

TimberMart-South

Quarterly Market Bulletin ~ 4th Quarter 2025

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Prices & Market Conditions

Timber markets were generally weaker in the 4th Quarter. Abnormally dry conditions and weak markets kept supply above demand, pushing prices downward on many products.

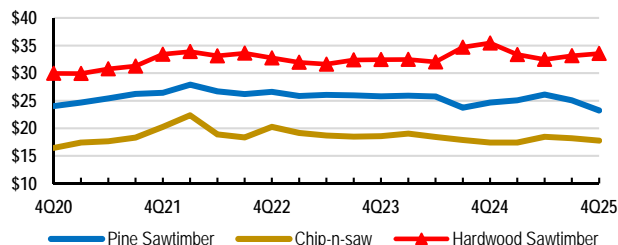
Wood products markets showed some signs of strengthening this quarter, with Southern pine lumber and Southern plywood prices both increasing. Softwood pulp prices eased upward, while hardwood pulp prices increased 10% this quarter.

South-wide Stumpage Markets

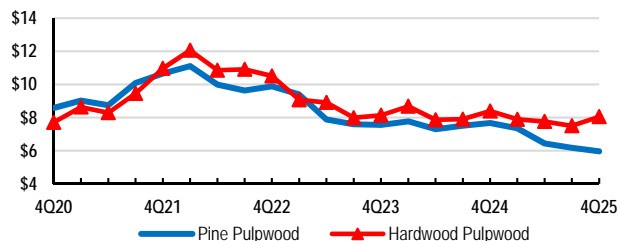
South-wide average stumpage prices increased for the two major hardwood products but decreased for all three major pine products in the 4th Quarter. Notably, South-wide pine sawtimber fell to \$23.23 per ton this quarter, its lowest since 3rd Quarter 2020. However, the hardwood sawtimber price continued to hold strong and remained above \$33 per ton. Also, while prices have held relatively steady for hardwood pulpwood, pine pulpwood price has continued to fall and is down more than 45% since peaking at over \$11 per ton in 1st Quarter 2022.

Δ	Δ	South-wide Stumpage, 4 th Quarter 2025	
3Q25	4Q24		
▼	▼	Pine Sawtimber:	\$23.23/ton
		Down \$1.85 Q/Q and down \$1.44 Y/Y	
▼	▲	Pine Chip-n-saw:	\$17.76/ton
		Down \$0.44 Q/Q but up \$0.33 Y/Y	
▼	▼	Pine Pulpwood:	\$5.96/ton
		Down \$0.21 Q/Q and down \$1.71 Y/Y	
▲	▼	Hardwood Sawtimber:	\$33.55/ton
		Up \$0.41 Q/Q but down \$1.90 Y/Y	
▲	▼	Hardwood Pulpwood:	\$8.05/ton
		Up \$0.55 Q/Q but down \$0.34 Y/Y	

South-wide Sawtimber Stumpage Prices (\$/Ton)



South-wide Pulpwood Stumpage Prices (\$/Ton)



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South-wide Delivered Prices

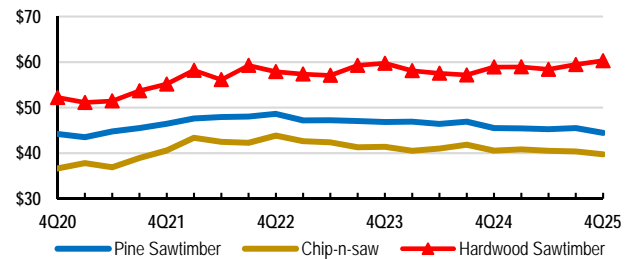
South-wide delivered prices increased for hardwood sawtimber but decreased for the other four major products in the 4th Quarter.

South-wide delivered pine sawtimber and pine chip-n-saw prices have both been on a downward slide the last three years, and in the 4th Quarter, delivered pine sawtimber and pine chip-n-saw prices fell below \$45 and \$40 per ton, respectively – the lowest level for both since mid-2021. However, South-wide delivered hardwood sawtimber price continues its upward climb, setting a new record high of \$60.30 per ton in 4th Quarter 2025.

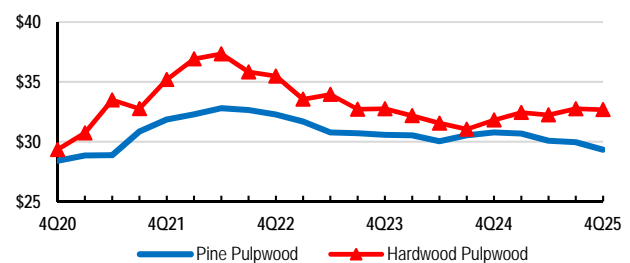
South-wide delivered prices decreased for both pine and hardwood pulpwood in the 4th Quarter. Delivered pine pulpwood price has trended downwards the last 3-4 years and remained below \$30 per ton for the second consecutive quarter. Conversely, the hardwood pulpwood price eased downward only slightly after having trended upwards the last five quarters, reaching a \$3.35 per ton premium over pine pulpwood price in 4th Quarter 2025.

Δ 3Q25	Δ 4Q24	South-wide Delivered, 4 th Quarter 2025	
▼	▼	Pine Sawtimber: Down \$1.06 Q/Q and down \$1.06 Y/Y	\$44.44/ton
▼	▼	Pine Chip-n-saw: Down \$0.62 Q/Q and down \$0.82 Y/Y	\$39.74/ton
▼	▼	Pine Pulpwood: Down \$0.63 Q/Q and down \$1.45 Y/Y	\$29.33/ton
▲	▲	Hardwood Sawtimber: Up \$0.85 Q/Q and up \$1.39 Y/Y	\$60.30/ton
▼	▲	Hardwood Pulpwood: Down \$0.07 Q/Q but up \$0.87 Y/Y	\$32.68/ton

South-wide Delivered Sawtimber Prices (\$/Ton)



South-wide Delivered Pulpwood Prices (\$/Ton)





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News of Note

There were multiple stories of note this quarter, some of which have been highlighted below. Full details and additional information regarding these stories and others are available in the 4th Quarter 2025 *Market News Quarterly*.

Softwood Sawmills:

- ❖ Domtar indefinitely curtailed its 185 mmbf sawmill in Glenwood AR in mid-October, citing low demand and rising interest rates. Separately, the company also announced in early December plans to curtail lumber production by 100 mmbf at its facilities in the US and Canada throughout 4Q 2025, citing market challenges.
- ❖ Hampton Lumber broke ground in early November on its new 250 mmbf sawmill in Allendale SC, with construction expected to be completed in 2027.
- ❖ Harrigan Lumber announced plans to reduce lumber production by 50% at its 115 mmbf sawmill in Monroeville AL.
- ❖ PotlatchDeltic and Rayonier announced in mid-October an agreed merger of the two companies. The merger is expected to close in the first half of 2026 and the new, unnamed company will have seven wood products manufacturing facilities, three of which are in Arkansas.
- ❖ Southern Forest Industries announced plans to idle its 35 mmbf sawmill in Smarr GA.
- ❖ Two Rivers Lumber completed construction of its new sawmill in Kellyton AL in late October and will begin ramping up to its annual capacity of 180 mmbf.
- ❖ West Fraser made several announcements this quarter:
 - Plans to permanently shut down its sawmills in Huttig AR and Lake Butler FL, both of which were idled in 2024.
 - Plans to permanently close its 140 mmbf sawmill in Augusta GA by year-end.
 - The company has begun to incrementally ramp up production at its recently modernized mill in Henderson TX. The ramp up will take 18-24 months for the mill to reach its 275 mmbf annual capacity.



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News of Note (cont.)

Pulp & Paper:

- ❖ Private equity firm American Industrial Partners (AIP) acquired a pulp mill network from International Paper in 3Q 2025 and now operates the mills under the subsidiary name Global Cellulose Fibers (GCF). AIP's GCF business now owns six pulp mills in the in US (all in the US South) and one in Canada. AIP has a total pulp capacity of 3.6 million metric tons across these seven North American pulp mills.
- ❖ Domtar indefinitely idled its Grenada MS newsprint mill at the end of September. The company described the mill's closure as part of strategic efforts to align operations with market conditions.
- ❖ International Paper (IP) made several announcements this quarter:
 - IP permanently shut down its mills in Riceboro and Savannah GA on September 30th.
 - IP announced an update to its planned No. 16 paper machine conversion at its Riverdale mill in Selma AL. The mill will continue to uphold the uncoated free sheet supply agreement it has with Sylvamo until after the conversion to containerboard is finished. The company expects to terminate the agreement by the end of May 2026.

OSB, Engineered Wood, & Panels:

- ❖ Hood Industries expects to reopen its newly rebuilt laminated plywood facility in Beaumont MS in the 1st Quarter of 2026. The \$200 million facility has a production capacity of approximately 480 mmsf per year (3/8" basis).
- ❖ Scotch Plywood experienced a fire at its Beatrice AL veneer mill on November 2nd. No injuries were reported. The company anticipates the facility will undergo 12 months of reconstruction to become fully operational again.

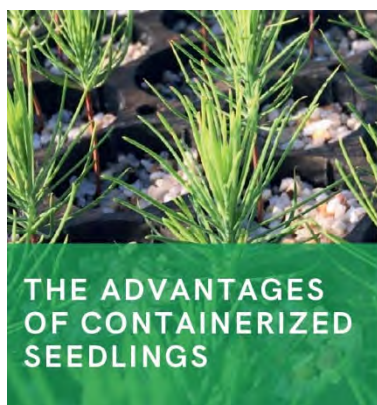
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News of Note (cont.)

Biofuel & Bioenergy:

- ❖ Carolina Renewable Products plans to invest \$280 million to build a renewable energy facility in Orangeburg County SC. The facility will produce renewable diesel, biochar, and wood vinegar from woody biomass. The Orangeburg facility is expected to begin construction in the spring of 2026 and to fully open in 2027.
- ❖ Drax idled its pellet plants in Leola AR and Russellville AR on November 1st. The two mills were Drax's only facilities in Arkansas. The company cited operational efficiency and market conditions.
- ❖ Enviva experienced a fire at its Port of Pascagoula MS in one of two pellet storage domes in late October. The fire was contained within the dome and no injuries were reported.
- ❖ LanzaJet announced that its Freedom Pines Fuels facility in Soperton GA has begun commercially producing Sustainable Aviation Fuel (SAF) from ethanol derived from feedstocks, including woody biomass.
- ❖ United Shipping and Trading Company (USTC) acquired CM Biomass by purchasing its outstanding shares from previous owner Copenhagen Merchants Group. CM Biomass operates nine pellet facilities in the US South.

Timberland:

- ❖ PotlatchDeltic and Rayonier announced in mid-October an agreement to combine in a merger of equals. The proposed transaction has an enterprise value of \$8.2 billion, or about \$7 billion with debt included. The agreement was unanimously approved by both company's boards. Once the merger is complete, the yet unnamed company will have 4.2 million acres of timberland under management across 11 states, with 3.2 million acres located in the US South and the remaining 931,000 acres in the US Pacific Northwest. The transaction is expected to close in the first half of 2026. The combined company is poised to be the second largest private landowner, after Weyerhaeuser.



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Market Indicators

Market conditions generally improved or held relatively steady for most wood products manufacturers and pulp producers in the 4th Quarter of 2025.

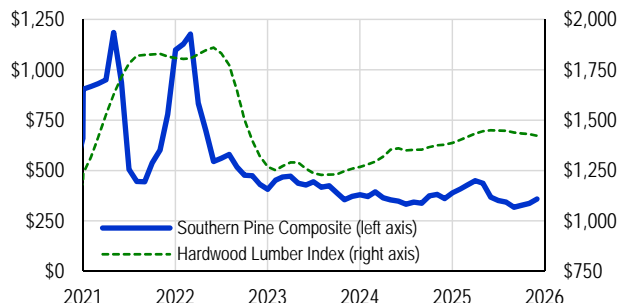
Lumber Indicators: Softwood lumber prices were up in the 4th Quarter. The December Random Lengths Southern Pine Composite¹ at \$358 per thousand board feet (mbf) was up \$40 (+13%) Q/Q but down \$3 (-1%) Y/Y.

The December Hardwood Review US Kiln Dried Hardwood Lumber Index at \$1,423 per mbf was down \$16 (-1%) Q/Q but up \$45 (+3%) Y/Y.

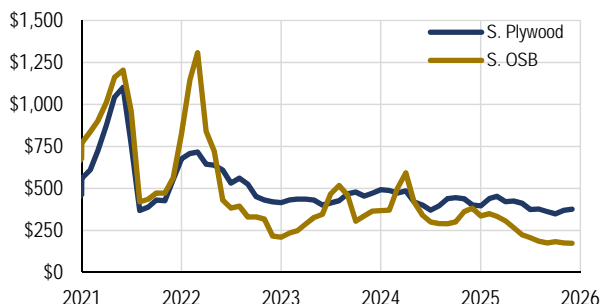
Panel Indicators: Prices were up for Southern Plywood but down for Southern OSB this quarter. The December Random Lengths Southern Pine Plywood price for 3/8-inch exterior sheathing at \$376 per thousand square feet (msf) was up \$14 (+4%) Q/Q but down \$25 (-6%) Y/Y.

The December Random Lengths Southern OSB price at \$173 per msf was down \$2 (-1%) Q/Q and \$209 (-55%) Y/Y.


Random Lengths Southern Pine Composite & Hardwood Review US Kiln Dried Hardwood Lumber Index Monthly Average Price (\$/mbf)



Random Lengths Southern Pine Plywood & Southern OSB Monthly Average Price (\$/msf)



¹ The Southern Pine Composite averages 35 southern framing lumber prices.




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Market Indicators (cont.)

Pulp & Paper Indicators: The American Forest and Paper Association (AF&PA) reported US paper and paperboard production at a combined 50.3 million tons YTD-September, the latest available, which was down 1.4 million tons (-3%) compared to the same period in 2024.

The December Northern Bleached Softwood Kraft (NBSK) pulp index price at \$1,498 per ton was up \$2 (+1%) Q/Q and \$8 (+1%) Y/Y.

The December Bleached Hardwood Kraft Pulp (BHKP) price at \$1,096 per ton was up \$96 (+10%) Q/Q and \$86 (+9%) Y/Y.

US Building Construction: Due to delays from the government shutdown, the US Census's scheduled release of September and October 2025's construction spending indicators has been delayed until later in January. The following reflects the latest data available at the time of publication.

According to the US Census, US housing starts totaled 935,100 units YTD-August, the latest available, which was up 1% from 928,700 units for the same period in 2024.

The US Census reported remodeling and improvement expenditures at \$209.9 billion YTD-July, the latest available, which was down \$2.5 billion (-1%) from the same period in 2024.

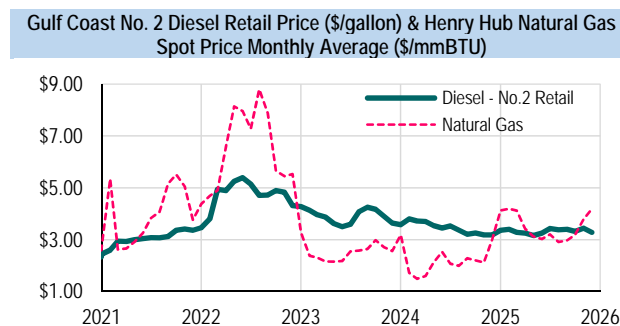
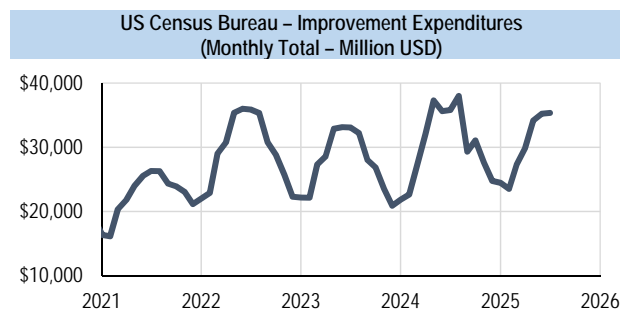
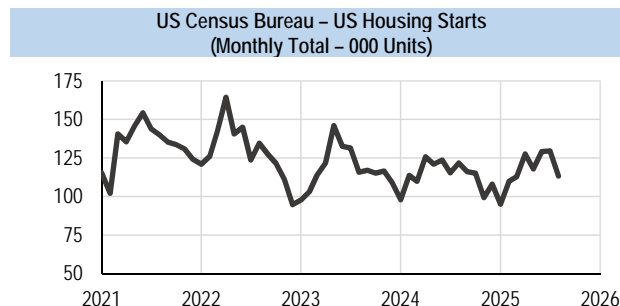
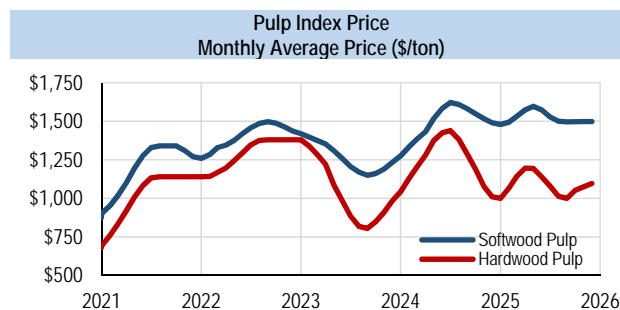
Fuel & Energy Indicators: Prices were down for diesel and crude oil but surged upward for natural gas in the 4th Quarter. The December 2025 monthly average Gulf Coast #2 Diesel price at \$3.28 per gallon was down \$0.12 (-4%) Q/Q but up \$0.10 (+3%) Y/Y.

The December West Texas Intermediate (WTI) crude spot price at \$58 per barrel was down \$6 (-9%) Q/Q and \$12 (-17%) Y/Y.

The December Henry Hub Natural Gas spot price at \$4.18 per million BTU was up \$1.21 (+41%) Q/Q and \$1.17 (+39%) Y/Y.

Log & Lumber Exports: The USDA Foreign Agricultural Service (FAS) reported total exports for the four major forest products at 4.4 million cubic meters (m³) YTD-September, the latest available, which was up 14% from the same period in 2024. Exports to China, the dominant US trade partner, were down 48% from the same period a year ago.

Compared to 2024 levels for this period, southern yellow pine (SYP) log exports were up 27% but SYP lumber exports were down 9%. Hardwood log exports were down 14% but hardwood lumber exports were up 56% from the same period in 2024.



US Log & Lumber Exports (YTD-September 2025) Volume in Thousand Cubic Meters			
Product	World YTD-2025	World YTD-2024	China YTD-2025
SYP Softwood logs	444	349	2
SYP Softwood lumber	639	703	9
US Hardwood logs	1,313	1,519	186
US Hardwood lumber	1,979	1,266	626
Total	4,375	3,837	823



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Market Indicators (cont.)

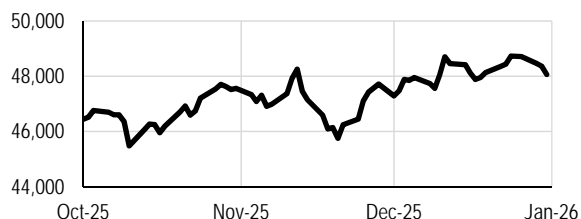
Financial Indicators: Financial markets were up in the 4th Quarter of 2025. Specifically, the Dow Jones Industrial Average (DJIA) closed out December at 48,063, up 4% Q/Q and 13% from the same period a year ago. The quarterly high was 48,731 (a new record high) on December 24th and the quarterly low was 45,480 on October 10th.

The S&P 500 ended December at 6,846 (+2% Q/Q; +16% Y/Y).

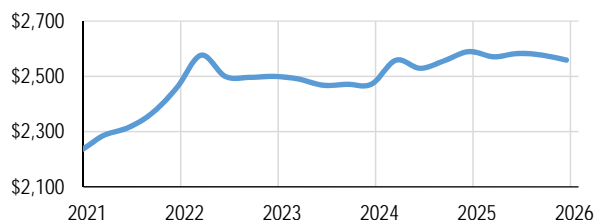
The NASDAQ ended December at 23,242 (+3% Q/Q; +20% Y/Y).

Southern Timberland Index: The Southern Timberland Index (STI) was developed to provide an indication of how the value of an average acre in the South has changed over time. In the 4th Quarter of 2025, the base case STI averaged \$2,559 per acre, which was down 0.7% Q/Q and 1.2% Y/Y.

Dow Jones Industrial Average
4th Quarter 2025



Southern Timberland Index
Base Case (\$/acre)



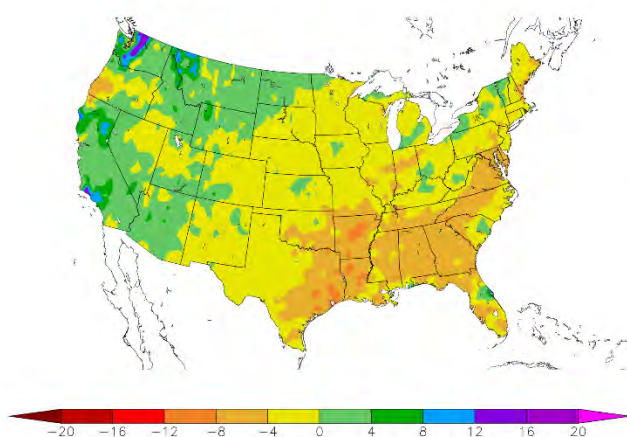
Weather, Etc.

General Weather: Precipitation averaged below normal for the South in the 4th Quarter, except for certain areas in coastal Florida and South Carolina. Moderately dry conditions were prominent throughout Arkansas, Louisiana, and east Texas. Temperatures averaged moderately above normal and trended hotter in the southernmost states, particularly Florida and Louisiana.

Drought: Most of the South experienced abnormal to moderate dry conditions this quarter, with pockets of severe and extreme drought affecting parts of Alabama, Arkansas, Florida, and Georgia.

Fire: Wildfire burned 5,039,145 acres year-to-date nationwide through December, with roughly 939,691 acres (13.1%) burned in the South. The number of fires nationwide was above the 10-year average, but the number of acres burned was lower.

Departure from Normal Precipitation (in)
10/1/2025 – 12/31/2025



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