



FORESTA 2023

Joint Session of the ECE Committee on Forests and the Forest Industry and the FAO European Forestry Commission

San Marino, 20-23 November 2023





NA Wood-Based Panel Market Update

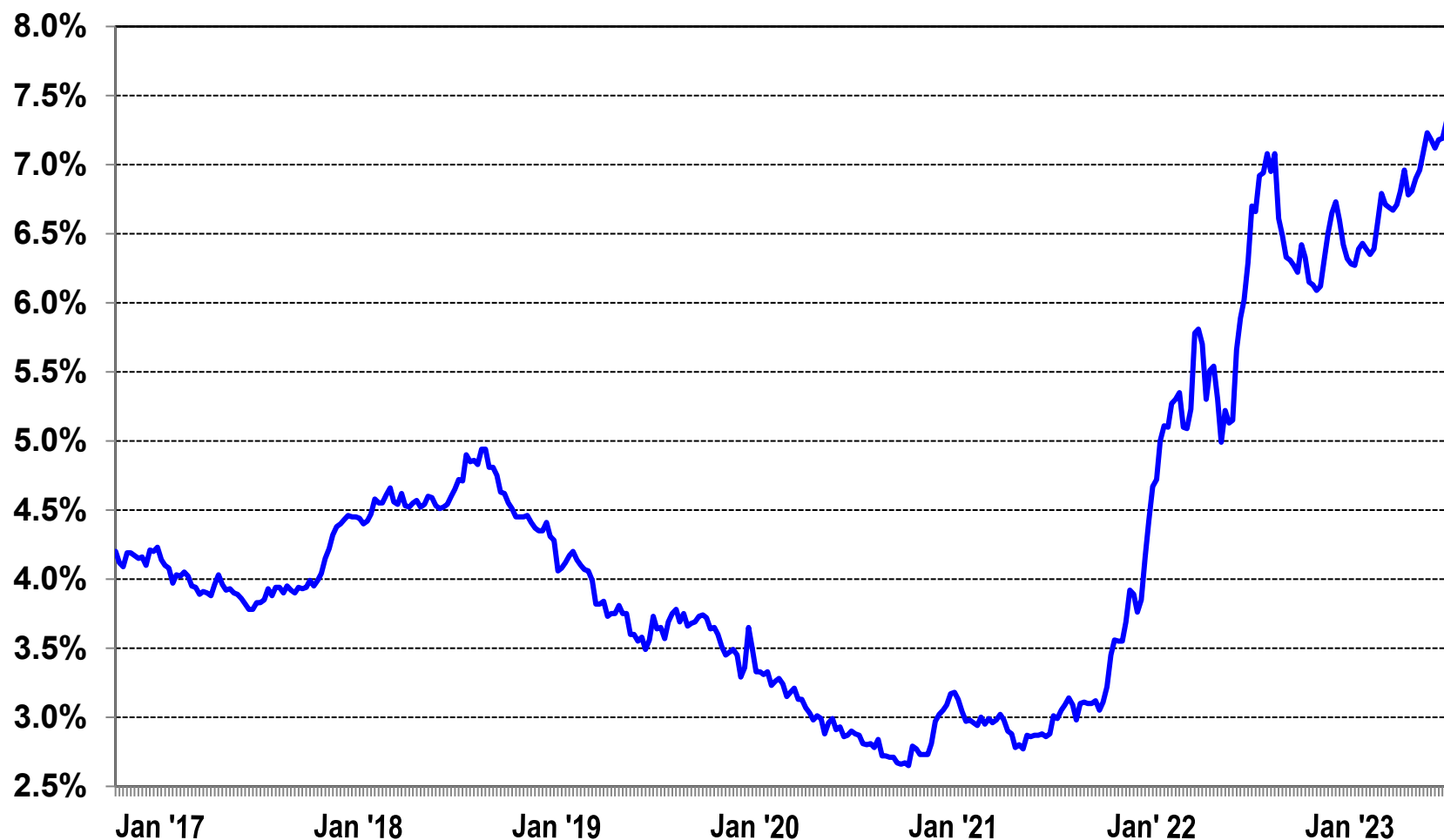
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Center for International Trade in Forest Products (CINTRAFOR)
University of Washington

San Marino, 20-23 November 2023



US 30-Year Fixed-Rate Mortgage

In response to recent interest rate hikes by the Fed, mortgage rates jumped from about 3.0% in early 2022 to 7.6% by mid-2023.



Source: APA 2023

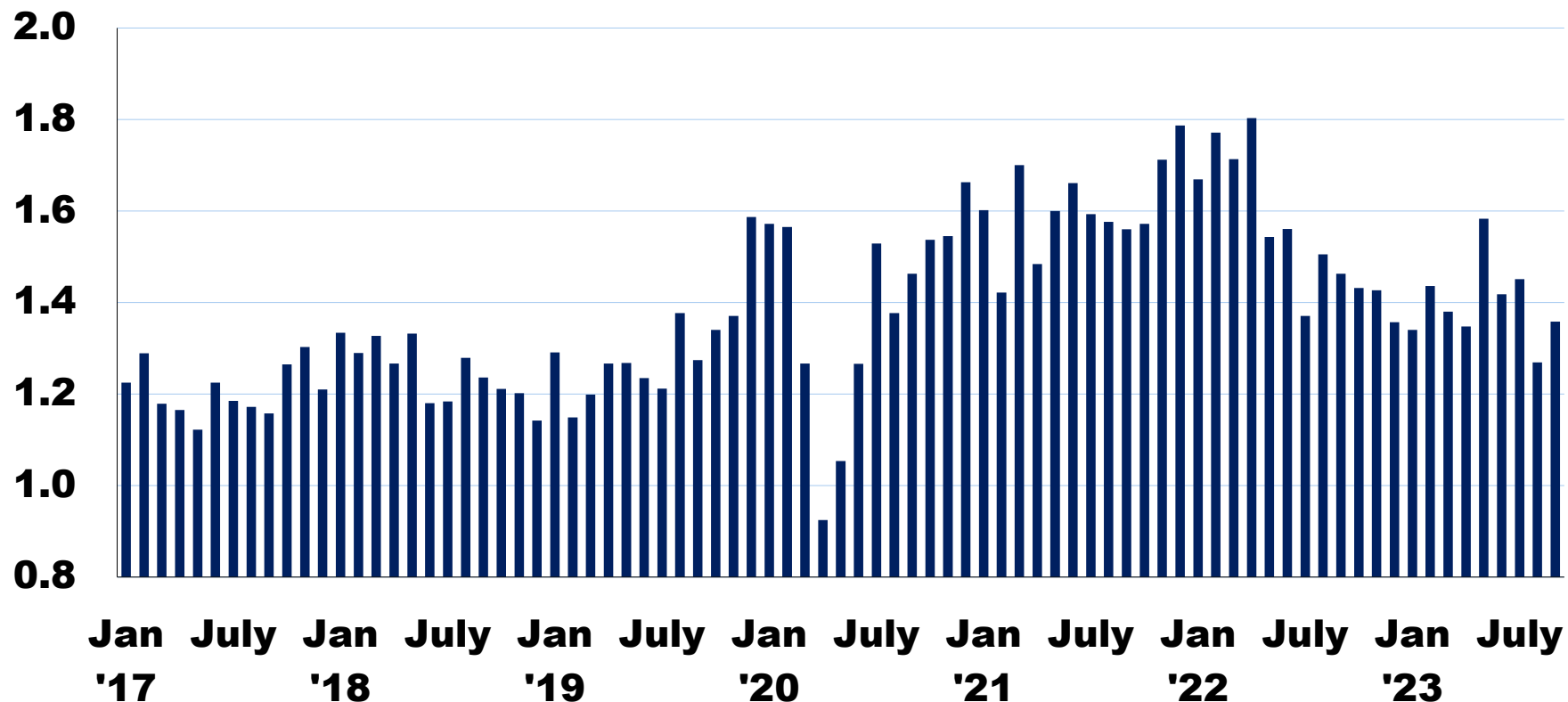
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US Annual Housing Starts

As a result of high mortgage rates, new housing starts are down by 10.8% since early 2022 and are projected to be down by a further 6.1% in 2024.

Seasonally adjusted annual rate. - Millions

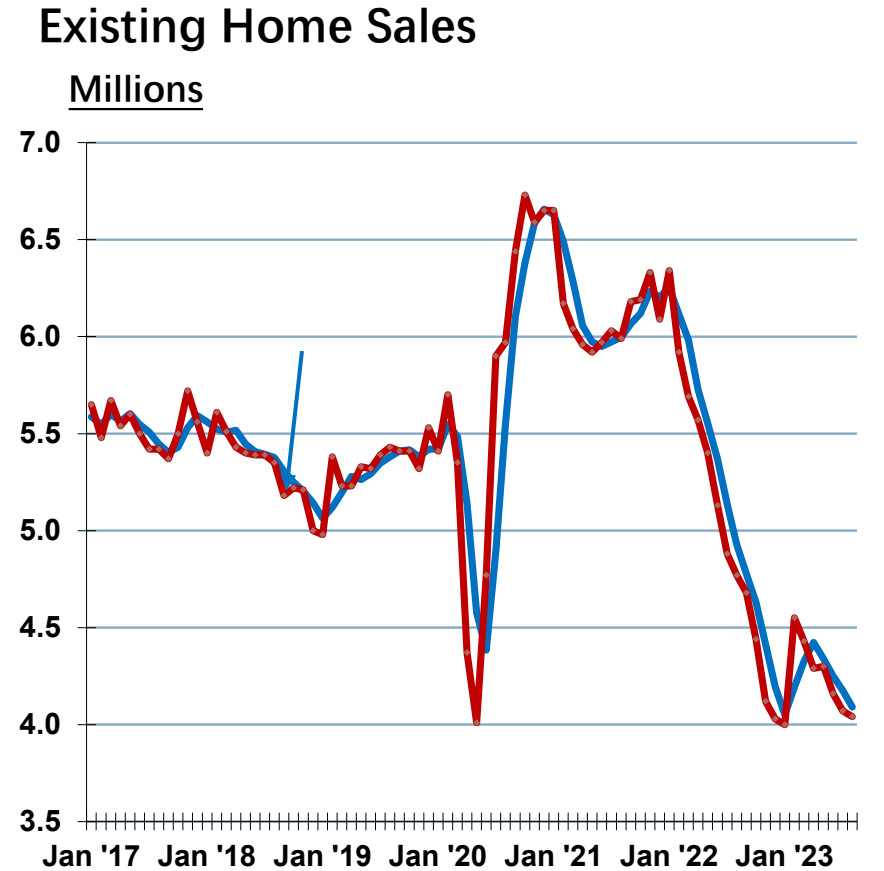
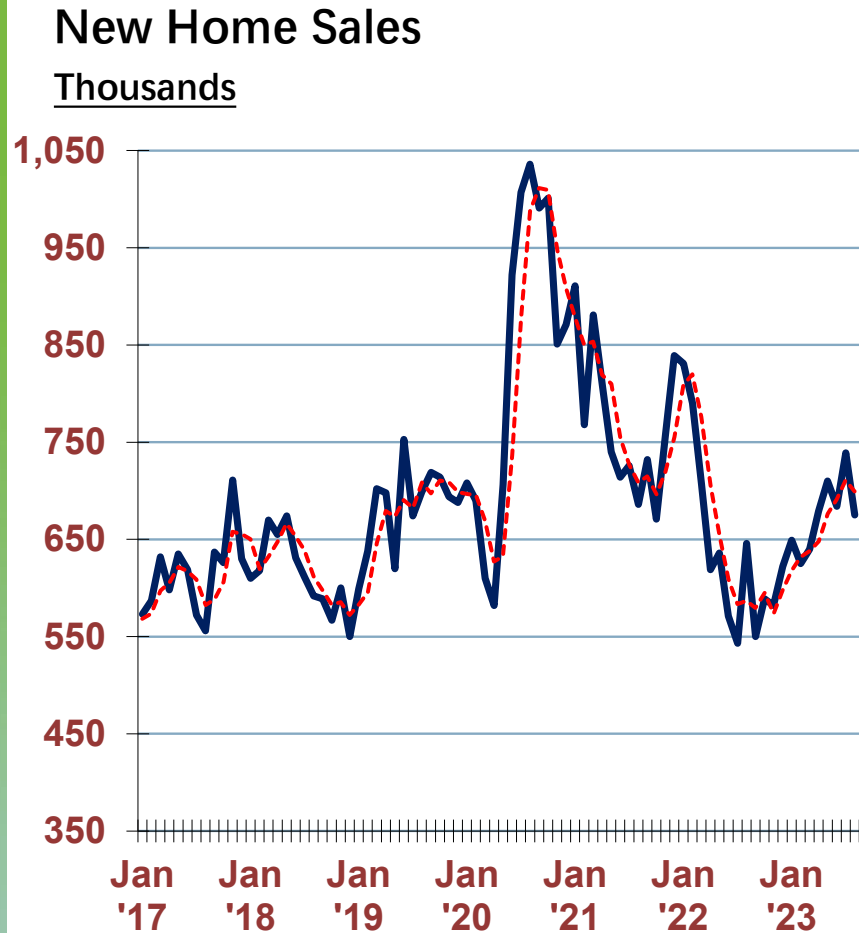


APA Forecast	2022	2023	2024
Single-family	1,005,200	910,000	880,000
Multifamily	547,400	475,000	420,000
Total	1,552,600	1,385,000	1,300,000
Canada	261,849	245,000	245,000

Source: APA 2023

New and Existing Home Sales

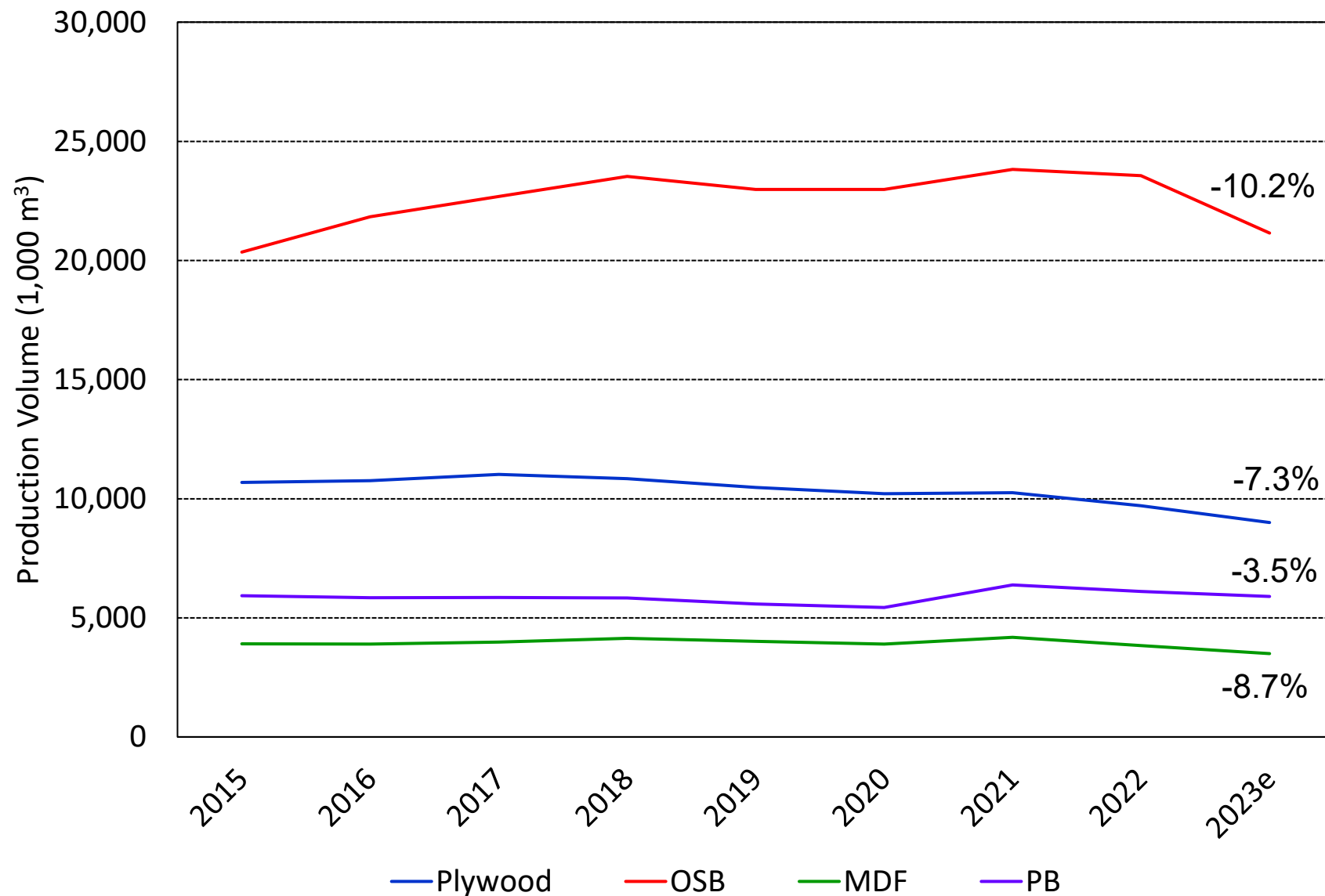
Similarly, sales of new homes and existing homes are down by 19.7% and 36.2%, respectively, since early 2022.



Source: APA 2023

NA Wood-Based Panel Production

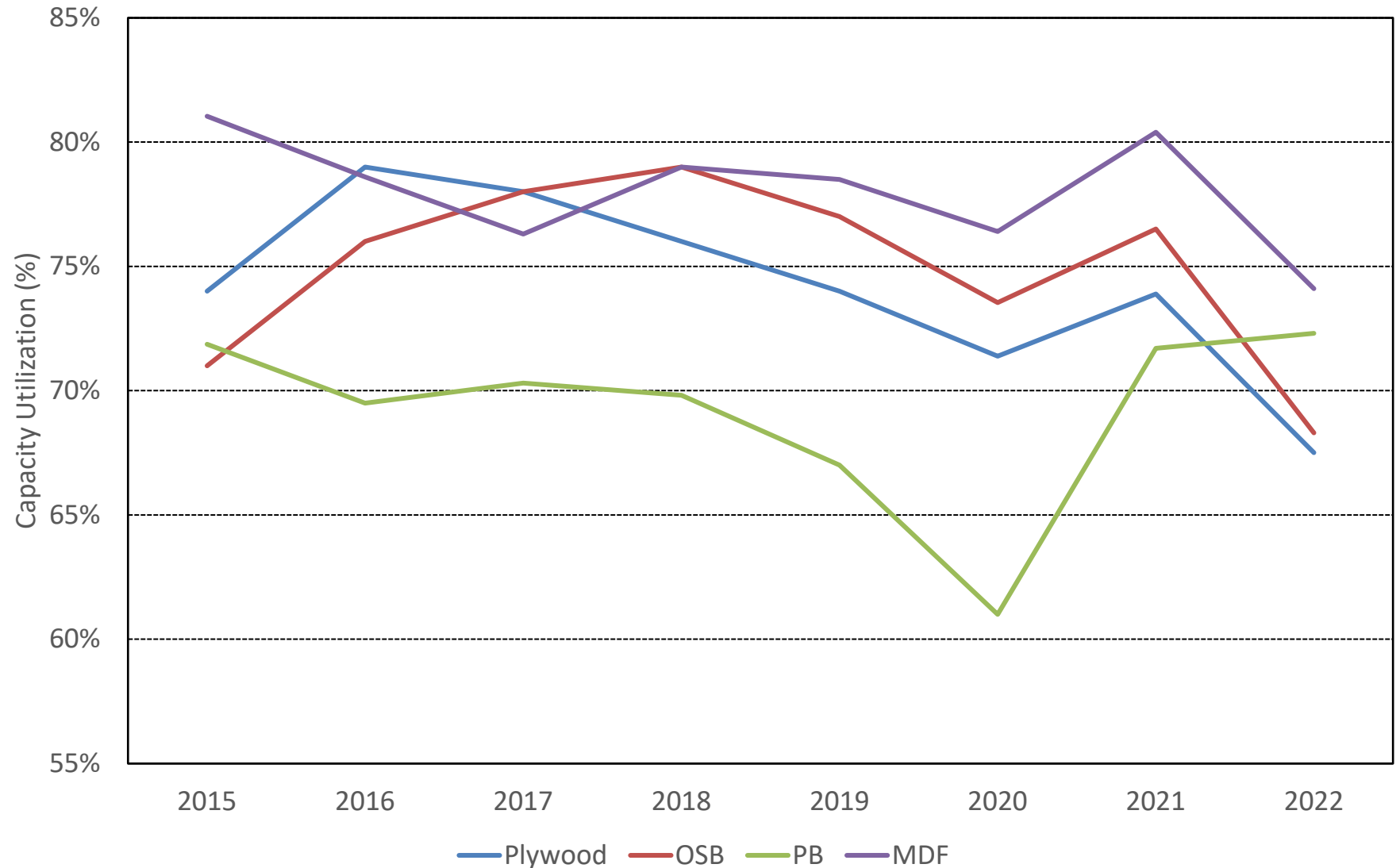
With housing starts and homes sales down by double digits since early 2022, production of all wood-based panels were down substantially in 2023 relative to 2022.



Source: APA 2023; CPA 2023

NA Capacity Utilization Rates

Not surprisingly, capacity utilization within the wood-sector declined (with the exception of PB) to below pre-pandemic levels due primarily to high mortgage rates and declining housing starts.



Source: APA 2023; CPA 2023

NA Structural Panel End-Use Markets

WBP consumption was down across end-use markets with the largest decline within the residential housing sector. As a result, market shares increased across the remaining end-use sectors.

End-Use Markets 2023

(4th Qtr. estimate), bsf, 3/8" basis

**Non-residential
Remodeling
Residential Housing
Industrial**

	OSB	Plywood	Total	
	1,753	1,252	3,005	9.4%
	4,775	2,961	7,736	24.3%
	11,681	2,834	14,516	45.6%
	2,901	3,681	6,582	20.7%
	21,110	10,728	31,839	

End-Use Markets 2021

bsf, 3/8" basis

**Non-residential
Remodeling
Residential Housing
Industrial**

	OSB	Plywood	Total	
	1,795	1,327	3,123	8.2%
	4,958	3,171	8,129	21.5%
	15,521	4,118	19,638	51.8%
	2,968	4,021	6,989	18.5%
	25,242	12,637	37,879	

Source: APA 2023

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NA Structural Panel End-Use Markets

This trend was true for both OSB and plywood.

	Change OSB 23/22	Change Ply 23/22	Change Total 23/22
Non-residential	1.92%	1.21%	1.62%
Remodeling	-3.94%	-6.24%	-4.83%
Residential Housing	-18.60%	-23.28%	-19.55%
Industrial	-4.00%	-5.15%	-4.65%

Source: APA 2023

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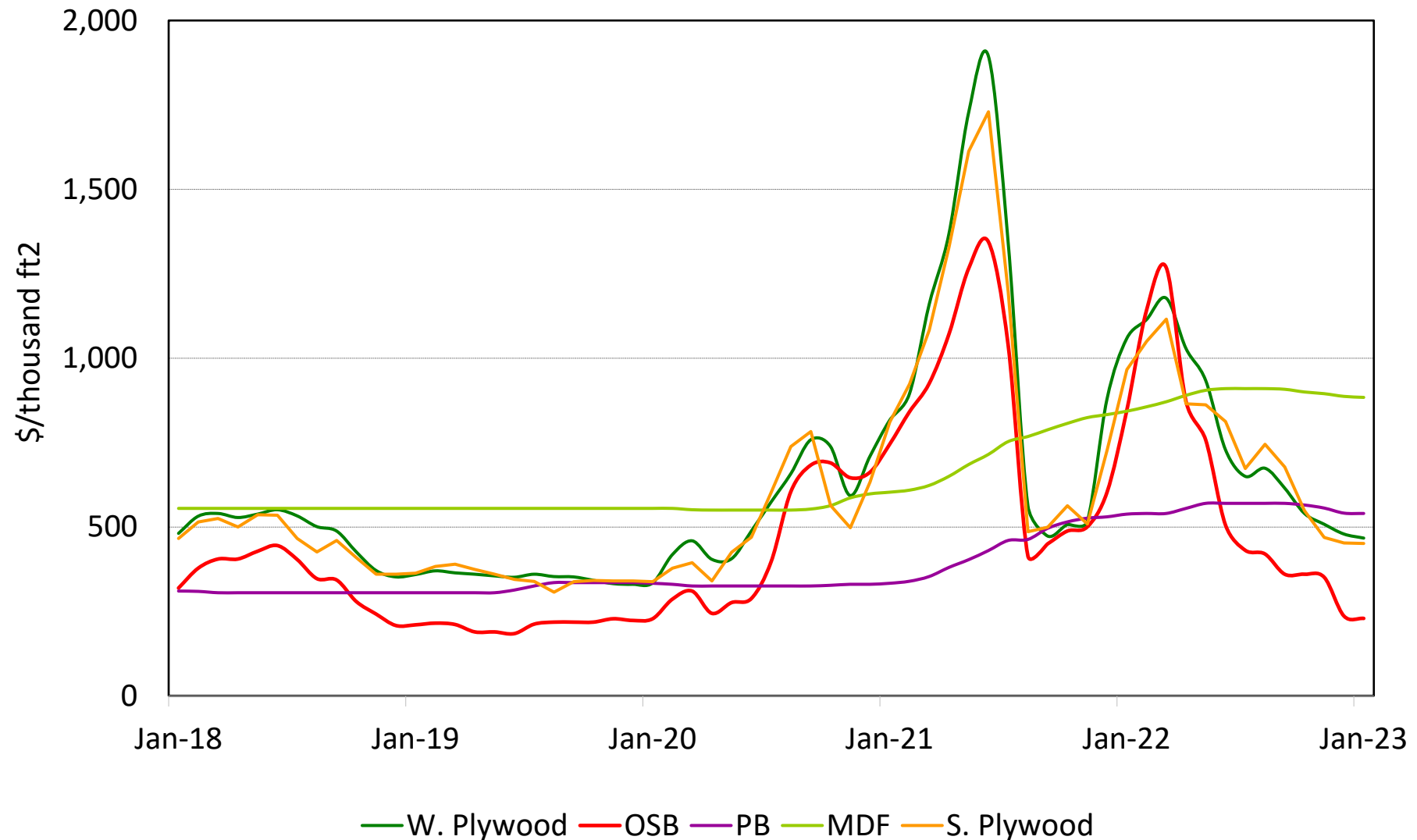


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NA Structural Panel Prices

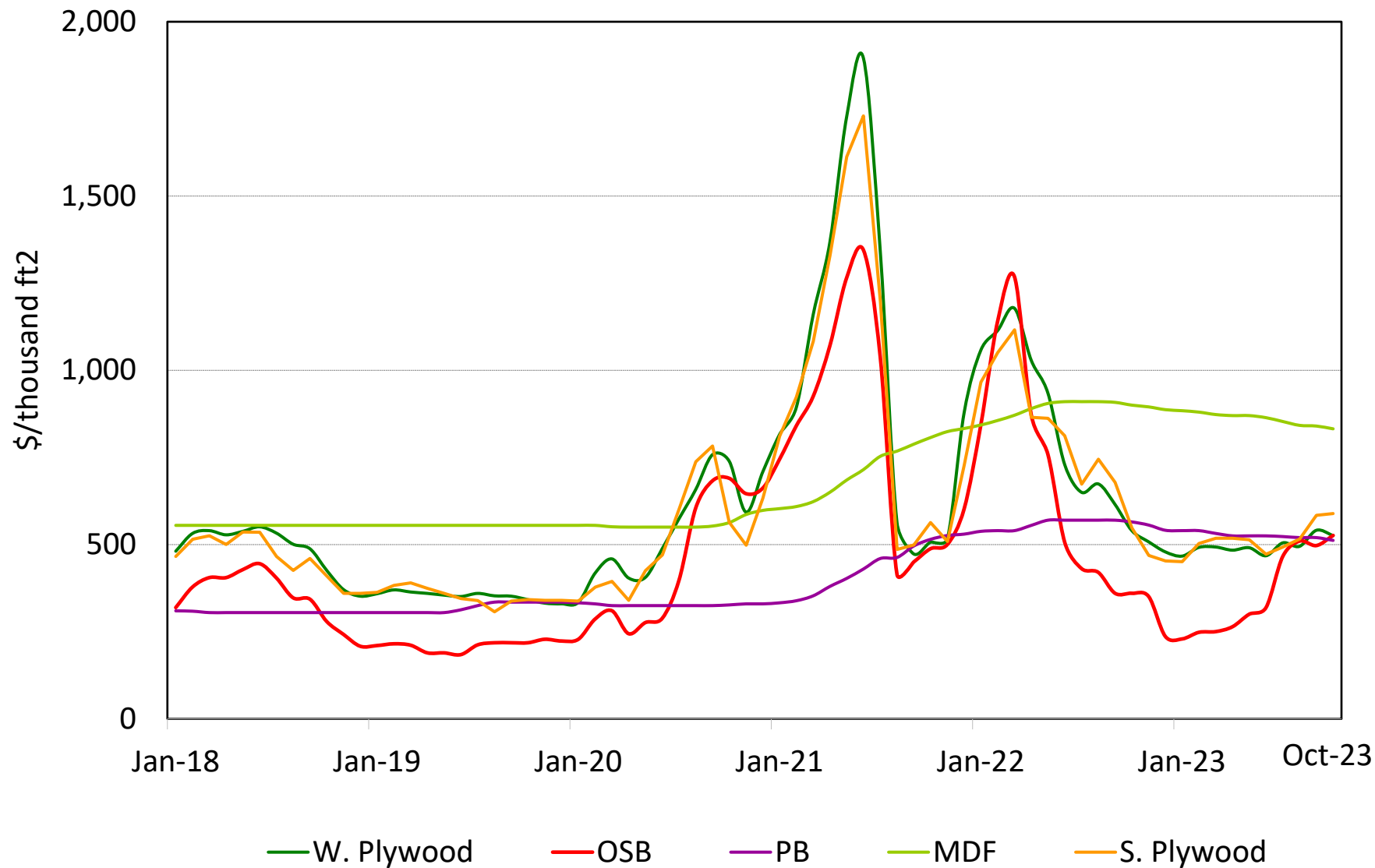
As you might expect given these trends in demand, prices for structural WBP's feel substantially in 2022 although non-structural WBP prices declined only marginally



Source: Random Lengths, various years

NA Structural Panel Prices

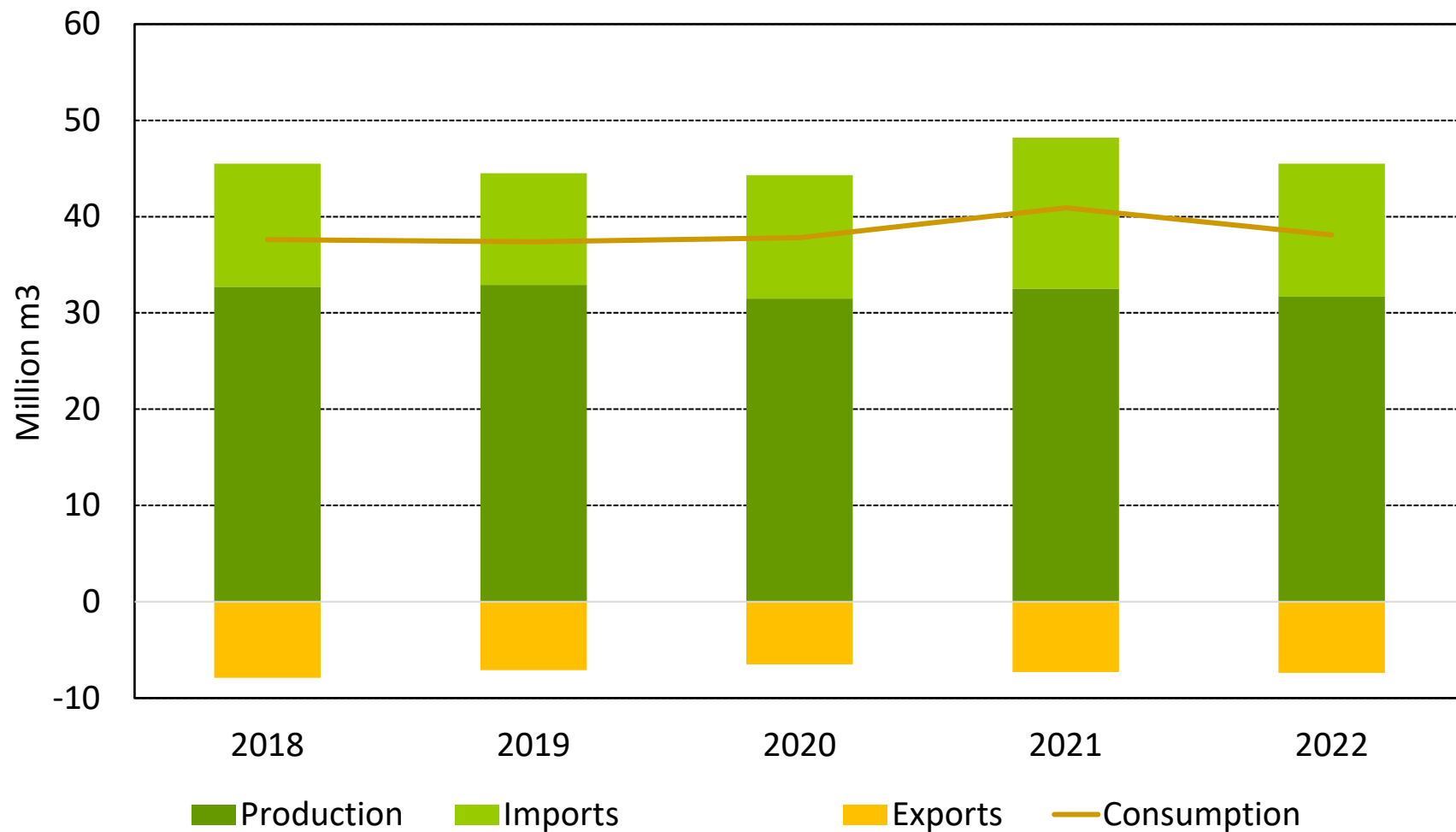
2023 saw prices for structural WBP's rebound a bit (S. plywood: +12.6%; W. plywood: +30.6%; OSB: +130%), while prices of non-structural WBP's declined slightly (PB: -5.2%; MDF: -5.9%).



Source: Random Lengths, various years

NA Structural Panel Balance

Structural WBP production, consumption and imports in NA all declined in 2022 although exports held steady with a modest increase.

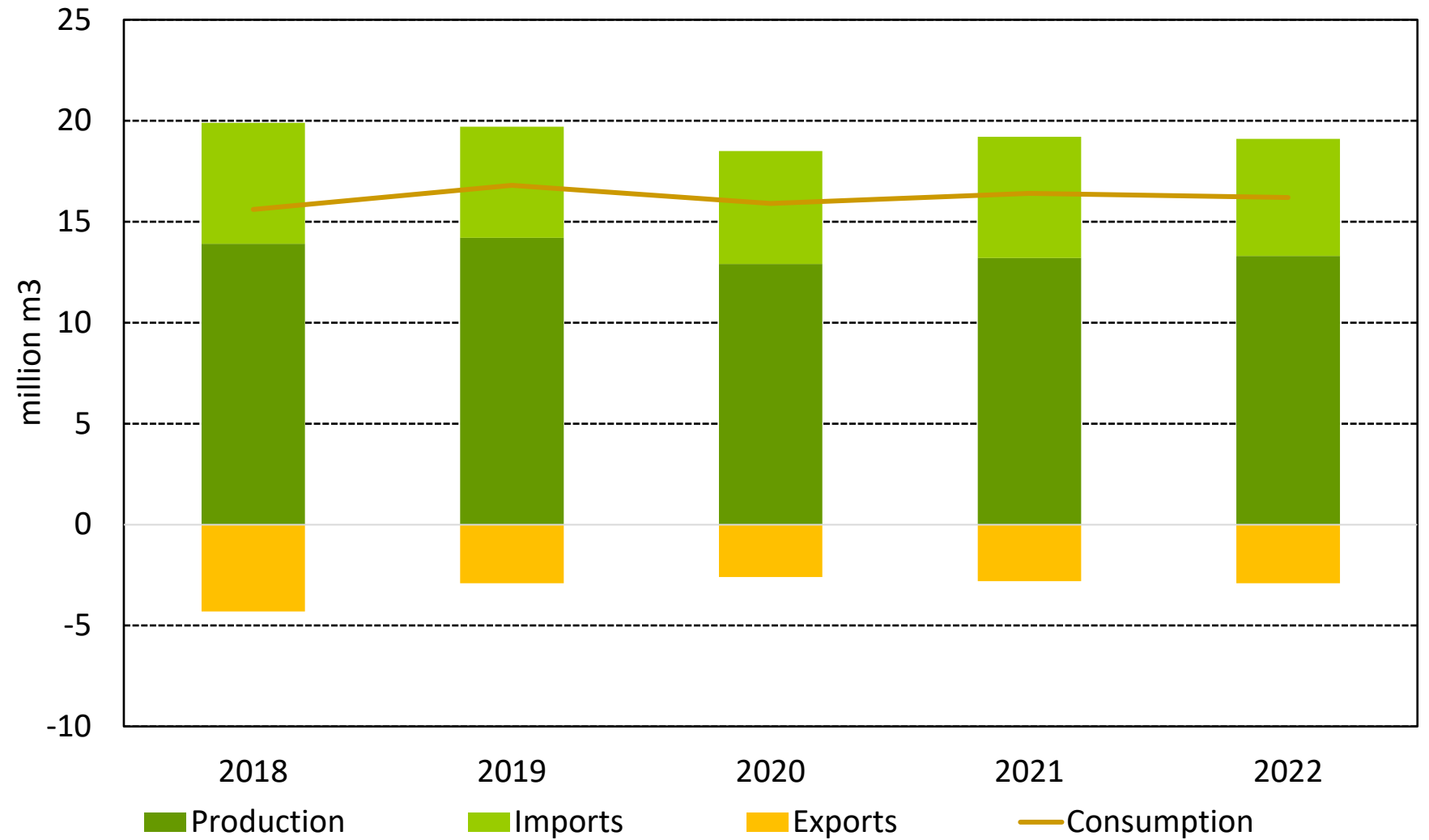


Source: UNECE, 2023

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NA Non-Structural Panel Balance

The market for non-structural WBP was fairly steady in 2022.



Source: UNECE, 2023

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NA Wood- Based Panel Trade (\$1,000)

NA trade of WBP's is projected to be down substantially across all product categories in 2023.

NA WBP Exports	2023e	2023/2022
Plywood	\$742,264	-18.5%
Fiberboard	\$668,309	-21.1%
Particleboard	\$329,258	-33.4%
OSB	\$1,565,674	-50.9%
Total	\$3,305,504	-39.3%

NA WBP Imports	2023e	2023/2022
Plywood	\$2,682,531	-46.0%
Fiberboard	\$1,512,695	-39.2%
Particleboard	\$320,934	-40.2%
OSB	\$1,518,709	-53.7%
Total	\$6,034,868	-46.5%

NA Wood- Based Panel Exports (\$1,000)

Canadian exports, which were 3x those of the US, were down 44% overall compared to a 16% decline in the US.

US WBP Exports (% to Canada)	2023e	2023/2022
Plywood (4412) (47.3%)*	\$278,617	-23.9%
Fiberboard (4411) (55.5%)*	\$245,100	-9.4%
Particleboard (4410) (66.3%)*	\$184,965	-12.4%
OSB (441012) (65.8%)*	\$67,392	-8.5%
Total	\$776,074	-15.8%
Canadian WBP Exports (% to US)	2023e	2023/2022
Plywood (4412) (97.2%)*	\$463,647	-14.9%
Fiberboard (4411) (98.2%)*	\$423,209	-26.6%
Particleboard (4410) (99.98%)*	\$144,293	-49.0%
OSB (441012) (97.7%)*	\$1,498,281	-51.9%
Total	\$2,529,430	-44.0%

(%)*=intra US-Canada trade

NA Wood-Based Panel Imports (\$1,000)

US imports, which were more than 5x those of Canada, were down 49% overall while Canadian imports were down by 30%.

US WBP Imports (% to Canada)	2023e	2023/2022
Plywood (4412) (18%)*	\$2,291,613	-47.6%
Fiberboard (4411) (33%)*	\$1,213,575	-40.8%
Particleboard (4410) (78%)*	\$185,861	-51.1%
OSB (441012) (96.5%)*	\$1,466,014	-54.5%
Total	\$5,157,063	-48.6%
Canada WBP Imports (% to US)	2023e	2023/2022
Plywood (4412) (53.8%)*	\$390,918	-34.3%
Fiberboard (4411) (37.3%)*	\$299,120	-31.4%
Particleboard (4410) (80.2%)*	\$135,073	-13.9%
OSB (441012) (99.3%)*	\$52,694	-7.6%
Total	\$877,805	-29.5%

(%)*=intra US-Canada trade

In Conclusion

- **Rising interest rates in 2023 dampened demand for WBP's across all end-use markets in NA.**
- **Current projections suggest that any recovery within the NA WBP sector in 2024 will be likely be anemic at best.**



Thank you for your attention!
Questions?

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