Timber Market Outlook in Louisiana

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Outlook

- **Overview**
  - Louisiana's Timber Industry Performance
  - Southern Timber Market & Trends
- **Market indicators**
  - National indicators
  - Local indicators
- **Timber Market Outlook for 2026**
- **Key Takeaways**

LA Timber price

- Pine Sawtimber: $25.67/ton. Flat (-0.2%) vs. 2024, but up +4.8% vs. 2020. Resilient.
- Pine Pulpwood: $4.92/ton. Down -14.5% vs. 2024; down -31.4% vs. 2020. Depressed.
- Hardwood: Mixed Hardwood Sawtimber up +12.7% (a bright spot).

Louisiana Stumpage Prices

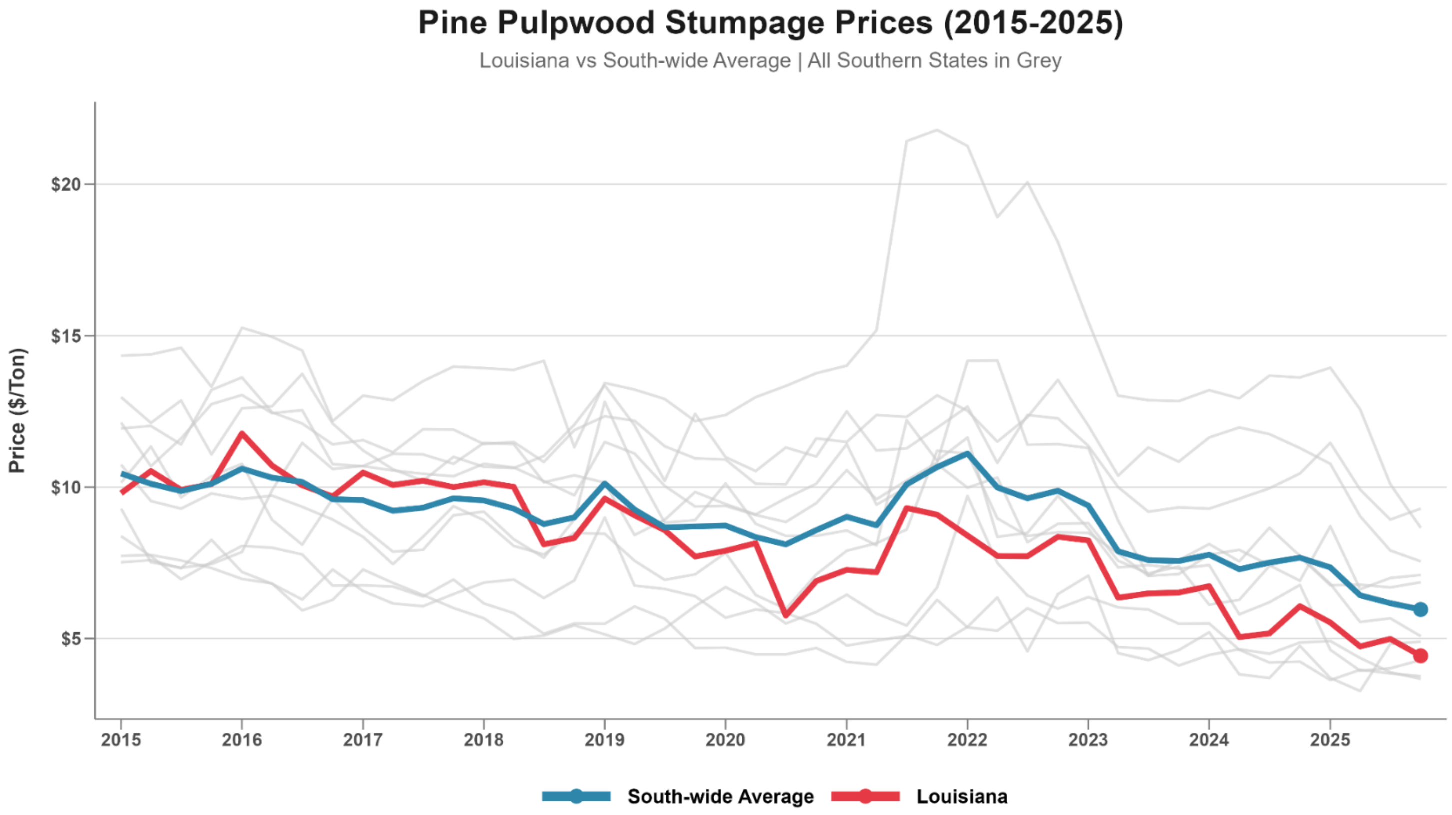
Annual Average Price Comparison | 2025 vs 2024 & 2020

		1-YEAR COMPARISON			5-YEAR COMPARISON		
Product Type	2025	2024	$ Change	% Change	2020	$ Change	% Change
Pine Sawtimber	$25.67	$25.73	-$0.06	-0.2%	$24.49	+$1.18	+4.8%
Oak Sawtimber	$43.15	$44.27	-$1.12	-2.5%	$41.99	+$1.16	+2.8%
Mixed Hardwood Sawtimber	$38.89	$34.52	+$4.37	+12.7%	$33.74	+$5.15	+15.3%
Pine Chip-n-Saw	$17.80	$17.49	+$0.31	+1.8%	$17.28	+$0.52	+3.0%
Pine Pulpwood	$4.92	$5.75	-$0.83	-14.5%	$7.18	-$2.25	-31.4%
Hardwood Pulpwood	$7.00	$7.46	-$0.45	-6.1%	$8.46	-$1.46	-17.2%

Source: Timbermart-South | Unit: $/Ton

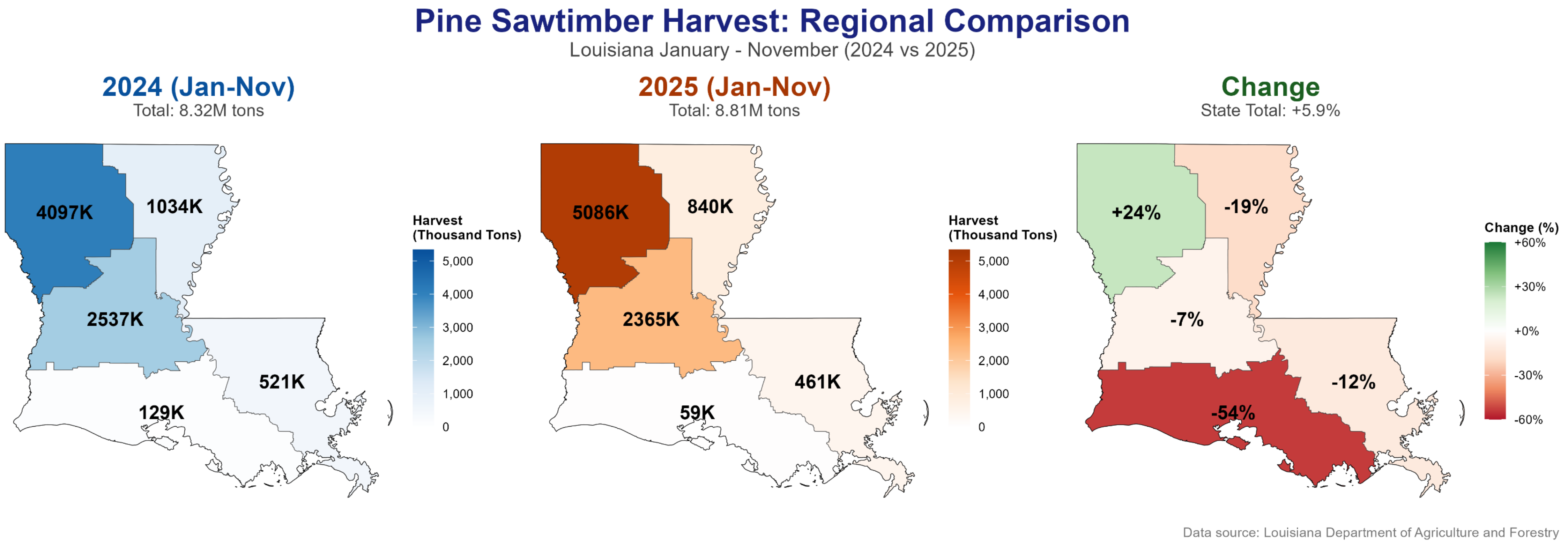
LA Timber price

- Historical Context: Prices fell from ~$8-$10/ton in 2022 to under $5/ton today.
- The Trend: Lowest pricing in over 20 years.
- Structural change: The market will not bounce back to previous highs.



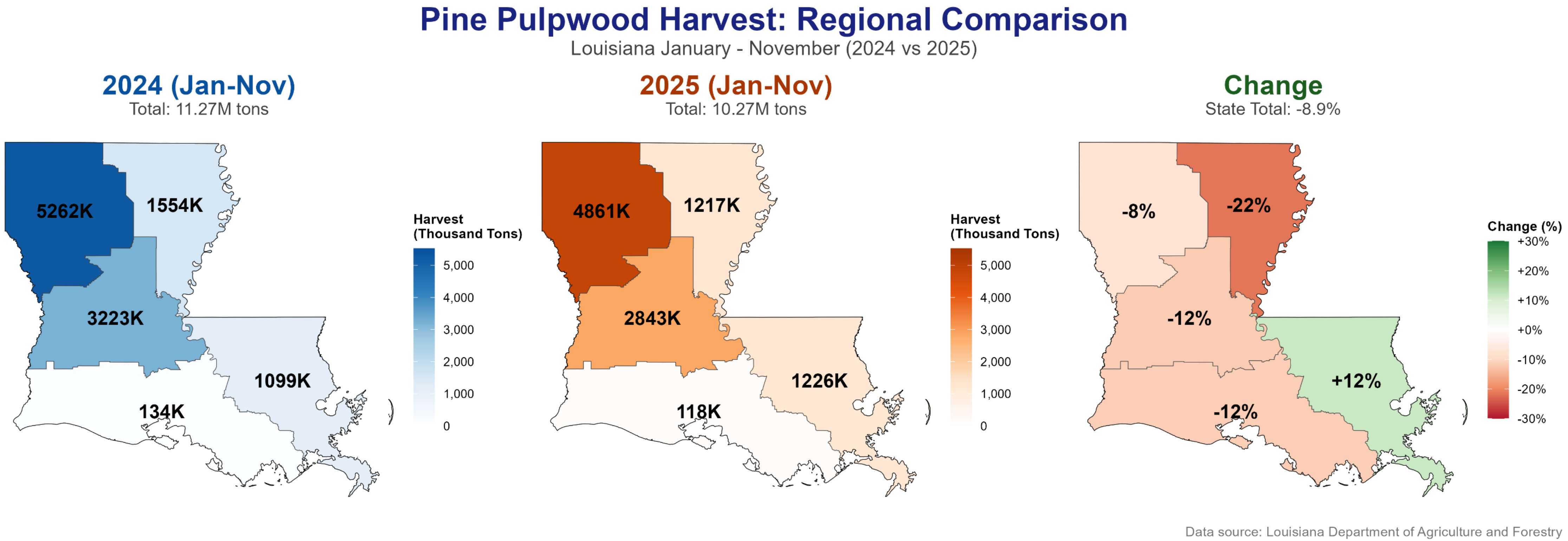
LA Timber Harvest (Pine Sawtimber)

- Status: Strong.
- Drivers: Competing mills (Canfor, RoyOMartin, Boise Cascade).
- Harvest: +5.9% increase in volume.



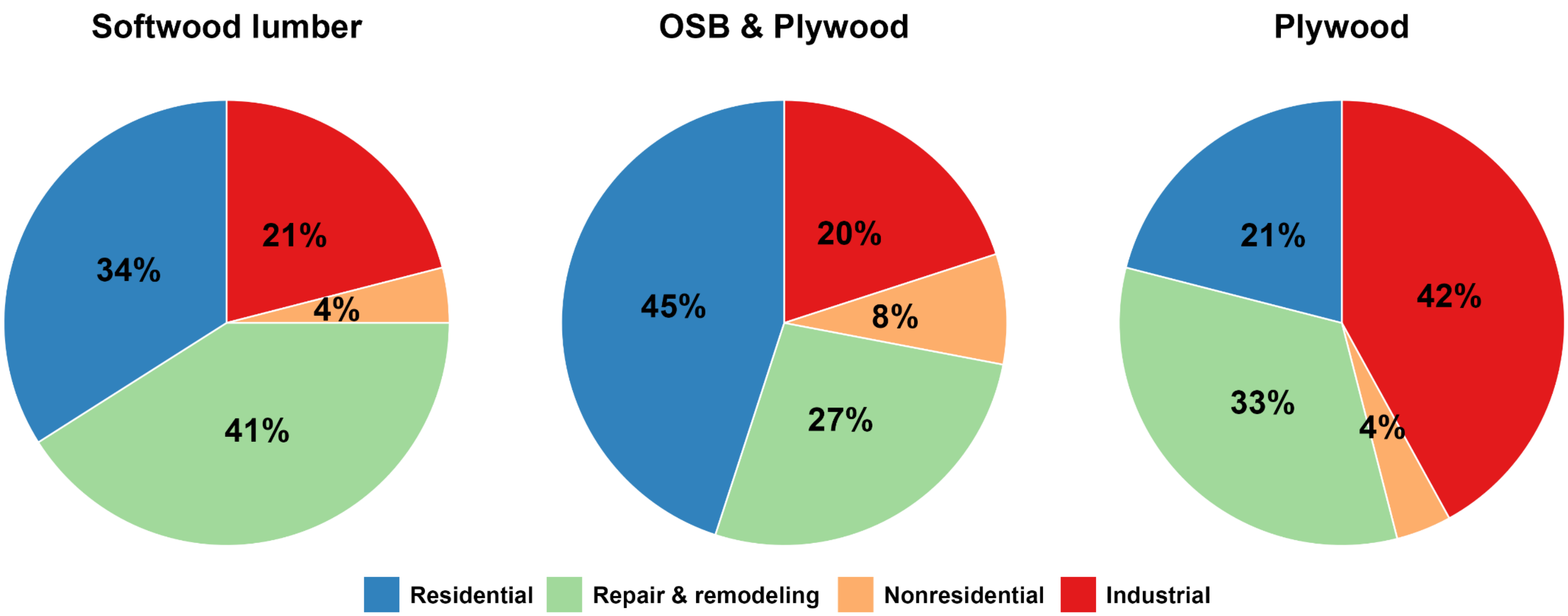
LA Timber Harvest (Pine pulpwood)

- Status: Depressed.
- Drivers: Loss of Campti mill (primary buyer).
- Harvest: Dramatic decline; loggers, driving 100+ miles, eroding profits.



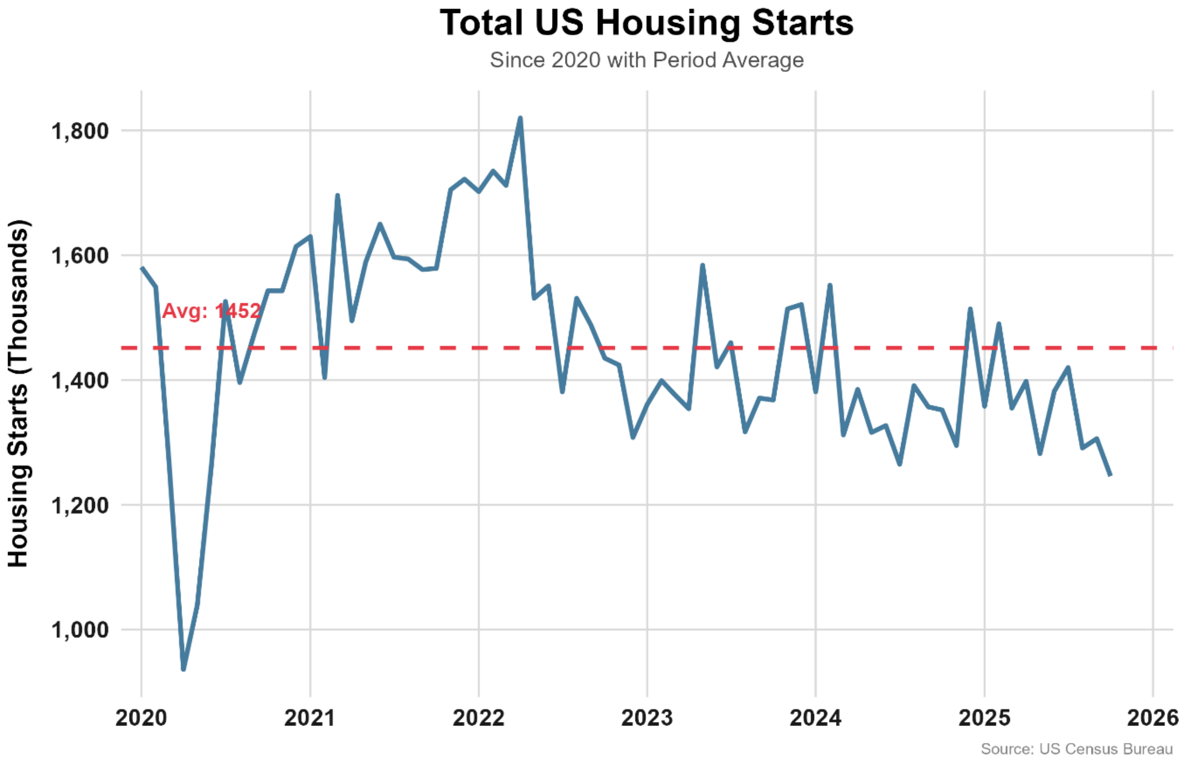
Indicators: Housing

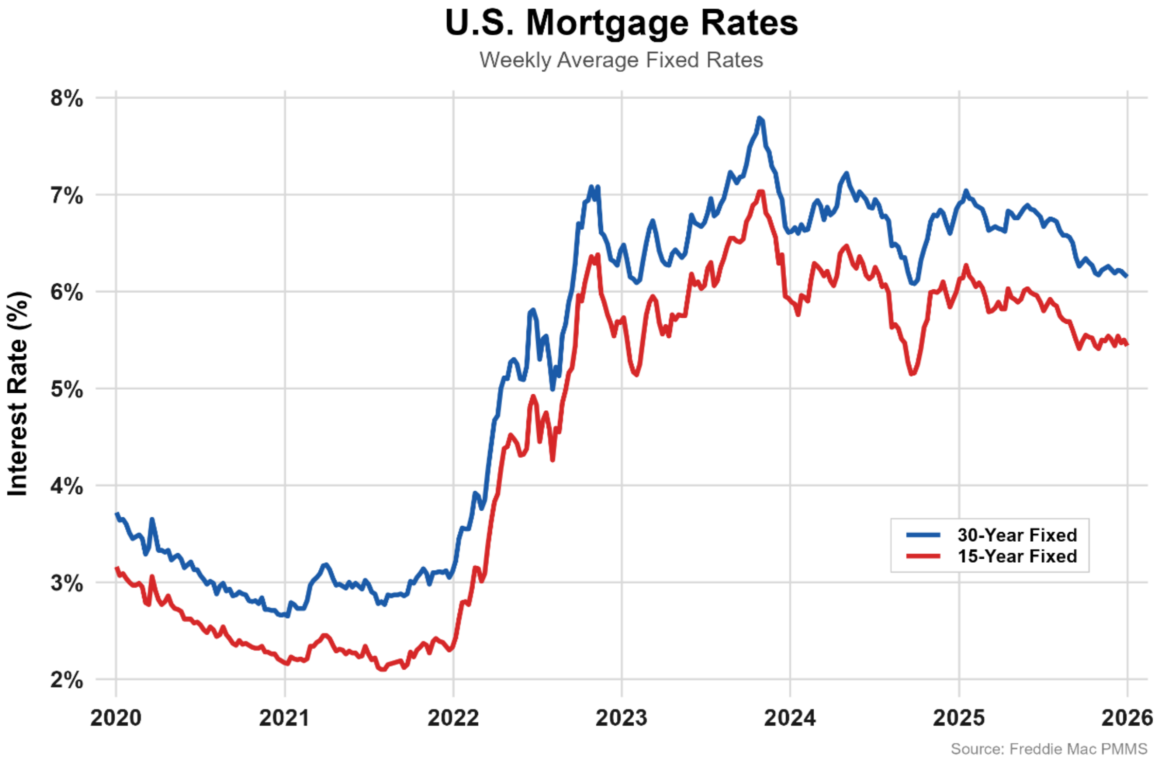
- The Connection: 75% of all softwood lumber goes into home construction.
- Rule of Thumb: More homes built = Sawmills run harder = Higher log demand.



Indicators: Housing

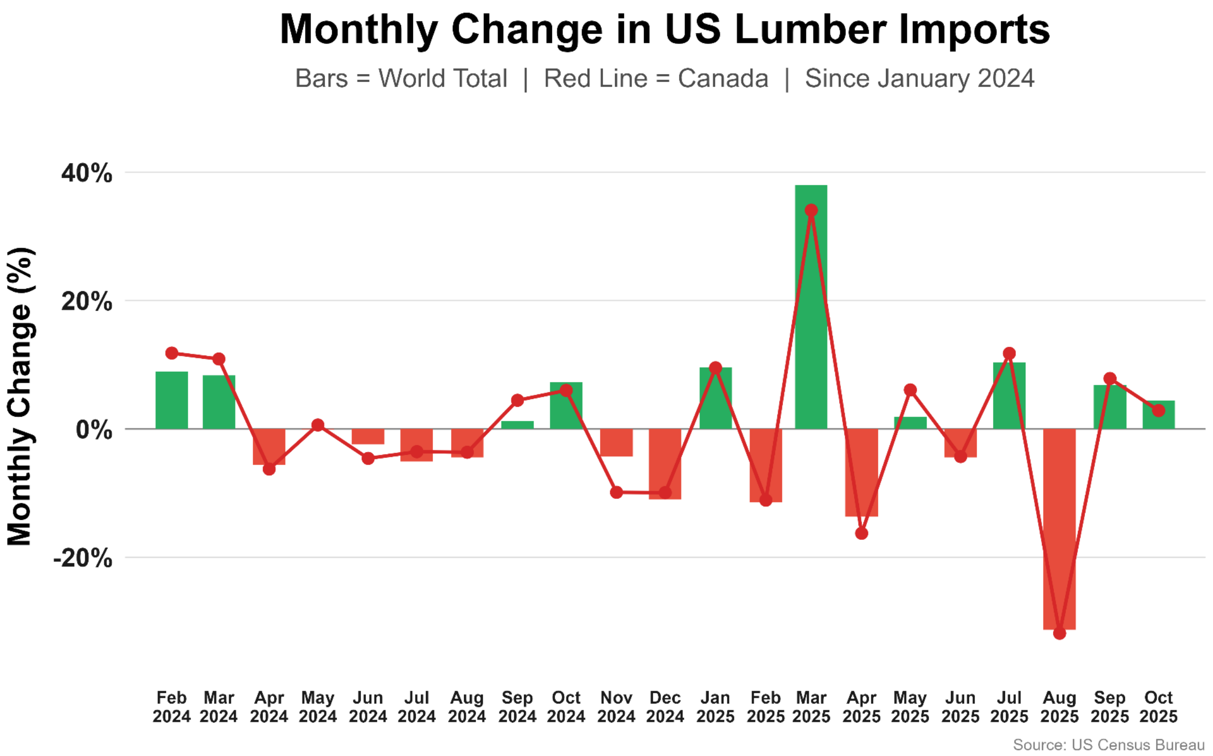
- Housing Starts: Weak at 1.35-1.38 million units (Need 1.5M for population growth).
- Mortgage Rates: Averaged 6.4%-6.6%.
- Impact: High rates priced out buyers; 1% rate increase adds $200-$300/month to payments
- The Average 30-Year Fixed-Rate Mortgage Hits Lowest Level in Over Three Years

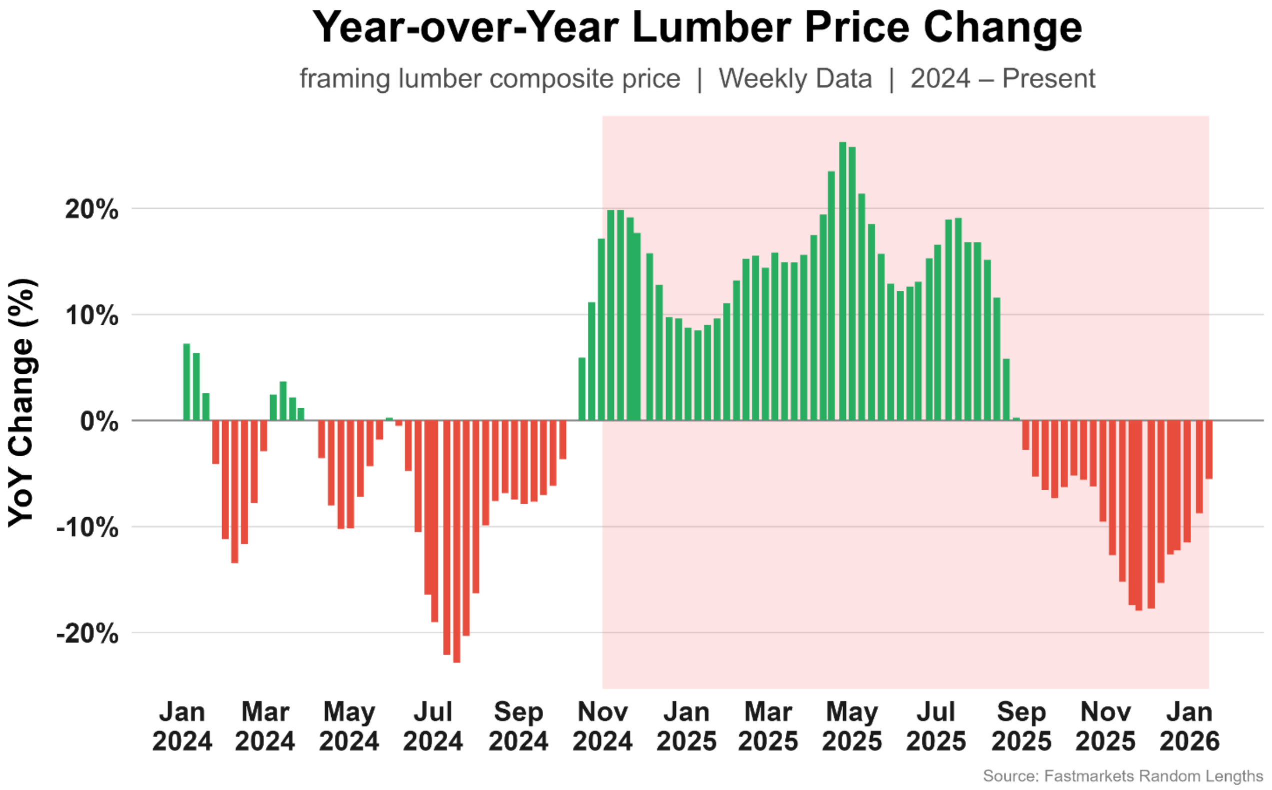




Indicators: Trade

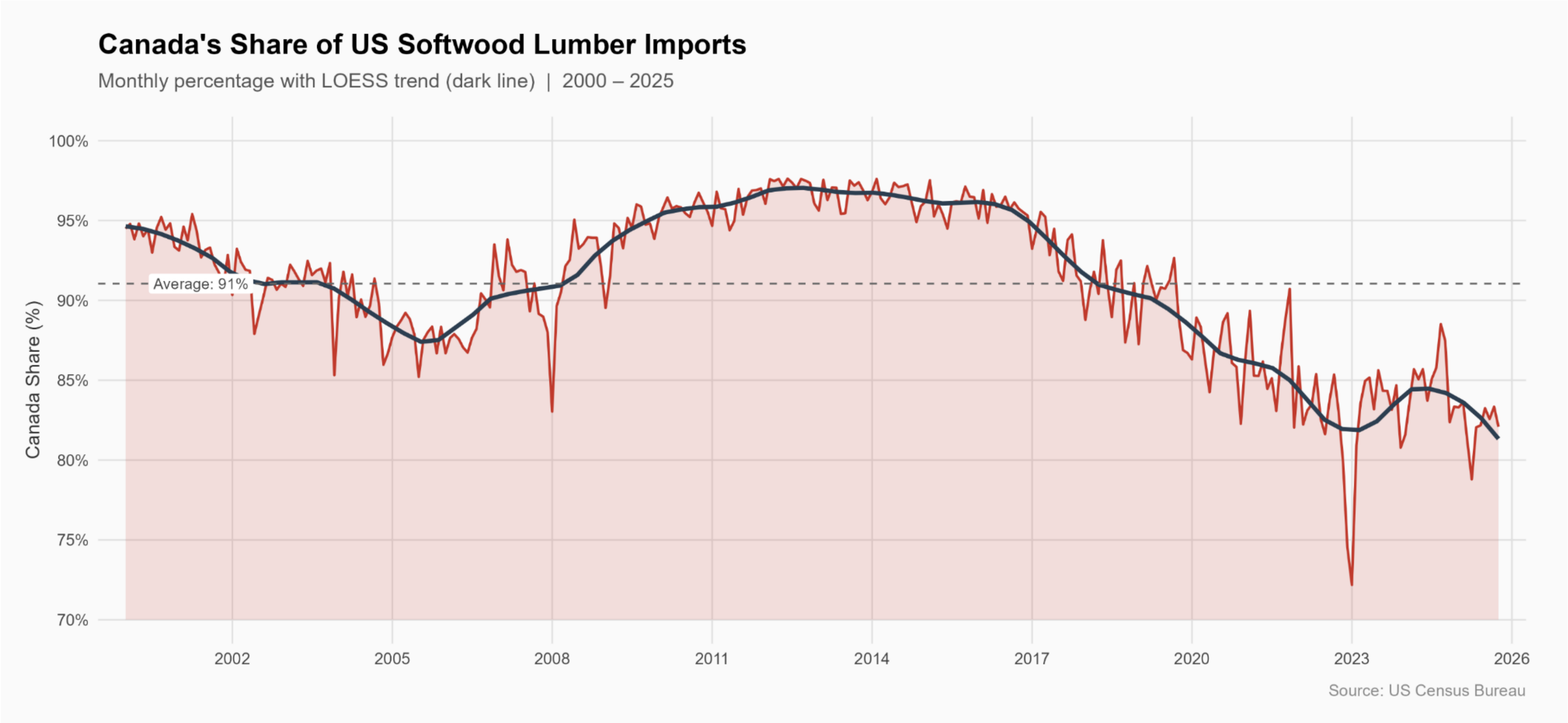
- Current Reality: Combined tariffs on Canadian lumber are at historic highs (~ 45%).
- Composition: Anti-dumping (~ 20%) + Countervailing(~ 15%) + Section 232 (~ 10%).
- Uncertainty is driving increased market volatility.





Indicators: Trade

- Impact: Canadian market share is dropping; BC production collapsed sharply since 2018.
- When the U.S. government places tariffs on Canadian lumber, it becomes more expensive.
- When Canadian wood costs more, builders turn to domestic sources.



Indicators: Investment

Louisiana Sawmill Investments Portfolio

Verified Investment Summary | January 2026

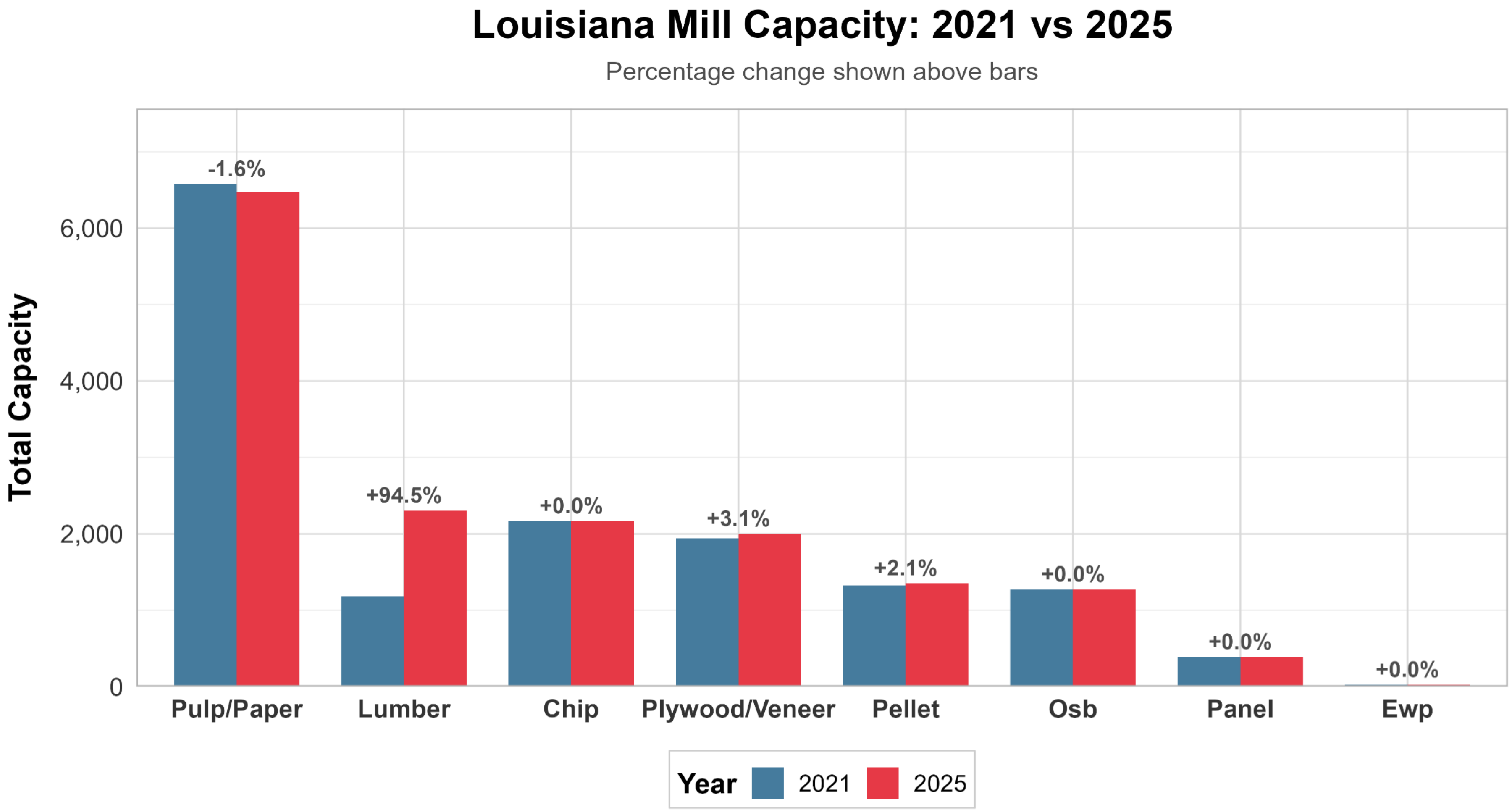
Project	Investment	Announced	Capacity	Jobs	Status
Bienville Lumber (Hunt-Tolko)	$280M	July 2021	400 MMBF	~190	Operational
Sumitomo/Teal-Jones	$172M	Dec 2021	300 MMBF	125	Operational
Canfor DeRidder	$160M	June 2021	250 MMBF	130	Operational
Weyerhaeuser Holden	$157M	May 2021	Modern.*	123	Complete
Weyerhaeuser Dodson	$96.2M	Dec 2023	Modern.**	157	In Progress
TOTAL	**$865.2M**	—	**~950+ MMBF**	**725+**	—

** New planer mill, two continuous dry kilns, longer-length lumber*

*** Three continuous dry kilns, trimmer/sorter/stacker, decarbonization*

Indicators: Investment

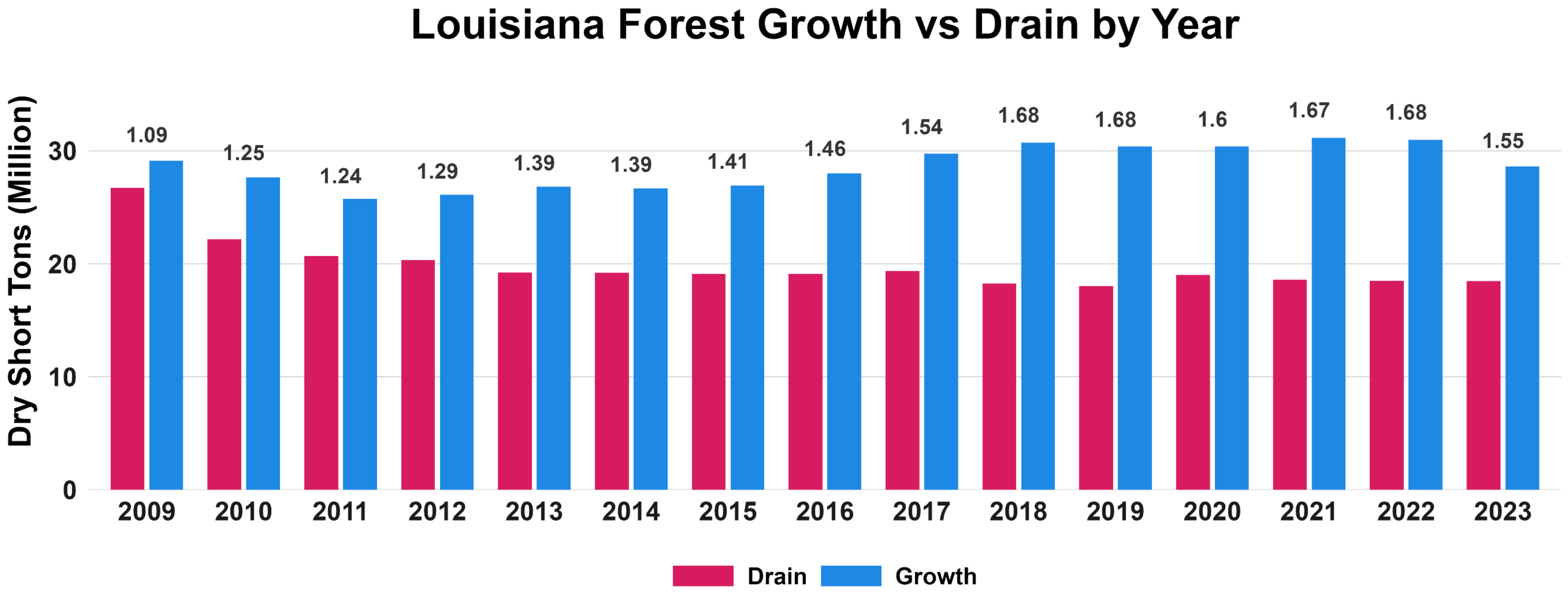
- The lumber sector saw the most substantial growth in capacity, increasing by 94.5% from 2021 to 2025.
- The paper sector experienced a slight decrease in capacity, down to 7,451 M tons in 2025.



Source: Forisk 2024, adjusted by the author from FRQ 2025 Q4

Indicators: Growth/Drain Ratio

- Growth-to-Drain ratio is ~1.4 across the South. We are growing 40% more timber than we harvest.
- Accumulation: This surplus has been building since 2008.
- Consequence: Mills have pricing leverage because wood is abundant.

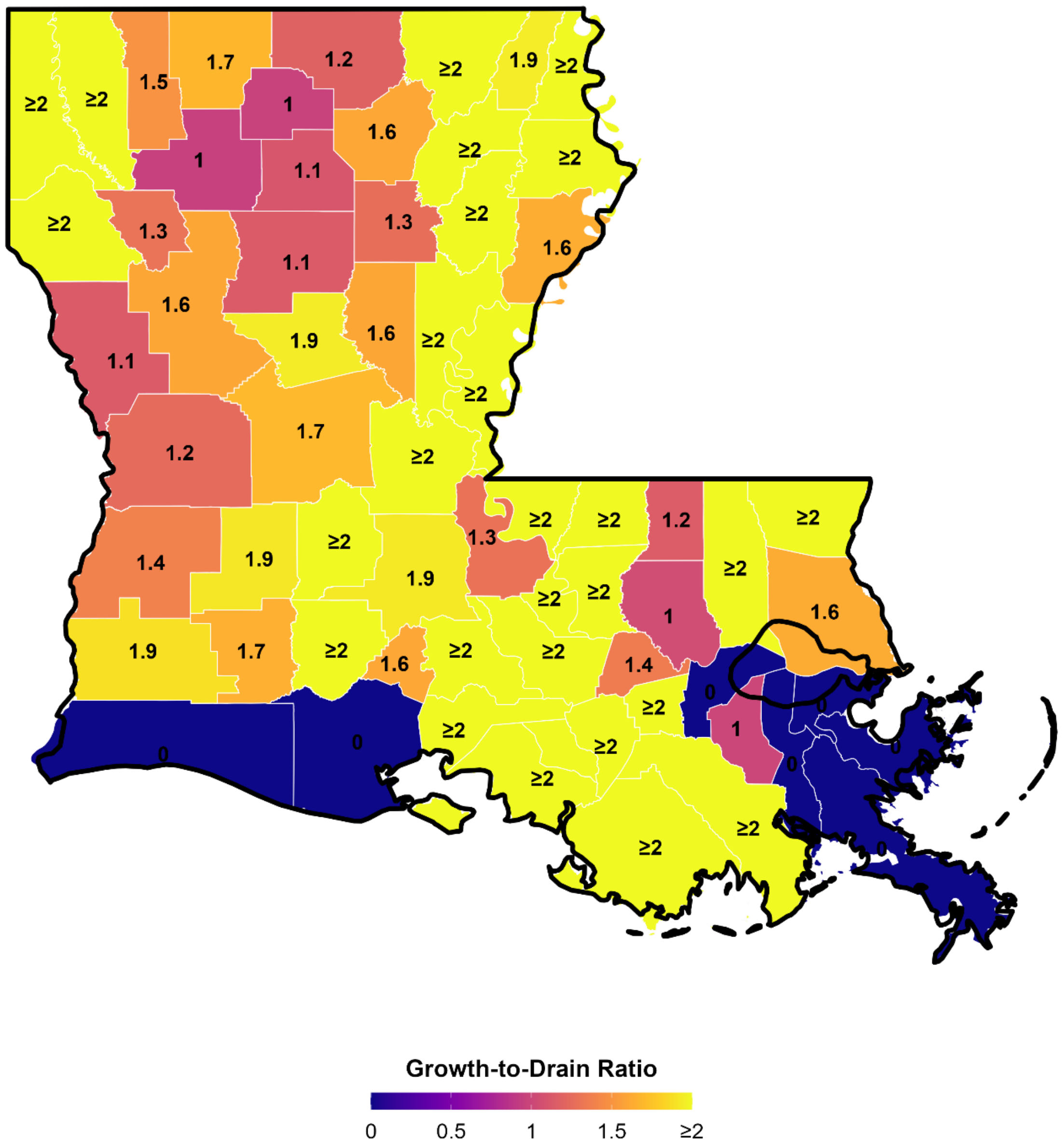


Source: FIA Database | Numbers above bars show Growth-to-Drain Ratio

Indicators: Growth/Drain Ratio

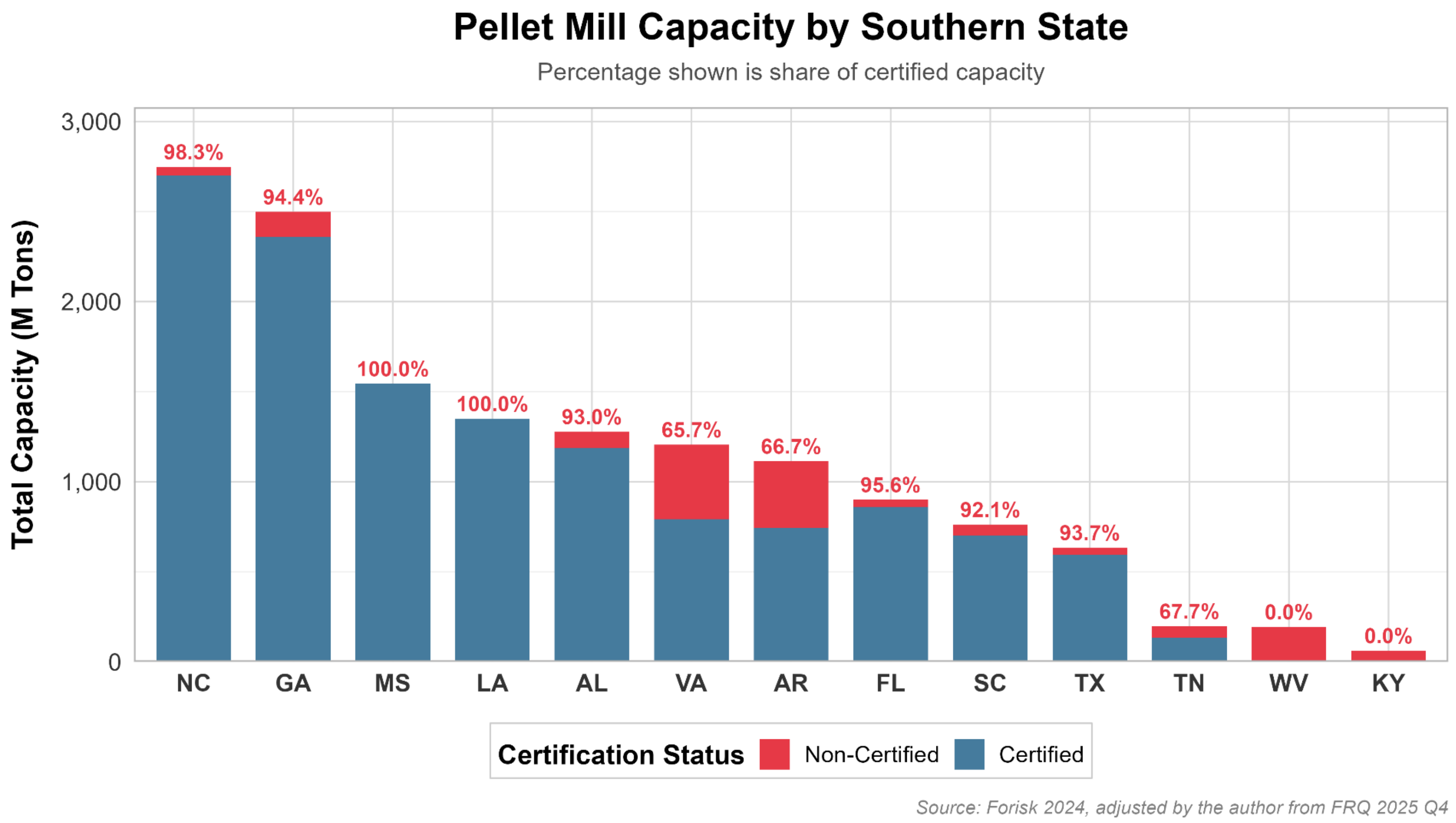
- North/Central LA: High Growth-to-Drain (>1.6). Heavy surplus.
- Southwest LA: Stronger harvest activity helps balance the ratio.
- Forecast: North LA moving toward balance by 2030 as new sawmills absorb inventory.
- Key Insight: Location determines your market leverage.

Louisiana Parish Growth-to-Drain Ratio (2019-2023 Average)



Source: FIA Database

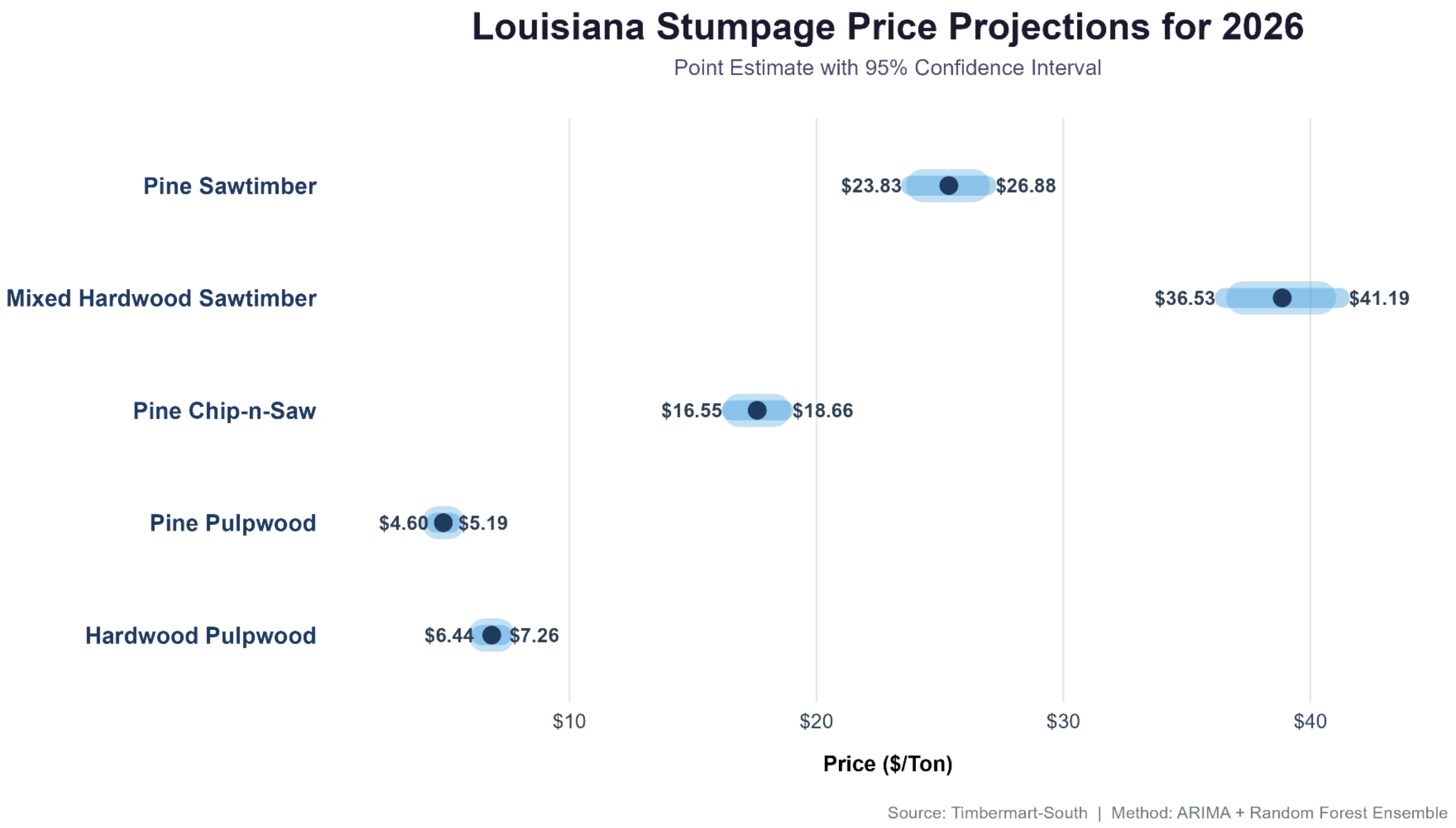
Challenges: EU Deforestation Regulation (EUDR)



- The EUDR requires stringent due diligence and traceability measures to ensure that products imported into the EU are not linked to deforestation. This creates a significant compliance burden for producers, exporters, and supply chain stakeholders.
- Mills without certifications may face significant hurdles in accessing the EU market, as the EUDR mandates proof that products are deforestation-free.
- This underscores the South's critical role in certified production.

Outlook

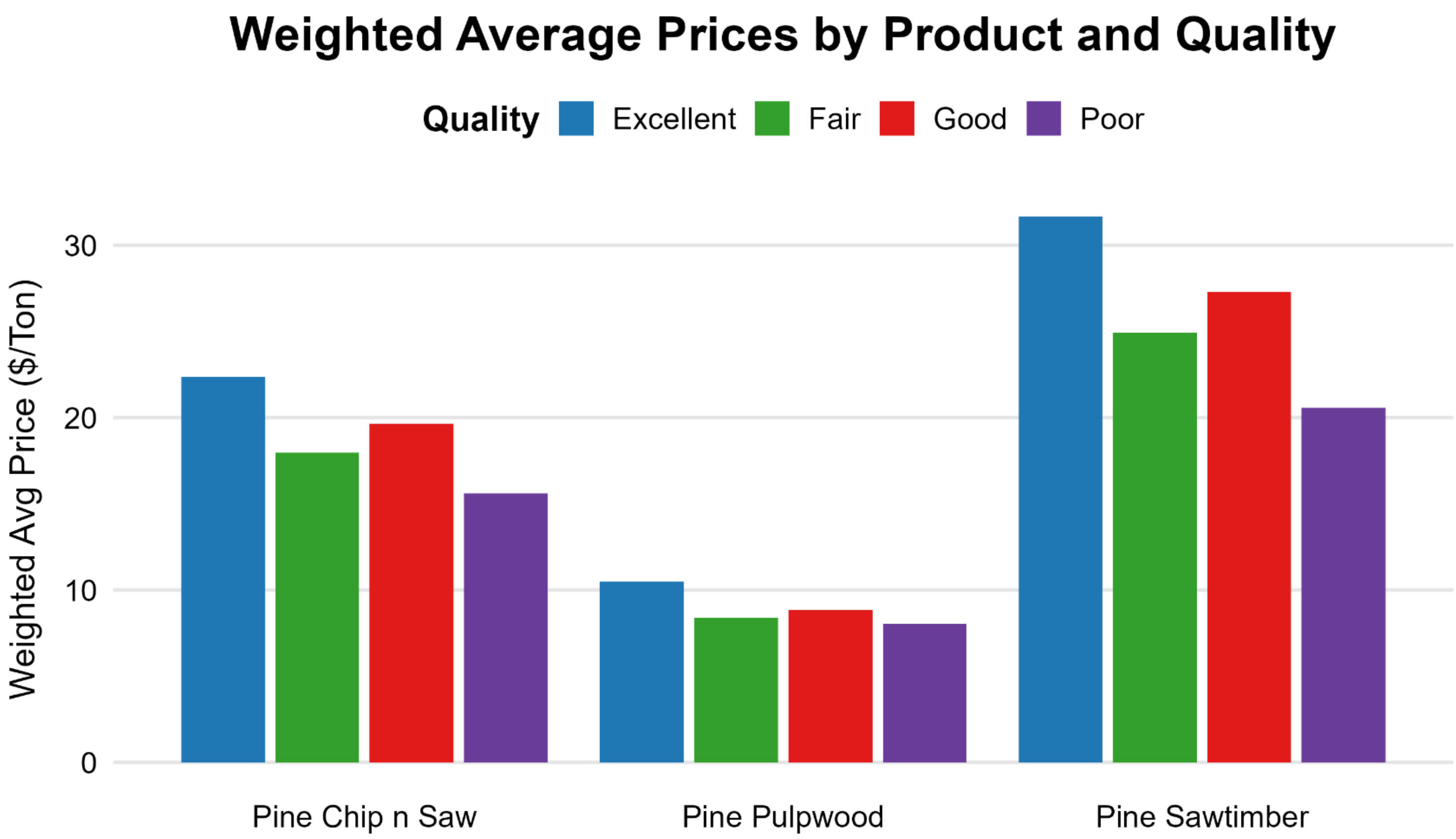
- Despite a recent decline, Pine Sawtimber shows signs of stabilizing heading into 2026.
- Pulpwood remains structurally low.



Guideline

- Pine Sawtimber: The price difference between different quality levels (Excellent, Fair, Good, Poor) is the most substantial for Pine Sawtimber. This suggests that buyers are willing to pay a premium for higher quality Pine Sawtimber.

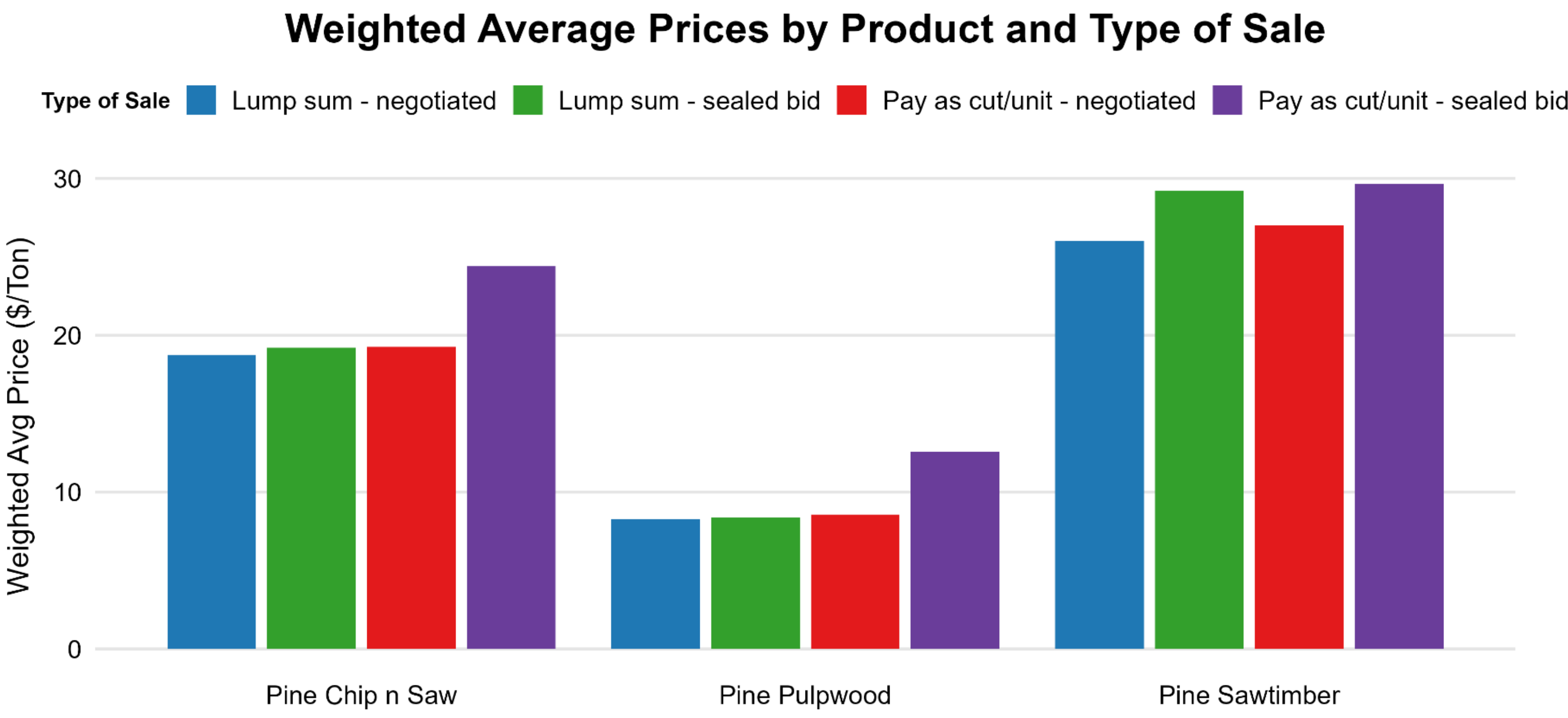
- Pine Pulpwood & Pine Chip n Saw: For these products, the price variation across quality levels is less significant.



Guideline

- Pine Sawtimber: Prices are highest when the sale is a "Pay as cut/unit - sealed bid" and lowest when it is a "Lump sum - negotiated." This suggests that competitive bidding processes, especially for individual units, can drive up prices for Pine Sawtimber.

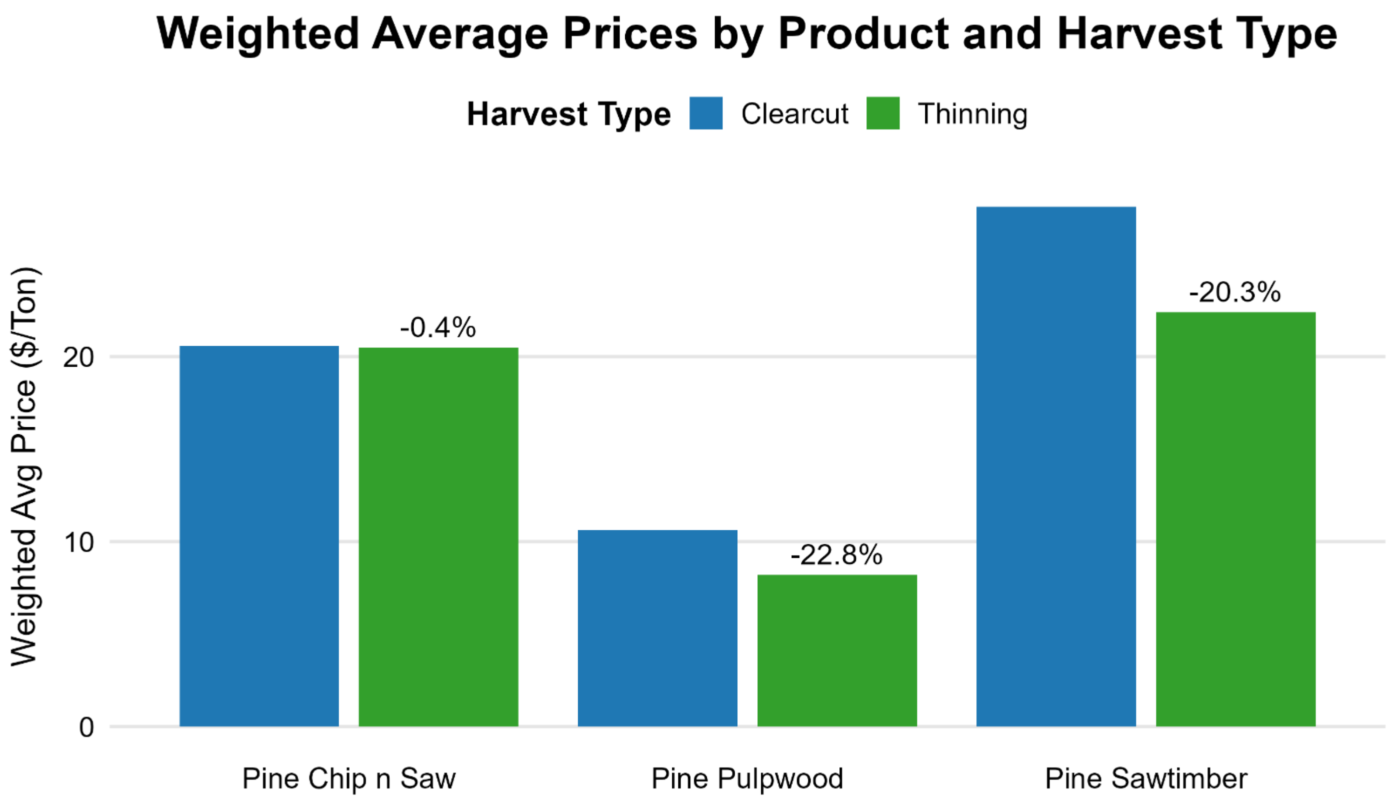
- Pine Pulpwood & Pine Chip n Saw: The price differences between the different types of sale are less significant for these products.



Guideline

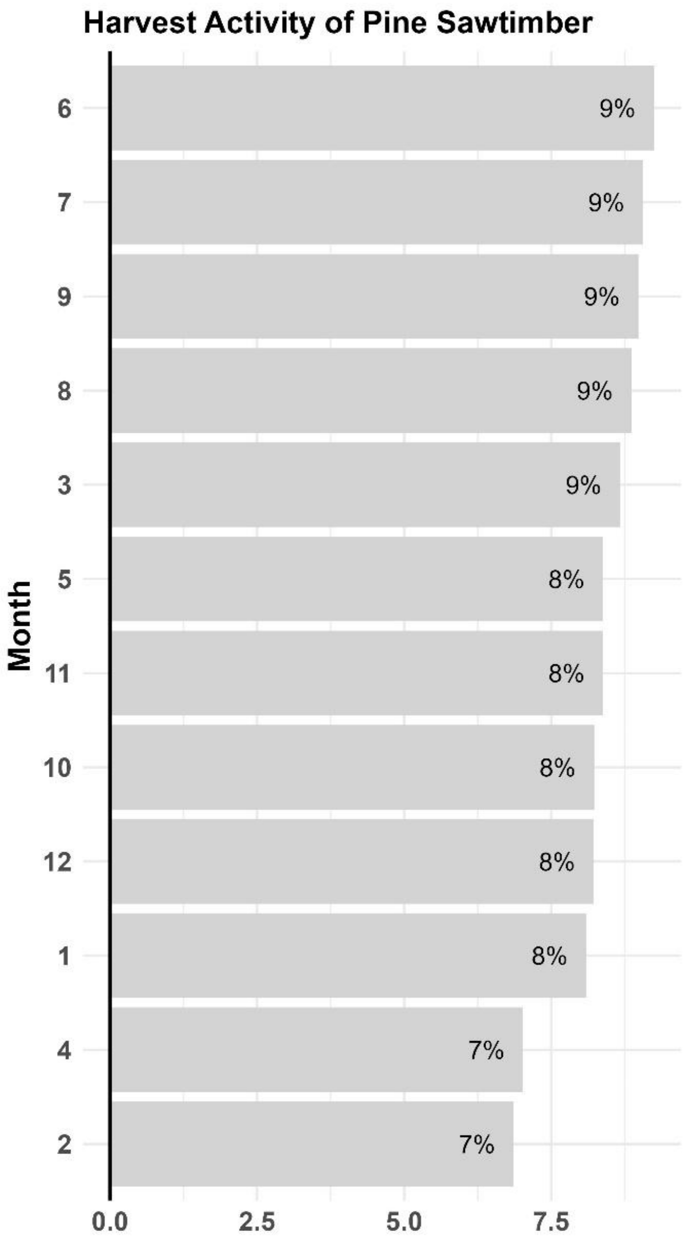
- Pine Sawtimber: Prices are significantly higher for clearcut harvests compared to thinning harvests. This suggests that clearcutting may yield higher-quality or more valuable timber for Pine Sawtimber.

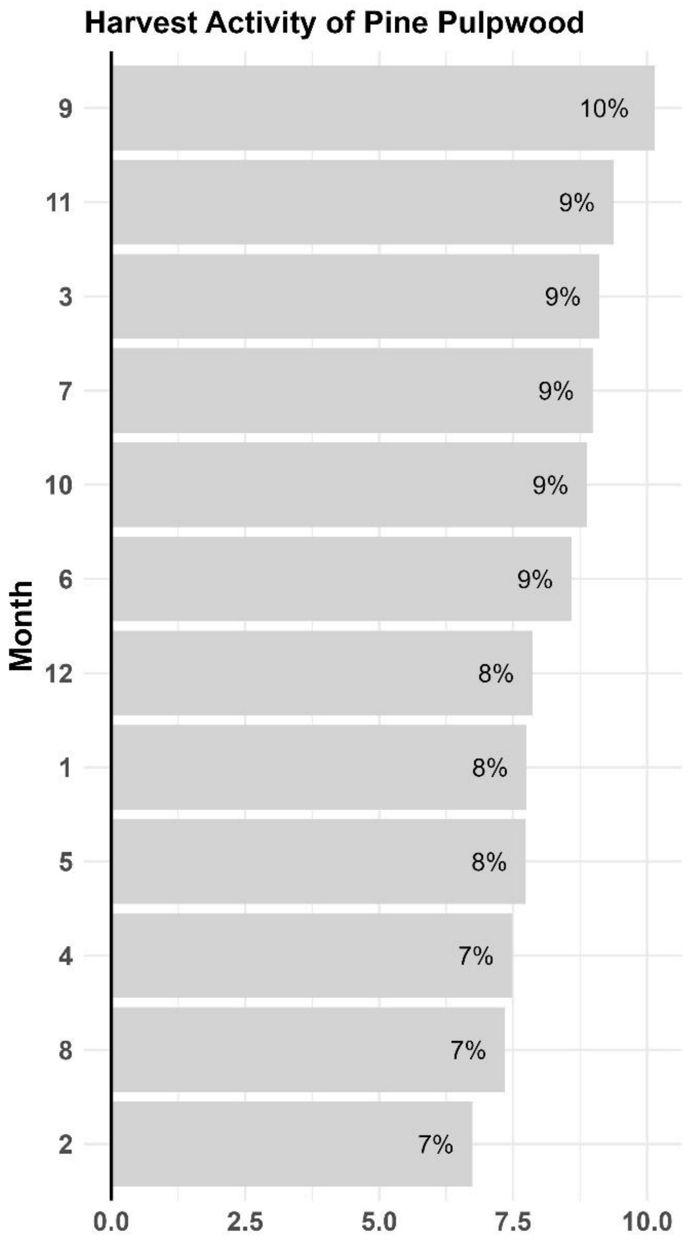
- Pine Pulpwood & Pine Chip n Saw: The price differences between clearcut and thinning harvests are less significant for these products.



Guideline

- There may be seasonal trends in harvest activity. The harvest activity percentages range from around 7% to 11%, indicating variability in harvesting intensity throughout the year.
- Harvest activity for both Pine Sawtimber and Pine Pulpwood is highest in the summer months.
- Winter months generally show lower harvest activity percentages, with some months recording around 7% to 8%. This could be due to adverse weather conditions that make harvesting more challenging.





KEY TAKEAWAYS

Take-Home Messages for 2026

Pine Sawtimber

Stable to Modestly Improving

✓ New sawmill investments + 45% Canadian tariffs provide price support

✓ Prices stable at **$24-26/ton**

✓ If you have mature timber ready, 2026 offers reasonable conditions

✓**Action:** Get competitive bids, focus on quality sorting, work with professionals

Pine Pulpwood

Structural Decline—Not Cyclical

✗ Paper industry decline is **permanent**

✗ Campti closure accelerated existing trend

✗ Prices dropped from **$8-9/ton** → **under $5**—don't wait for recovery

✗**Action:** Consider letting trees grow into sawtimber; explore pellet plants and chip mills

Key Factors for 2026

Location Matters

Southwest Louisiana has strongest markets. Know your local market and mill distances.

Build Relationships

With logging contractors now—workforce shortage is real, with 70% of logging business owners over age 50.

Be Patient but Realistic

Gradual improvement expected, not quick turnaround. Oversupply will take years to work through.

Work with Professionals

Consulting forester typically adds several dollars per ton to your returns—pays for itself.

Thank you for your attention!

Any questions?

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