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## Announcement

**This new comprehensive forest products study for the Pacific Northwest of North America will include a forecast of timber supply, demand, and production, with emphasis on future production, costs, margins, and the impact on Pacific Rim trade.**

Philip Tedder, Richard LaMont and Dennis Neilson in conjunction with Timberland Appraisal Inc. are announcing the preparation of a comprehensive multi-client study of the Pacific Northwest specifically targeted to analyze and project the ongoing impact of the Great Recession on:

- Timber supply and demand in the Pacific Northwest by specific region: Western Oregon and Washington (3 sub-units each); Eastern Oregon and Washington; Idaho; Montana; Coastal and Inland California; and Coastal and Inland British Columbia.
- Ten-year recovery forecast: using projected housing starts, residential improvements, non-residential construction, and materials handling consumption factors.
- Log consumption balance by product. Regional supply and demand balance and primary and residual product production/flows, showing excess/deficit timber supply areas.
- The impact of foreign imports and exports on: timber supply; primary and secondary product production with expansion capabilities for the Pacific Rim.
- Prices, log/lumber-veneer ratios, breakeven by product line, efficiency limitations, and current and future margins.
- British Columbia Pine Beetle impacts; timber supply and export availability.
- Timber supply and the changing size of raw materials by species(volume/log tables, dib/dob relative distribution); the effect of the Great Recession on timber inventories.

Additional subjects to be covered:

### Biomass

- Biomass transportation and geographical constraints.
- Biomass yields and breakeven costs.
- Biomass consumption and economically available biomass for energy capacity expansion.

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## Timberland Sales

- Significant historical sales, derived discount rates, value drivers.
- Cash flow versus price.
- Future investment returns and challenges.

This announcement is to assist clients in their planning and budgeting actions. The completed study will be approximately 300 pages. The estimated completion date is mid-February 2012 and the estimated purchase price is \$4,500 USD.

Those who indicate they would like to purchase this multi-client study before January 15th 2012 will receive a 15% discount. To take advantage of the 15% discount contact Richard LaMont at [rlamont@timberlandappraisal.com](mailto:rlamont@timberlandappraisal.com).

For additional information or input, contact:

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### **Authors of the multi-client study are:**

#### **Philip Tedder, Ph.D., Accredited Senior Appraiser, American Society of Appraisers.**

Dr. Tedder has 35 years of professional, operational, consulting, and academic experience in forestry management. He has served as CEO of Centralia Sawmill Company, LLC; President and COO of Pacific Lumber & Shipping Company; and Senior VP for Seneca Sawmill Company and Seneca Timber Company.

Dr. Tedder has a B.S. and M.S. in Forestry Management, and a Ph. D. in Agricultural Economics (Mathematical Economics concentration). He has served as an Assistant and Associate Professor of Forest Economics and Management at the University of Arkansas and at Oregon State University. He has published numerous articles on forest taxation, econometrics, operational planning, strategic planning in the forest products industry, harvest scheduling, and forestry management and operations. He has conducted more than 60 appraisals of timber and commercial timberland operations, and has been an Accredited Senior Appraiser of the American Society of Appraisers since 1992.

#### **Richard La Mont, BSc., Associate Member of the Appraisal Institute, Member of the American Society of Appraisers.**

Mr. La Mont is a professional forester and graduate of Oregon State University in Forest Management. He has been analyzing and valuing timberlands since 1982 and preparing appraisal reports since 1991. Mr. La Mont has developed advanced harvest forecasting programs, timber inventory data management software, and numerous timber cruising software programs. This unique background allows the appraiser to create highly accurate detailed models of the property. Mr. La Mont annually appraises over 1,000,000 acres of timberland in Oregon, Washington, and California. He is currently a Certified General Appraiser in the states of Oregon, Washington.

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Founder of **Resource Programming Incorporated** (1992), a timber resource consulting company, which provides timber and timberland appraisal services, econometric forecasting, and resource based programming and database management to the forest product industry.

Cofounder of **Resource Economics International Incorporated** (1982), an international consulting company, which provides quantitatively based resource economic analysis and timber and timberland appraisal services to the forest product industry.

**Dennis Neilson, BSc, MS, Director, DANA Ltd.**

Dennis Neilson is Director of New Zealand- based **DANA Limited**, a forest industry consultancy, publishing and timberlands investment advisory firm. After receiving post graduate forest engineering qualifications from Oregon State University, he worked for major forest products company Fletcher Challenge (FC) for 15 years before founding DANA in 1992. With FC he managed a major log and woodchip export operation to North Asian countries, as well as playing an important role in attracting the first US TIMO timberland investment outside North America (to New Zealand) in 1991.

After forming DANA he was CEO/co-owner of a TIMO for a decade before selling this company to a major US TIMO; and last decade was heavily involved in fundraising for a new greenfield wood processing plant in Washington State.

Mr. Neilson has authored/co-authored more than 45 multi-client reviews on numerous global - regional forestry-forest industry topics since 1993. These include a major study with Dr. Tedder and Mr. La Mont in 1993 on future Pacific Rim wood supply & demand trends. He has co-authored a RISI- published annual review on the international pulpwood trade for 19 years, and DANA has just published the 6<sup>th</sup> edition of **The International Timberlands Ownership and Investment Review**, with profiles of 1,250 timberland owners/funds worldwide, and chapters on financial return trends and new international investment opportunities. He is a registered appraiser with the New Zealand Institute of Forestry.

**Pertinent Publications**

Timberland Appraisal Inc., under Resource Economics International and DANA have published more than 65 multi-client studies since 1993. Please review our website for a complete list of previous multi-client publications. [www.TimberlandAppraisal.com](http://www.TimberlandAppraisal.com)