



# PNW Economic Outlook - Log Supply

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# PNW Economic Outlook – Log Supply

- Introduction
- Oregon Log Demand
- Upcoming Challenges
- Historical Trends
- 2023 Outlook



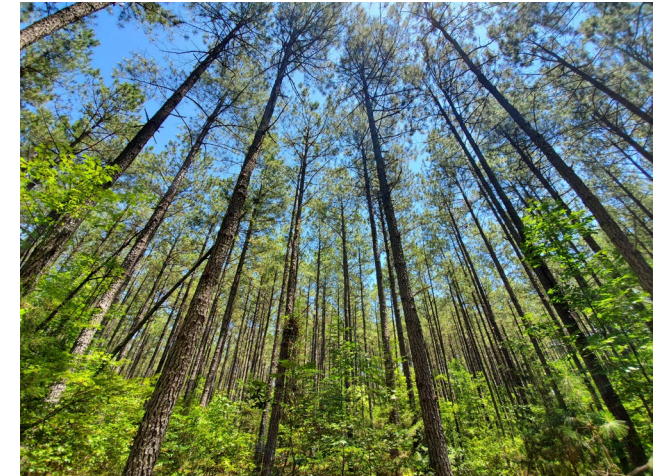
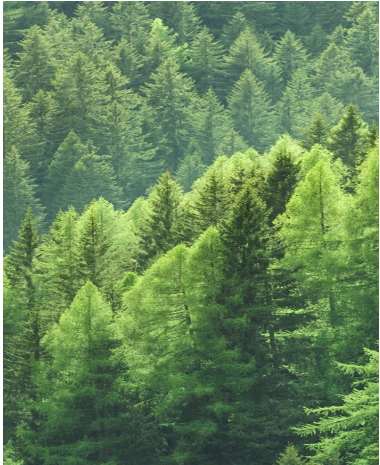
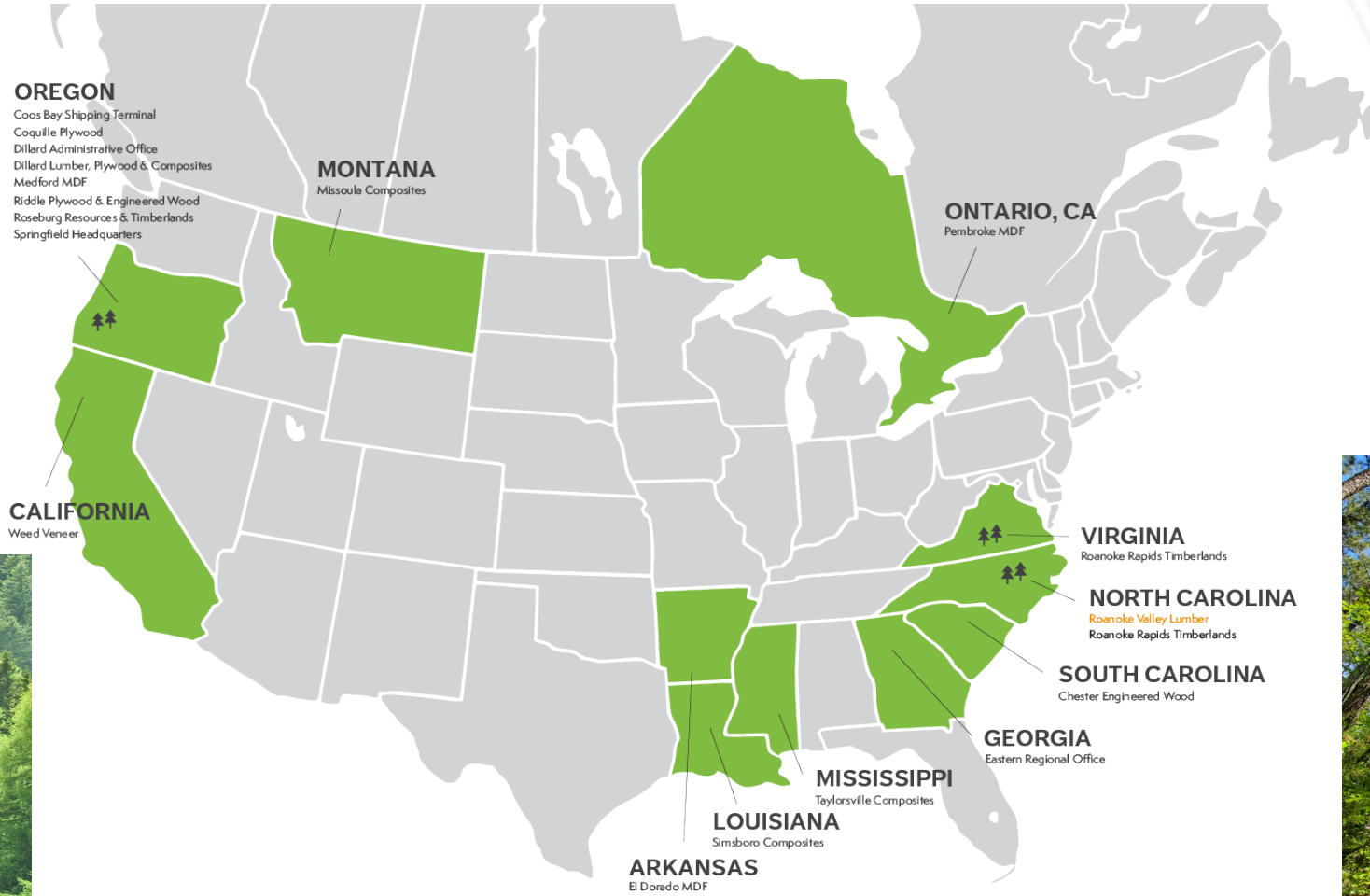


- Privately held; family owned forest products company (*87 years in business*)
- Vertically integrated with timberlands and manufacturing facilities across North America (3500 employees)

## **CORE VALUES**

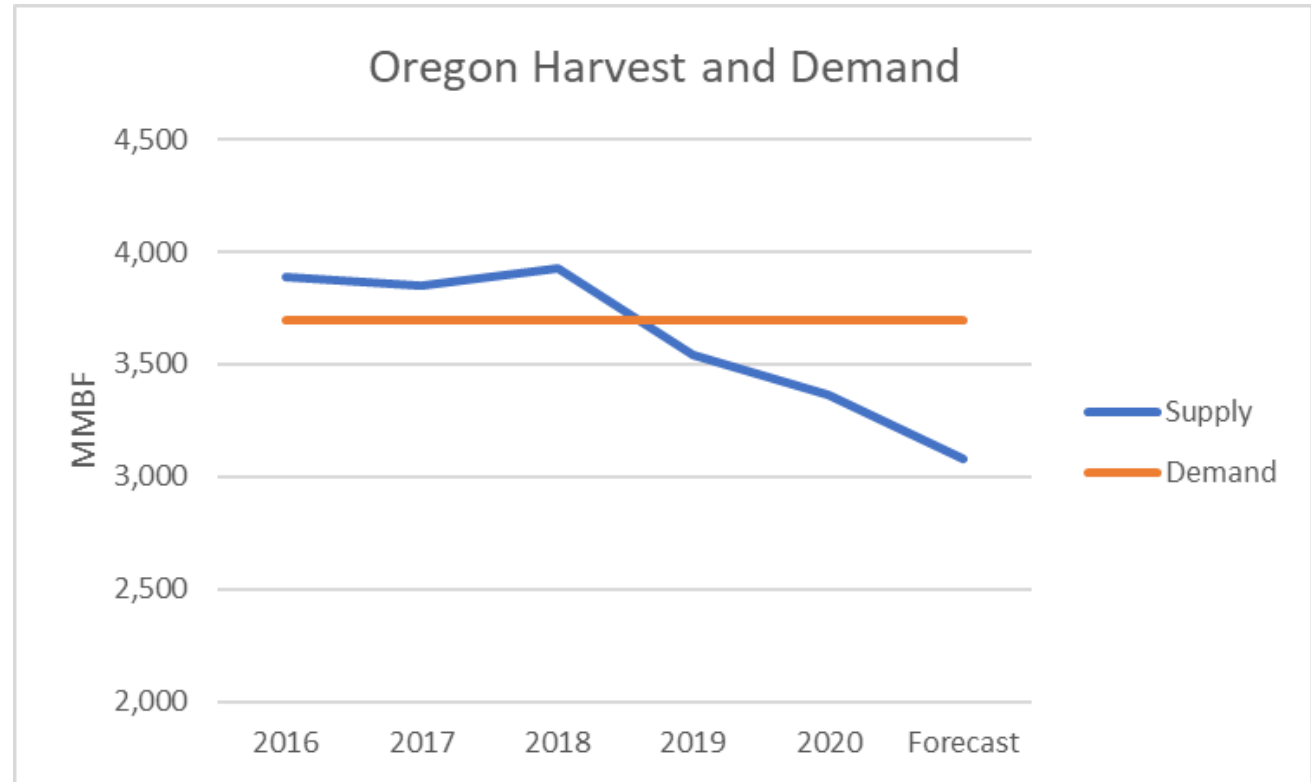
- Safe to the core
- Sawdust in the veins
- Handshake integrity
- Driven to win

# Geographic Footprint



# Oregon Log Demand

- 69 log processing mills
- Consumption estimated total of 3,700 MMBF/year
- Western Oregon has 59 mills consuming approximately 3,350 MMBF/year



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# Oregon Timber Harvest

## 2020 Labor Day Fires

- Burned 970,900 acres
  - 518,600 Public acres
  - 452,100 Private acres
- MB&G estimates timber harvest reduced by 7 BBF over the next 40 years

Table 30: Annual reduction in future timber harvest (MMbf) from private forestland burned with medium or high severity.

Years	Annual Impacts (MMBF)			Total Impacts (MMBF)	
	Large Private	Other Private	Total	Periodic	Cumulative
2021-25	15	2	17	83	83
2026-30	78	35	113	567	651
2031-35	87	35	122	608	1,259
2036-40	94	35	129	647	1,906
2041-45	109	35	144	718	2,625
2046-50	138	34	172	859	3,484
2051-55	170	59	229	1,147	4,631
2056-60	201	65	267	1,333	5,964
2061-65	168	54	222	1,111	7,075

# Oregon Timber Harvest

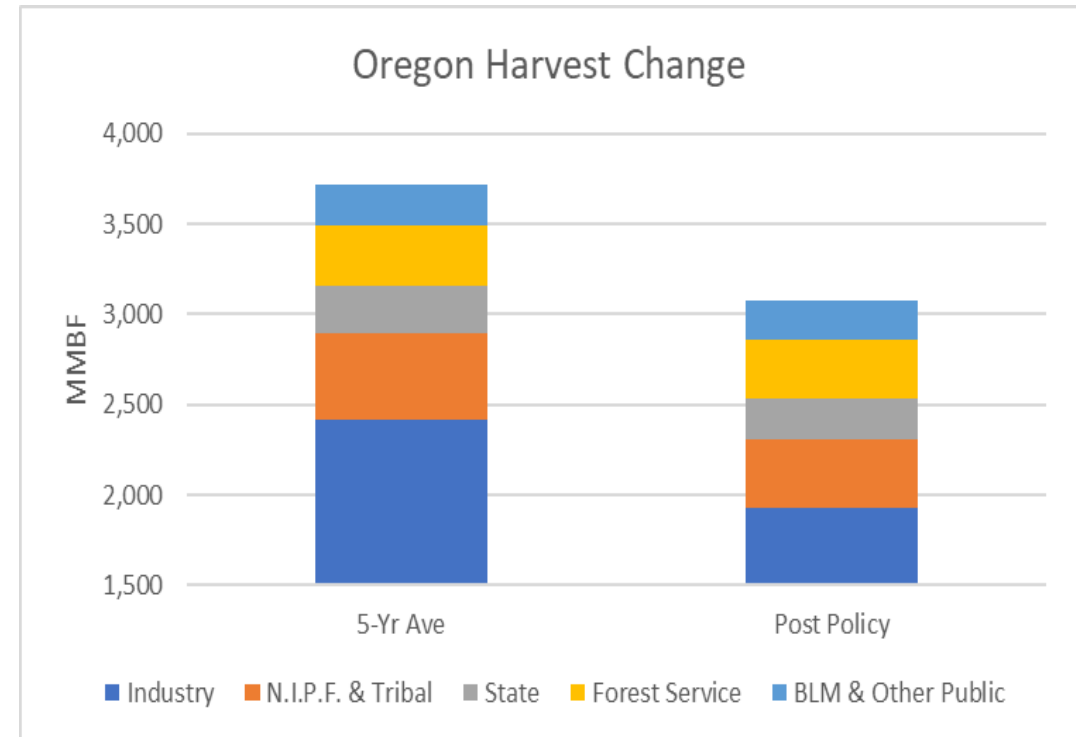
## Private Forest Accord (PFA)

- Estimated to impact 15% of land base

	MMBF
Average harvest 2016-2020 (MMBF/yr)	2,896
<u>Impact from 2020 Labor Day Fires (MMBF/yr)</u>	<u>-177</u>
Estimated annual volume prior to PFA	2,719
<u>Percent of volume reduced due to PFA</u>	<u>15%</u>
Annual volume reduced with PFA enactment	<b>408 MMBF</b>

# Projected Oregon Timber Harvest Reductions

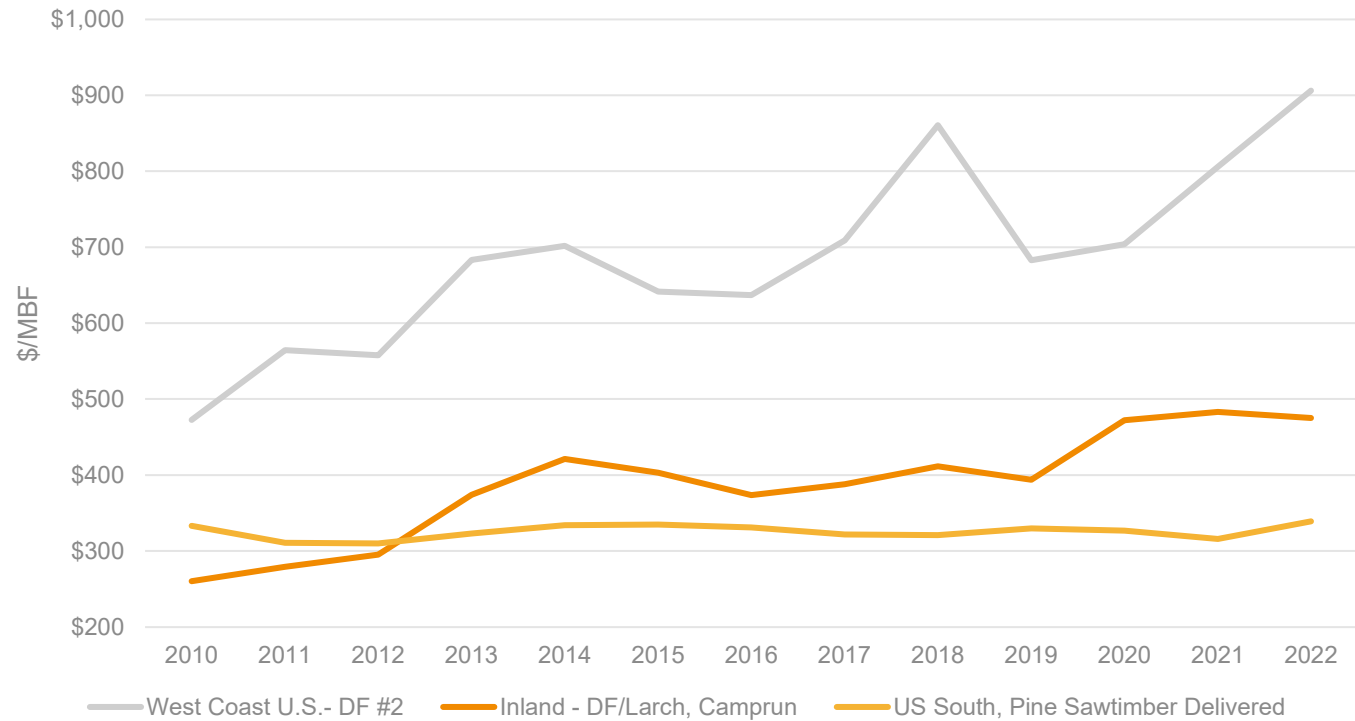
- Private Forest Accord: ~ 408 MMBF/year
- 2020 Labor Day Fires: ~ 177 MMBF/year
- HCP for ODF managed lands: ~ 45 MMBF/year
- Total Harvest Reduction: ~630 MMBF/year



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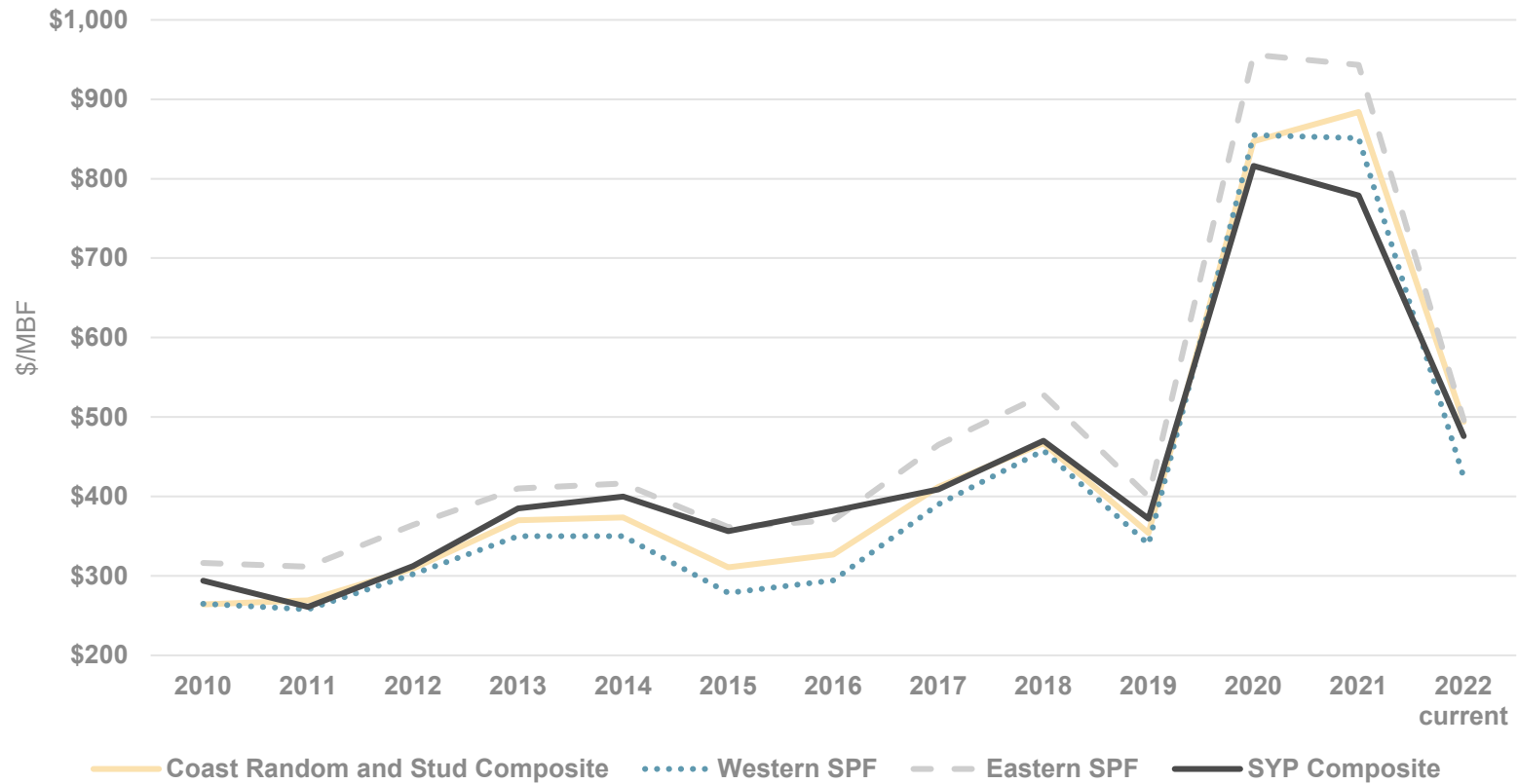


# Log Costs – West Coast vs. Inland vs. U.S. South (2010 –2021)



Source: RISI Log Lines; Timber Mart South; University of Montana, Bureau of Business and Economic Research

# Sales Realization – Comparison by Region (\$/MBF 2010 – 2021YTD)



# Questions?

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