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South leads U.S. timber industry

by Blake Giles Mar 18, 2015

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Photo by Blake Giles

Forestry consultant Brooks Mendell of Watkinsville said that the South holds all of the cards in comparison with other regions in terms of timber production.

The Great Northwest has the reputation, the history and the swagger, when it comes to timber. But the Southeast is the place to be.

That was the message last week from Brooks Mendell, president of Forisk Consulting, which tracks the forestry industry.

Mendell was one of the speakers last week at a dinner at Thomas Cotton Gin, hosted jointly by AgSouth Credit and Southeastern Land Sales. After Mendell updated those in attendance on the prospect for the forestry industry, John McKissick held forth on cattle.

Mendell says that the South is blessed with multiple complimentary assets that put it in a favorable position regarding timber.

“Everything is about growing and harvesting trees,” he said. “Almost nothing else matters. We generate pulp wood because we try to grow saw timber.”

Domestically, the Southeast and the Northwest are the major players in the timber market in the United States. The Northeast and the Great Lakes produce some timber, but they lack the natural resources to compete with the other areas.



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Mendell said that the South has a decided advantage because the bulk of its timber is privately owned. The South has more than 200,000 acres of timberland, and 90 percent of it is privately held. By contrast, the Pacific Northwest has less than 50,000 acres of timberland, and most of that is public land. Cutting timber in public land inevitably involves bureaucracy.

Another asset for the South is the cost of delivering the product to the sawmill. Southern timber reaches the mill at less than half the cost of Pacific Northwest timber, when contrasting pine with hemlock and Douglas fir.

“Everything is baked into those numbers,” Mendell said. “The logging and the hauling. In the South it is cheaper. If you want to build a mill, you go where you have a lot of wood and where you can do business, where it is cheaper.”

The third big asset is that the mills are closer to end users in the Southeast.

“Two thirds of all softwood lumber goes into housing starts or remodeling,” said Mendell. “Over half of the new starts are in the South. So half of the new homes are where the wood is and where it is cheaper to do business.”

The trends favor the South too, because costs continue to escalate in the Northwest, he said.

Canada remains a major player in the timber industry, but what Canadian producers have done is purchase mills in the South. Canada capitalized on the construction collapse in 2008 when the price of mills dropped to get into the southern market at relatively depressed prices.

Mendell said that the South is in no danger of eating up its forests with parking lots, so to speak.

“We added forests over the five years,” he said. “We planted a lot of trees, and we had a lot to begin with.” Mendell, whose company has been a Bulldog Top 100 company for four straight years, said that China is planting more trees than anyone.

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