TELLING THE TEXAS WOOD STORY

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*Disclaimer: This presentation was developed by a third party and is not funded by WoodWorks or the Softwood Lumber Board.
Introduction

- TFS Mission: Provide statewide leadership to assure forest and related resources are protected and sustained

- Divisions:
  - Forest Resource Protection
  - Forest Resource Development
Introduction

• Major initiatives:
  • Forest Inventory and Analysis (FIA)
  • Annual timber harvest / production study
  • Forest economics / economic development

Rogers Lumber Company, Orange, TX
I. Forest Acres & Ownership in Texas

- 62.2 million acres of forestland statewide
- 13.7 million acres of timberland (Rank: 9th)
- 11.9 million acres timberland in East Texas
- Timberland: produces $\geq 20$ cubic feet wood per acre per year
I. Forest Acres & Ownership in Texas

• Trends over time are indicators of sustainability

• Slight increase over last 30 years*
  • Forest to developed in SE Texas
  • Open land to forest in NE Texas

• Area of pine has increased 32%* ...

• ~Investment in site preparation and planting
I. Forest Acres & Ownership in Texas

• Majority in family ownership

• Much of what was industry land pre-2000 is in institutional ownership

East Texas Timberland Ownership
(11.9 million acres)

- Family and other private owners 68%
- TIMOs/REITs 24%
- Public 8%

Source: Forest Inventory and Analysis
II. Resource Sustainability

• Timber Supply (East Texas)

• Growth > Removal since mid-1980’s

• Most recently completed cycle (2013):
  • ~50 mmcf surplus
  • Pine* timber grew 30% above removal

• ~Harvest level sustainable...

• ...opportunity for additional development
III. Timber Harvest & Product Output

- 10-yr timber removal averages:
  - Total: 496.4 million CF
  - Pine: 405.7 million CF
  - Hardwood: 90.7 million CF
- 2017*: 481.5 million CF ($244.8 million)
- Pine saw/veneer + pulpwood = 85% volume and value
III. Timber Harvest & Product Output

- ~43 sawmills in East Texas
- 10-yr average lumber production:
  - 1.5 billion board feet (total)
  - Pine: 1.3 billion board feet
  - Hardwood: 132 million board feet

Source: Texas A&M Forest Service
III. Timber Harvest & Product Output

- 7 plywood and OSB mills
- 10-yr average:
  - 2.2 million square feet
  - 2016: highest production in past 10 years* (2.7 billion square feet)
- Other products (2017):
  - Veneer (280 million square feet)
  - Pulpwood (2.3 million cords)
  - Treated products (40.3 million cu ft)
  - Chips, sawdust, shavings, bark (5.5 million tons)
IV. TX Forest Sector Economic Contribution / Rank

- 2019 study: $18.9 billion in direct ($36.7 billion total) industry output

- > 67,000 direct jobs (rank = 1st in south) with a payroll of $3.8 billion (2nd)...

- ...despite ranking 9th (among 13 states) in total timberland area
V. Industry News and Outlook

• Global demand for lumber products appears strong

• Texas industry news

Operating
• RoyOMartin. Corrigan OSB, Corrigan, TX (2018)

Under construction
• Angelina Forest Products, Lufkin, TX: $100 million mill / 220 million board feet

Announced
• Sterling, Lufkin, TX: CLT mat manufacturer

• Interest in additional sawmilling capacity (TX and South)
V. Industry News and Outlook

• Mass timber- emerging markets

  • *International Beams*, Dothan, AL- southern yellow pine CLT panels PRG-320 certified

  • First use: *First United Bank*, Fredericksburg, TX

  • Substantial interest across South and in Texas for establishing CLT manufacturing facilities
Thank you!

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