Fourth Quarter Price Range

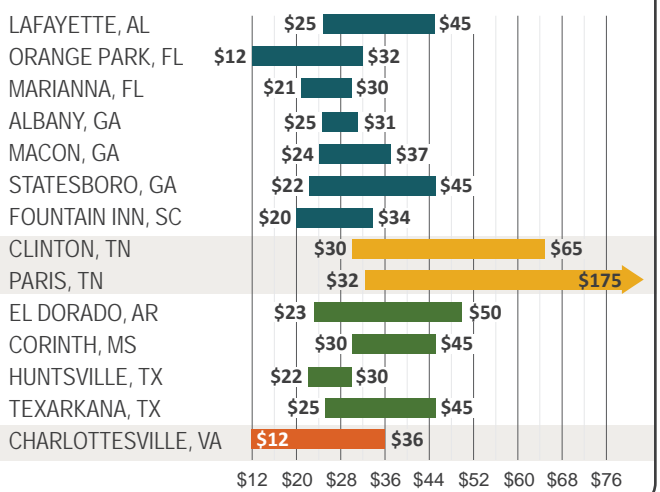


HARDWOOD SAWTIMBER (\$/TON)

Timber Stumpage Price Averages By Region



2023 Fourth Quarter Price Range



All prices based on sales handled by or reported to F&W offices. If no sales occurred, prior quarter's sales and other data are used to compile price range. Price ranges are due to proximity to mills, timber quality, logging conditions, type of harvest, and other local market conditions (i.e. weather, mill downtime, fuel cost, etc.).

Weyerhaeuser Carbon Program Receives Green Light

Weyerhaeuser Company has received approval of its Improved Forest Management (IFM) carbon credit program in Maine. This is the first issuance of credits for the company through the voluntary carbon market.

The Kibby Skinner IFM Project encompasses approximately 50,000 acres of forest land. To ensure the credibility and transparency of the

initiative, the project underwent verification by a third-party auditor. This process confirms that the carbon sequestration and sustainable management practices meet the standards set by the American Carbon Registry.

The project has an estimated initial credit issuance of nearly 32,000 mtCO₂e, with one credit equal to one metric ton of carbon dioxide

equivalent. Over the lifetime of the project, it is expected to generate 475,000 credits, contributing substantially to carbon offset efforts.

The company is currently in the early stages of developing additional IFM projects on select areas within its vast land base. Notably, two projects in the South are slated for completion in late 2023 or early 2024. 🌱

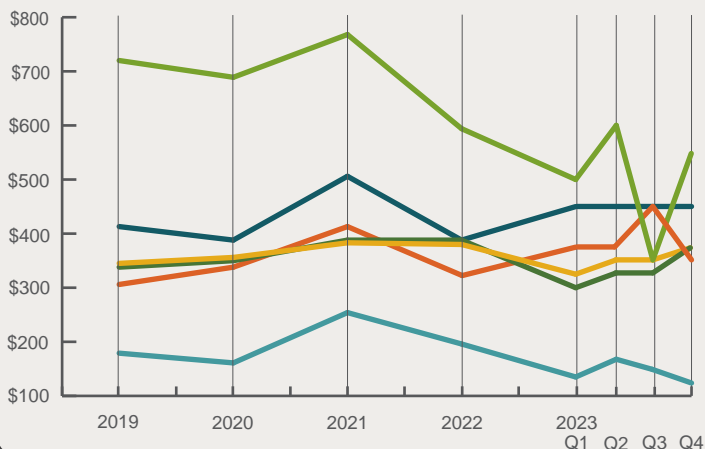


NORTHERN TIMBER PRICES

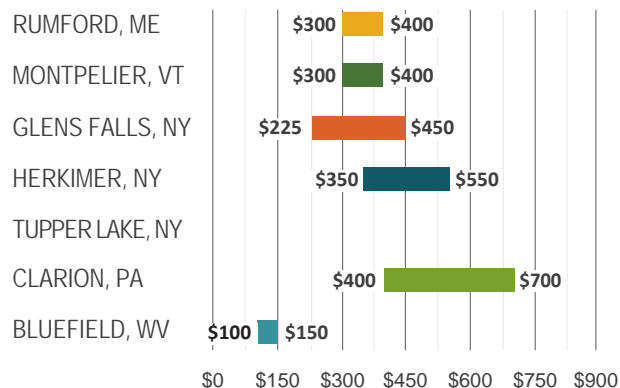
RED OAK (MBF)

Timber Stumpage Price Averages By Region

▲ RUMFORD, ME ▲ MONTPELIER, VT ▲ GLENS FALLS, NY
▲ HERKIMER, NY ▲ CLARION, PA ▲ BLUEFIELD, WV



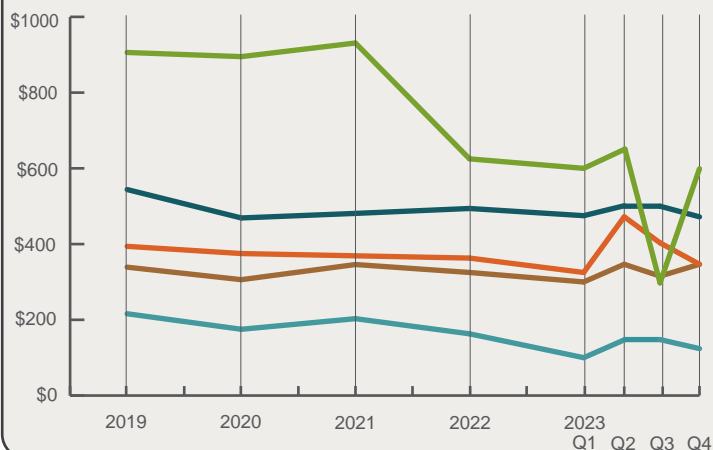
2023 Fourth Quarter Price Range



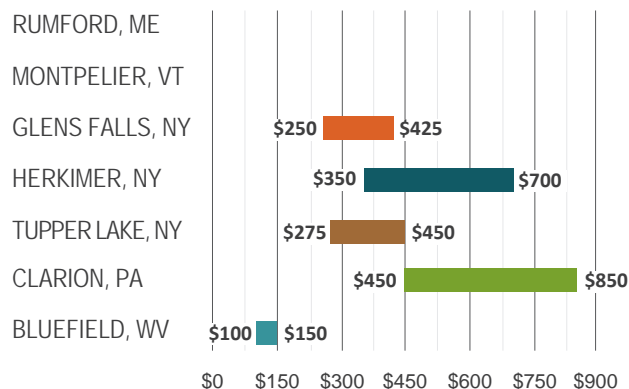
BLACK CHERRY (MBF)

Timber Stumpage Price Averages By Region

▲ GLENS FALLS, NY ▲ HERKIMER, NY ▲ TUPPER LAKE, NY
▲ CLARION, PA ▲ BLUEFIELD, WV



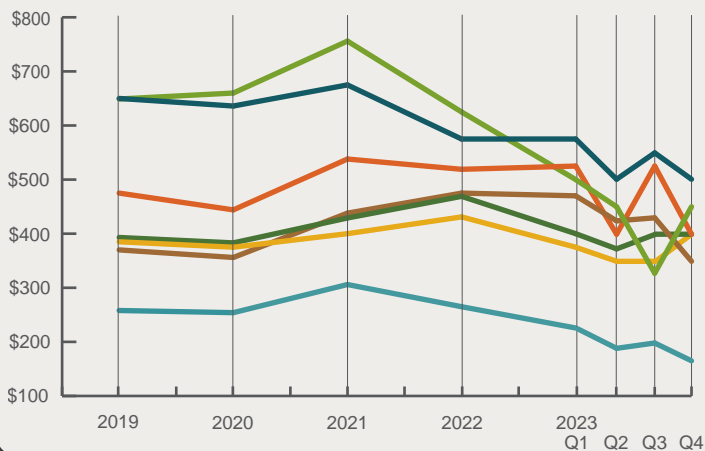
2023 Fourth Quarter Price Range



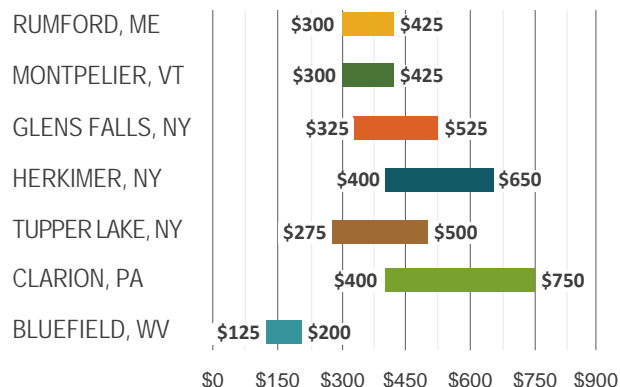
HARD MAPLE (MBF)

Timber Stumpage Price Averages By Region

▲ RUMFORD, ME ▲ MONTPELIER, VT ▲ GLENS FALLS, NY
▲ HERKIMER, NY ▲ TUPPER LAKE, NY ▲ CLARION, PA ▲ BLUEFIELD, WV



2023 Fourth Quarter Price Range

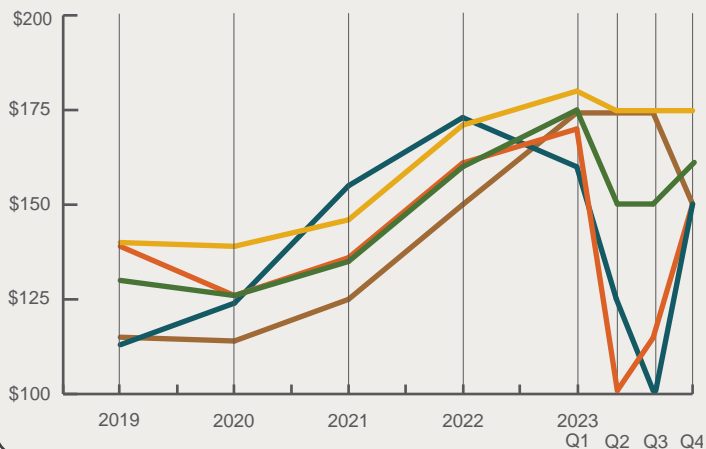


NORTHERN TIMBER PRICES *(continued)*

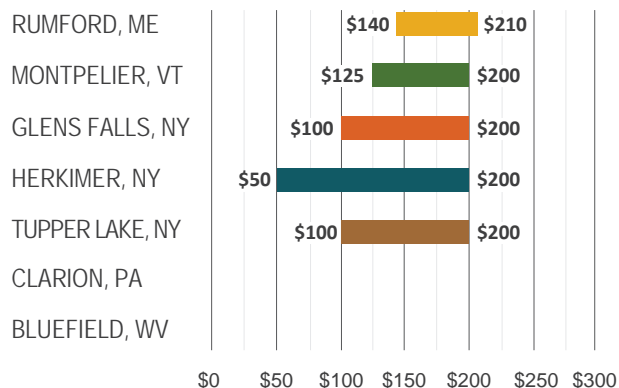
SOFTWOOD SAWTIMBER (MBF)

Timber Stumpage Price Averages By Region

▲ RUMFORD, ME ▲ MONTPELIER, VT ▲ GLENS FALLS, NY
▲ HERKIMER, NY ▲ TUPPER LAKE, NY



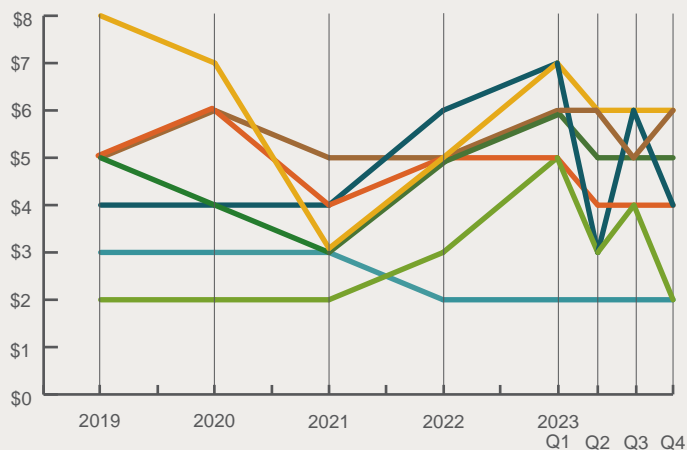
2023 Fourth Quarter Price Range



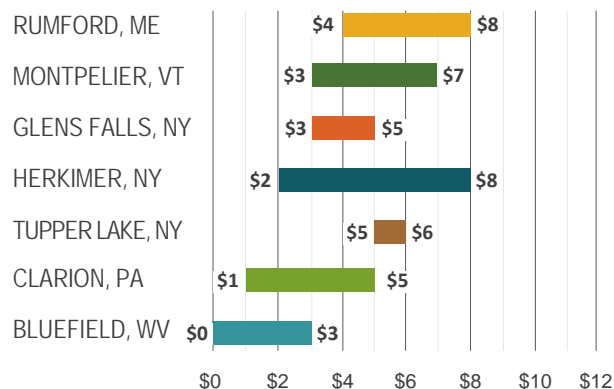
HARDWOOD PULPWOOD (MBF)

Timber Stumpage Price Averages By Region

▲ RUMFORD, ME ▲ MONTPELIER, VT ▲ GLENS FALLS, NY
▲ HERKIMER, NY ▲ TUPPER LAKE, NY ▲ CLARION, PA ▲ BLUEFIELD, WV



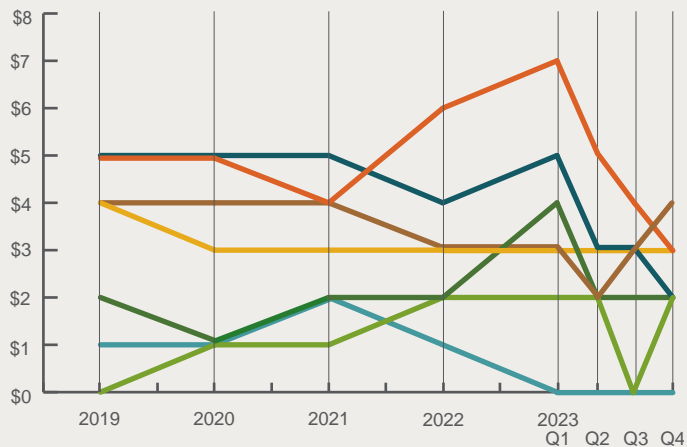
2023 Fourth Quarter Price Range



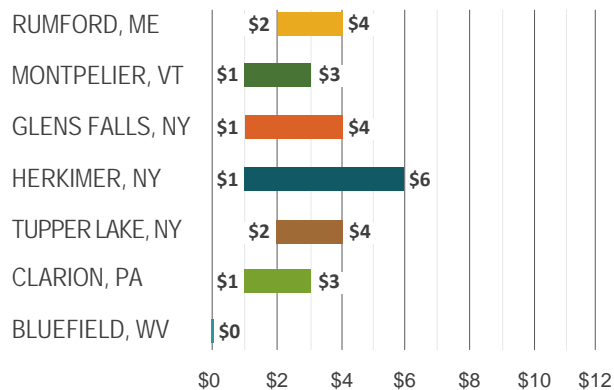
SOFTWOOD PULPWOOD (MBF)

Timber Stumpage Price Averages By Region

▲ RUMFORD, ME ▲ MONTPELIER, VT ▲ GLENS FALLS, NY
▲ HERKIMER, NY ▲ TUPPER LAKE, NY ▲ CLARION, PA ▲ BLUEFIELD, WV



2023 Fourth Quarter Price Range

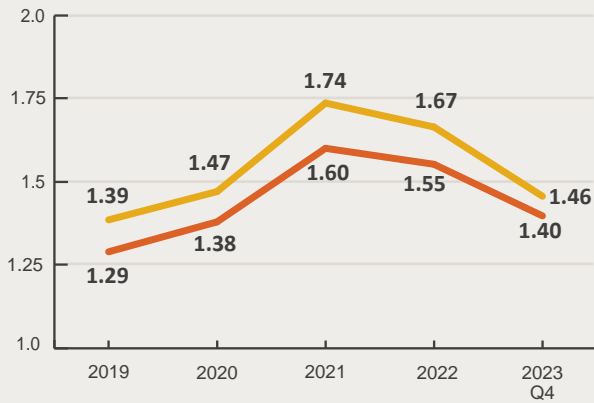


All prices based on sales handled by or reported to F&W offices. If no sales occurred, prior quarter's sales and other data are used to compile price range. Price ranges are due to proximity to mills, timber quality, logging conditions, type of harvest, and other local market conditions (i.e. weather, mill downtime, fuel cost, etc.).



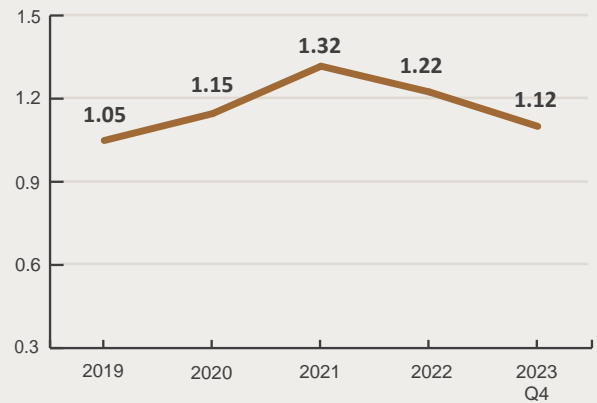
TIMBER MARKET INDICATORS

HOUSING PERMITS HOUSING STARTS



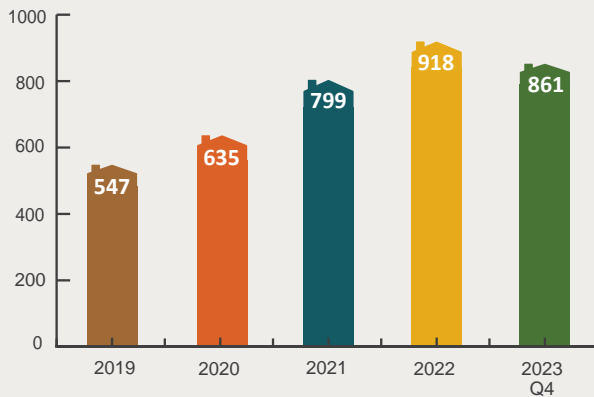
IN MILLIONS OF UNITS (2023 AVERAGE THROUGH NOVEMBER)
Source: US Department of Commerce

F&W'S LUMBER-USE ADJUSTED HOUSING STARTS



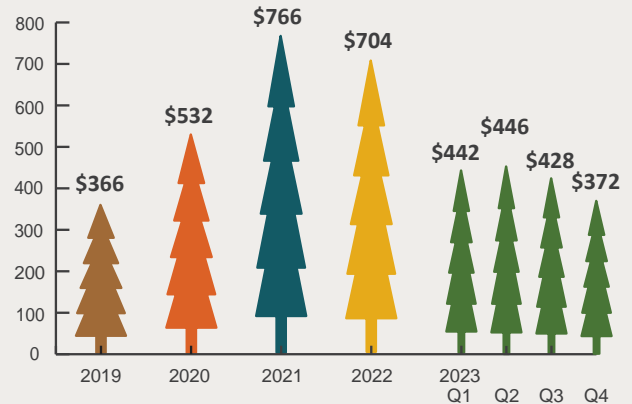
IN MILLIONS OF UNITS; TOTAL HOUSING STARTS WITH MULTI-FAMILY STARTS REDUCED TO 40 PERCENT TO BETTER REFLECT LUMBER USAGE (2023 AVERAGE THROUGH NOVEMBER)
Source: US Census and F&W Forestry Services

RESIDENTIAL CONSTRUCTION



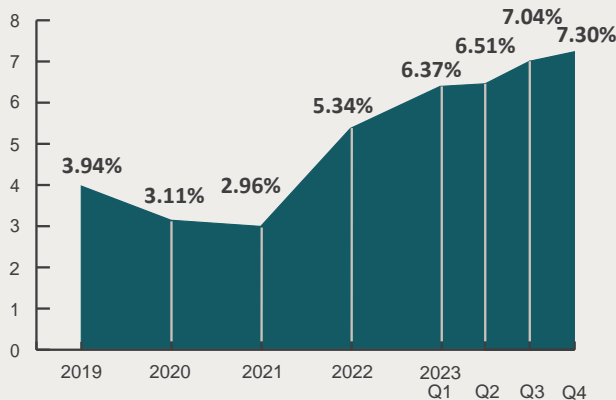
IN BILLIONS OF DOLLARS (2023 AVERAGE THROUGH NOVEMBER)
Source: US Department of Commerce

LUMBER PRICES



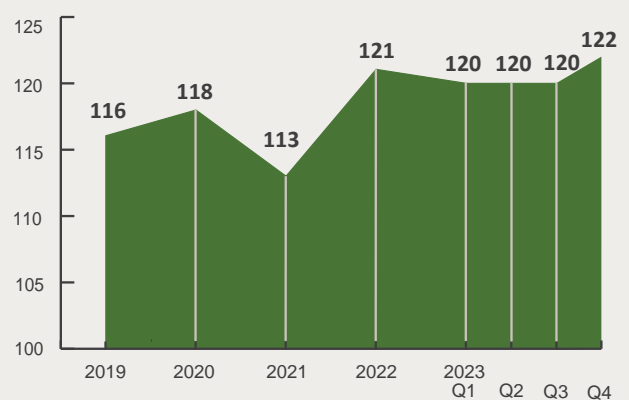
SOUTHERN PINE-\$/MBF
Source: Random Lengths Southern Pine Composite Index

MORTGAGE RATES



30-YEAR FIXED RATE
Source: Freddie Mac

US DOLLAR



US DOLLAR VALUE AGAINST 26 MAJOR TRADING PARTNERS
Source: Federal Reserve





F&W
Forestry

YOUR FOREST
Our Passion

F&W Forestry Services proudly serves a broad client base with comprehensive forest management solutions. Our team takes the time to get to know you, your land, and your goals to create a personalized plan for success.

OUR MISSION

F&W's mission is to help clients maximize the value and enjoyment of their land and forest resources according to their individual objectives, needs, and desires – whether economic, aesthetic, environmental, or recreational.

OUR SERVICES

- 🌲 Timber Sales
- 🌲 Property Management
- 🌲 Field Support Services
- 🌲 Forest Inventory & Mapping
- 🌲 Forestland Accounting
- 🌲 Technical & Analytical
- 🌲 Real Estate
- 🌲 Natural Capital

