



Exploring Georgia's Wood Products

A Product of the Forest Utilization Department

October 2010

In This Issue...

Bioenergy research updates	1
New biomass supplier database available	1
Results from 2010 TPO survey	2
Bioenergy industry updates	3
Wood marketing opportunities	3

Forest Utilization Staff

Nathan McClure
 Department Chief
 478.951.4548
 nmcclore@gfc.state.ga.us

Risher Willard
 Forest Products Marketing
 912.739.4734
 rwillard@gfc.state.ga.us

Joshua Love
 Carbon/Ecosystem Services
 706.437.6961
 joshl@gfc.state.ga.us

Dru Preston
 Carbon/Forest Product
 Certification/Biomass Suppliers
 478.751.1746
 dpreston@gfc.state.ga.us

Forest Biomass Research Update

In August Duke University researchers released a report entitled **“The Near-Term Market and Greenhouse Gas Implications of Forest Biomass Utilization in the Southeastern U.S.”**

This report provides insight into the impacts of co-firing forest biomass with coal at electrical powerplants across the South at a rate that replaces approximately 5% of electricity production capacity. For example:

- By 2022, 16% of pine pulpwood and 13% of hardwood pulpwood demand would be displaced by energy wood
- Region-wide, pulpwood demand would increase 36%.
- Pine pulpwood values increase an average of 45% through 2022 and then decline approximately 6% between 2027 and 2036.
- 23 million tonnes per year of CO2 emissions reductions achieved from 2021 through 2031

The above results assume that 50% of the available woody residues will be utilized. The greenhouse gas emissions show a much different result in the Duke University study for the South than a recent Massachusetts report listed for woody biomass-to-electricity production in the Northeast.

Obvious differences in Southern forests and their management in comparison with the forests of the Northeast, and the fact that the

Duke study considered market affects on reforestation attributed to the positive greenhouse gas effects of biomass harvesting in the South.

The full report, authored by Robert Abt, Christopher Galik, and Jesse Henderson, can be found at http://www.nicholas.duke.edu/ccpp/ccpp_pdfs/biomass.08.2010.pdf.

Results are also expected soon from a study that shows the impacts of limiting biomass use through definitions of biomass in legislation. The study is a collaboration between North Carolina State University, Larson and McGowin Inc. and the SAFER Alliance. It will be available soon at www.saferalliance.net.

Biomass supplier database available

Information collected by Utilization staff in a recent survey of loggers, primary mills, and tree service companies has resulted in a new, searchable database of Georgia companies willing to supply forest biomass to the market.

83 companies are currently listed in the database, which can be found on the GFC website at: <http://www.gatrees.org/Resources/Directories/BiomassSupplier.cfm>

If you or your firm are interested in supplying biomass and wish to be added to our database, please contact **Dru Preston**.

Results from the 2010 Timber Product Output Survey

The Forest Utilization staff have completed the **USFS 2010 Timber Product Output Survey** of 100 percent of the primary forest products mills in Georgia.

Timber drain information from this survey will be published by the USFS Southern Research Station, and the Forest Products Directory on the GFC public website will soon reflect updated information obtained during the mill survey.

Of the 152 mills surveyed, 129 mills are currently in operation, including eight new mills. In addition, since the last survey two years ago, 13 mills have closed, seven mills are idle waiting for business markets to improve and three mills changed operations from primary to secondary mills.

The current mill tally by type of mill for Georgia's 129 primary mills is as follows: Firewood-2, Log Home-2, Mulch-2, Panel Products & Veneer-9, Post-Pole-17, Sawmill-83, Shavings-12 (Figure 1). This survey did not include the 12 pulp mills operating within the state.

On a historical note, GFC's 1956 Wood-Using Industry Directory tallied over 1200 primary mills.

A few key results of the survey are presented here. The comprehensive report on the 2010 TPO Survey will be available on our website soon. A copy of the report may also be acquired by contacting Risher Willard.

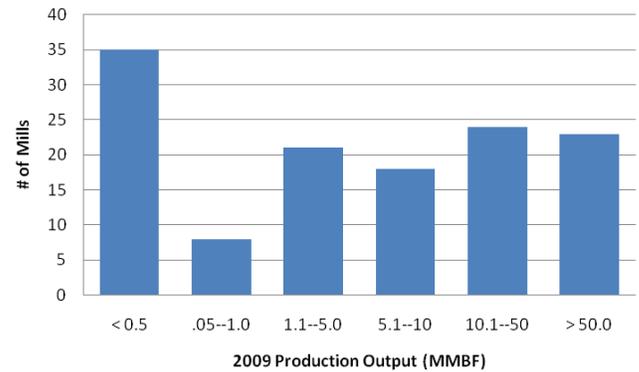


Figure 1. Mills classified by volume of production in 2009 (MMBF).

129 Primary Wood-Using Mills in 2010 (Pulp Mills Excluded)

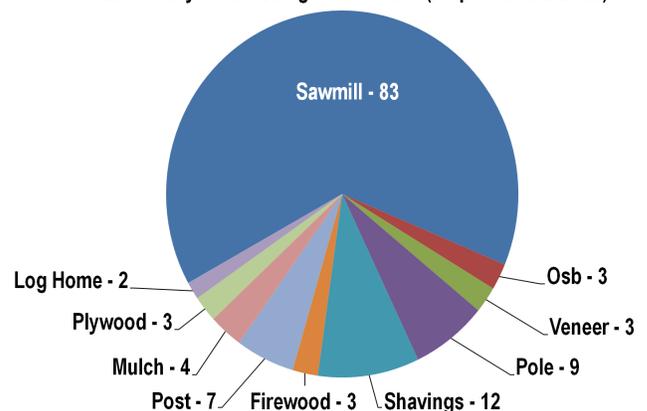


Figure 2. Georgia's primary wood-using industries classified by mill type.

Table 1. Comparison of production volumes in Georgia sawmills in 2007 and 2009.

Mill Type	2007 Production (MMBF)	2009 Production (MMBF)	2007 - 2009 Change (MMBF)
Softwood Only	2302.23	1786.92	-515.31
Hardwood Only	82.88	61.56	-21.32
Softwood and Hardwood	266.65	272.25	+5.6

51 Mills, or 40% of Total, Internally Utilize Wood Mill Residues for Energy

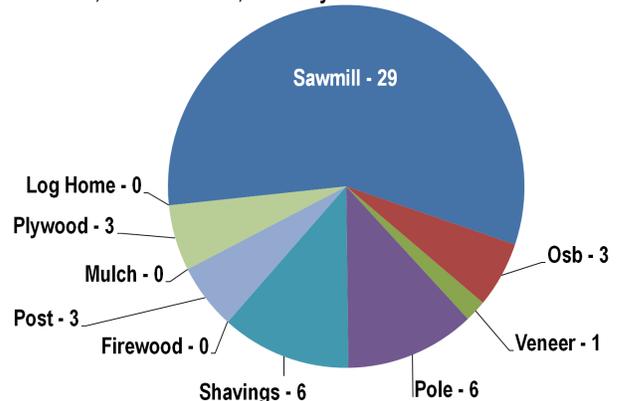


Figure 3. 50 surveyed mills utilized mill residues for energy. This chart shows the breakdown by mill type.

Wood Product Marketing

The GFC Utilization staff would like to point out the following two marketing opportunities for wood product manufacturing companies.

Wood product manufacturing companies should consider marketing their products using internet-based tools. One Southern-based online wood product marketing system is the Jacksonville, Florida based **Wood Industry Network (WIN)**. The GFC staff has collaborated with the WIN developers to share knowledge of the industry and how information can best be used to market Georgia wood products. The goal of the WIN is to assist manufacturers in locating buyers and assist buyers in locating manufacturers. Needed products and available products are both listed in very specific terms on the site, making it ideal for those companies that have specialty products, or production in limited amounts. WIN is intended for wholesale transactions only and accepts various membership level participation. For more information, go to www.woodindustrynetwork.org.

Georgia has international representatives at thirteen business development offices throughout the world who are available to assist Georgia companies. The Georgia Department of Economic Development International Trade staff is available to assist companies with services, such as the "how-to's" of exporting, market assessment, trade shows, trade missions, and in-country matching with buyers. See www.georgia.org/BusinessInGeorgia/InternationalBusiness for more information about these services.



Above: Rotary dryer installation at GA Biomass pellet plant site in Waycross, GA.

Bioenergy Industry Update

Range Fuels, in Soperton, GA, successfully produced methanol this summer and is currently installing equipment to enable the change-over from producing methanol to ethanol. October 4 is the anticipated ethanol production start-up.

RWE Innogy (GA Biomass) broke ground on its 750,000 tonne per annum pellet mill in Waycross, GA earlier this year. Construction continues with production due to begin in the 2nd quarter of 2011.

For the latest information on industry developments, contact Risher Willard.

For All of Your Reforestation Needs



A delay in reforestation of harvested stands can have significant negative economic impacts. Don't wait until next season!

GFC's Flint River Nursery provides high quality tree seedlings adapted to Georgia's climate and soils. A wide variety of softwood and hardwood species are available for all of your reforestation and ornamental tree planting needs.

For ordering and pricing information, please contact your local GFC county office or visit us on the web at: www.gatrees.org

UPCOMING-

- New forestry economic impacts report
- Forestry investment decision tools for private landowners

QUESTIONS OR COMMENTS?

If you have questions or comments about forest markets, economic development, carbon credits, forest certification, or anything else related to Georgia's Forestry Business, please contact one of our staff.

Our contact information is provided on page one of this newsletter.