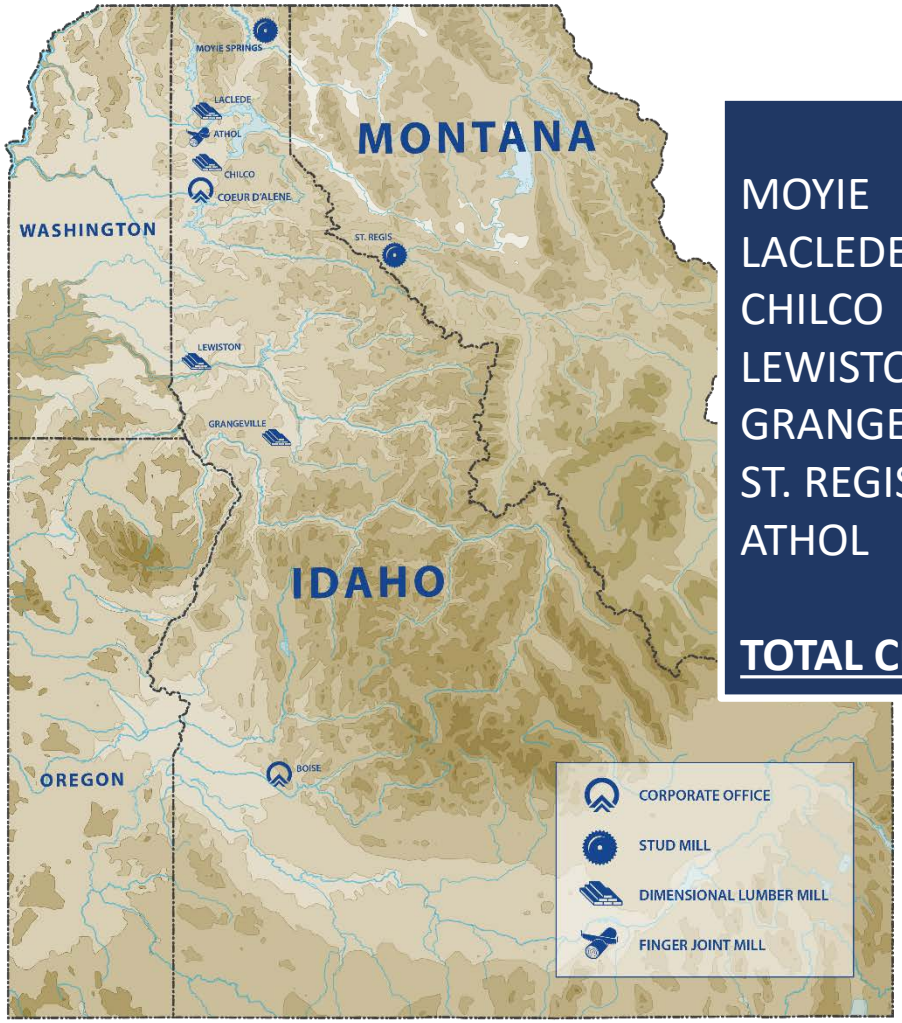
Tom Schultz
VP Governmental Affairs

Idaho Forest Group Operating Area



	CURRENT	MAXIMUM
MOYIE	200	200
LACLEDE	185	220
CHILCO	280	300
LEWISTON	330	400
GRANGEVILLE	240	240
ST. REGIS	80	200
ATHOL	25	75
TOTAL CURRENT CAPACITY	**1.34 BILLION BF**	

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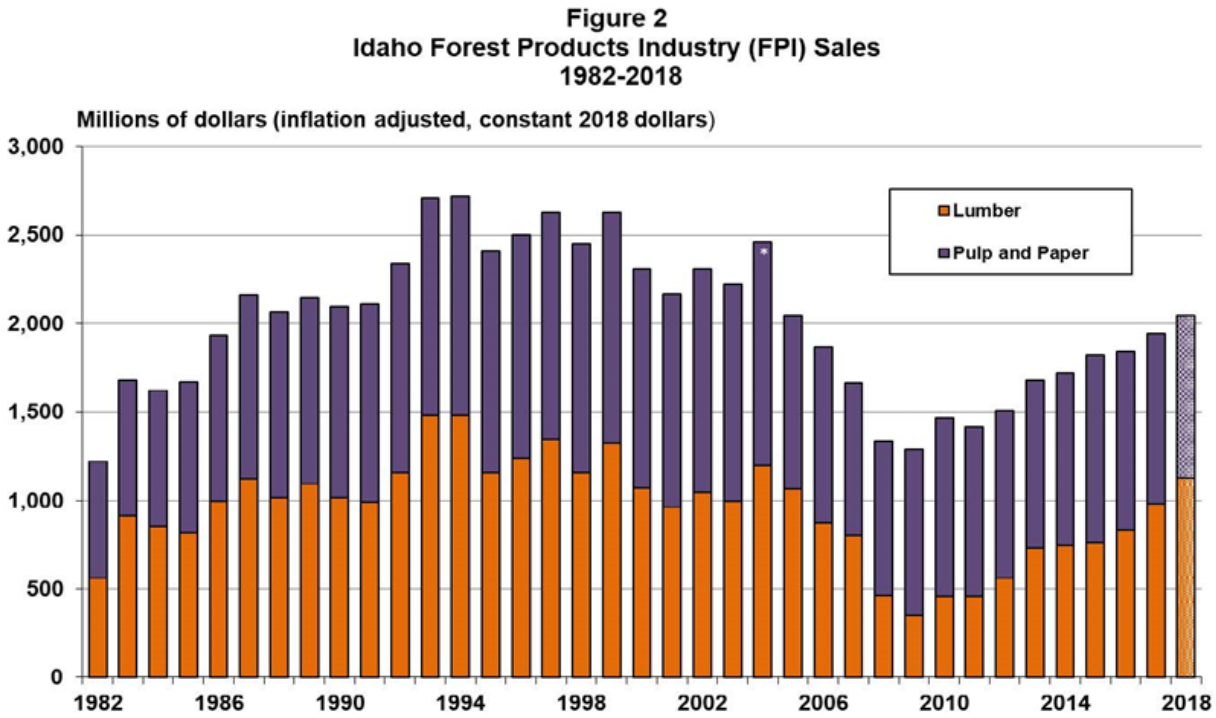
Idaho's Wood Products Industry in 2018



2018 numbers estimated.

Sources: Policy Analysis Group, University of Idaho; Western Wood Products AssociationU.S. Department of Commerce, Bureau of Economic Analysis.
*Prior to 2005, Pulp and Paper includes "other" primary forest products such as plywood and was estimated by University of Montana, Bureau of Business and Economic Research. Reliable data for other primary products are no longer available.

Wood products sales
$2.05 billion;
up 5% from 2017
(about 3% of ID GSP)

Lumber sales $1.13 billion;
up 15% from 2017

Lumber production 1.83 BBF;
up 2% from 2017

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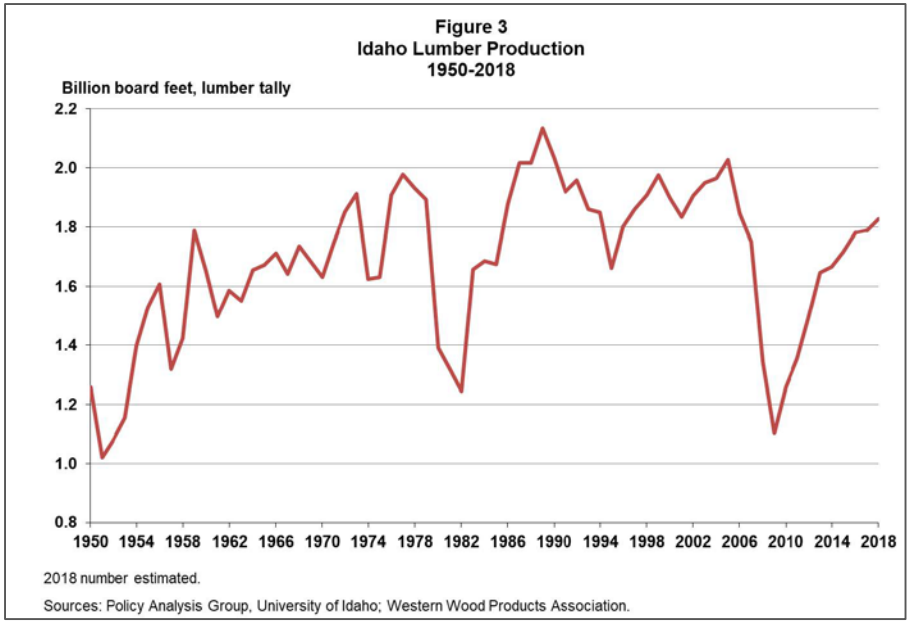
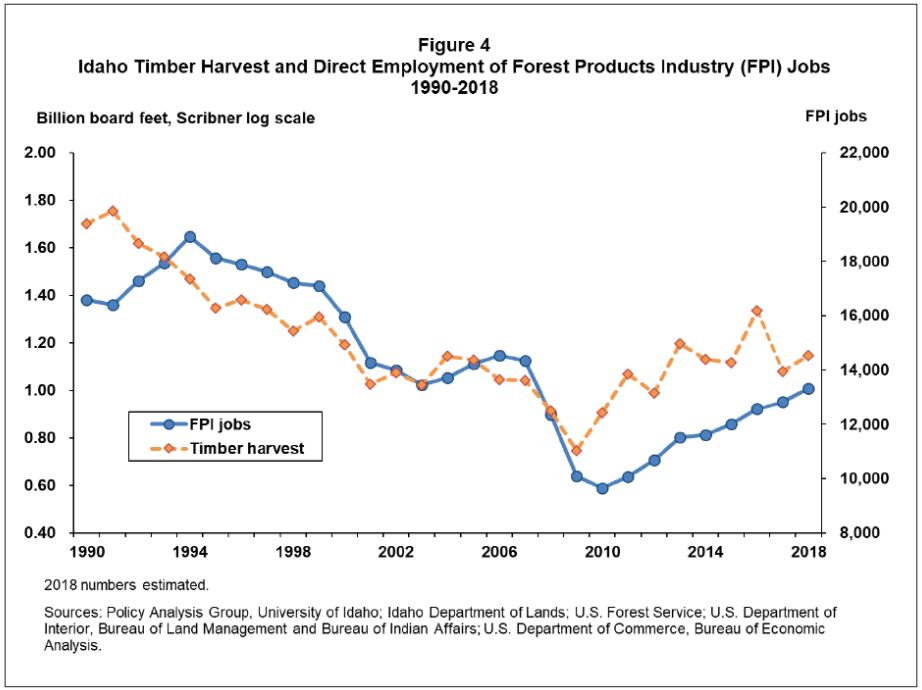
Idaho Forest Products





Jobs show steady increase over past 8 years with 483 jobs added in 2018.

Each additional MMBF harvested equates to 12 direct jobs added.

No facilities opening or closing in 2018

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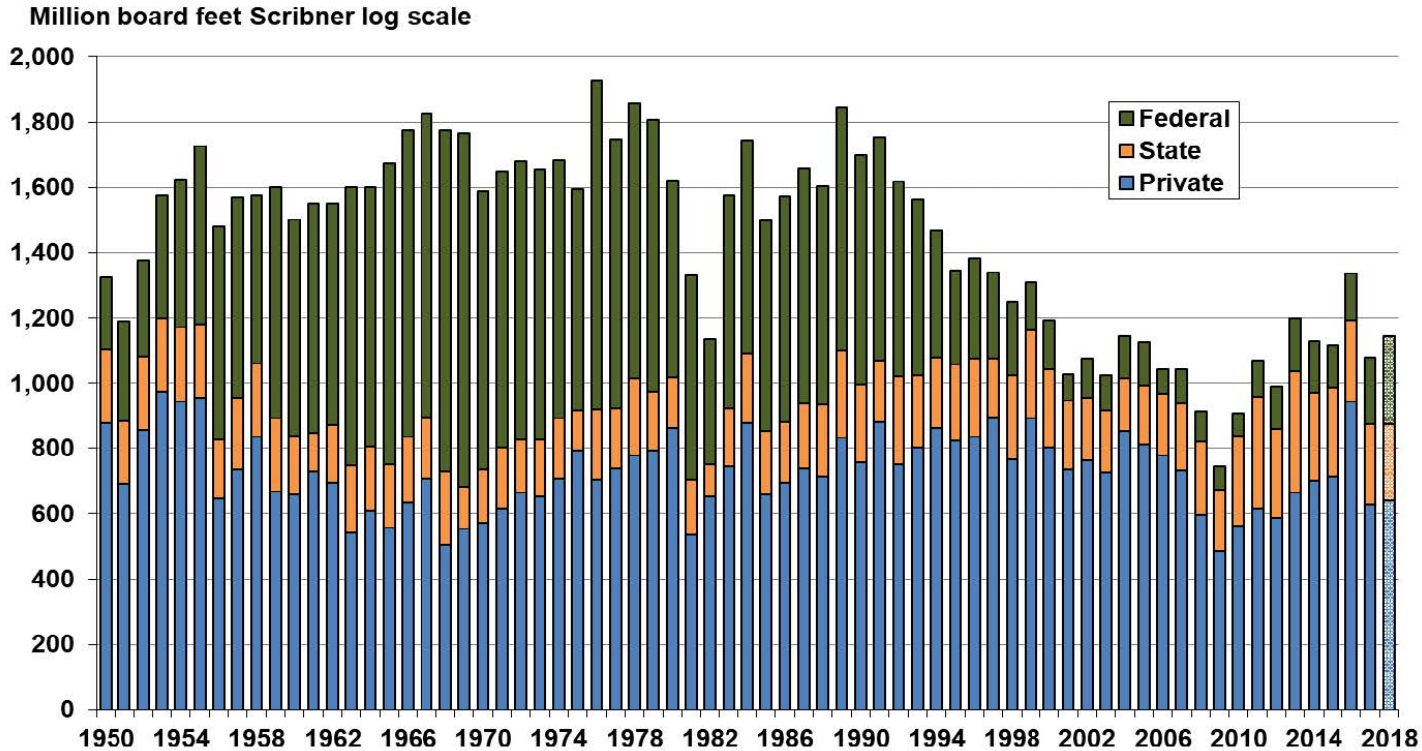
Figure 5
Idaho Timber Harvest by Ownership
1950-2018



2018 numbers estimated based on first three quarters.

Sources: Idaho Department of Lands; U.S. Forest Service; U.S. Department of Interior, Bureau of Land Management and Bureau of Indian Affairs.

1.15 BBF timber harvested in 2018; 6% increase from 2017

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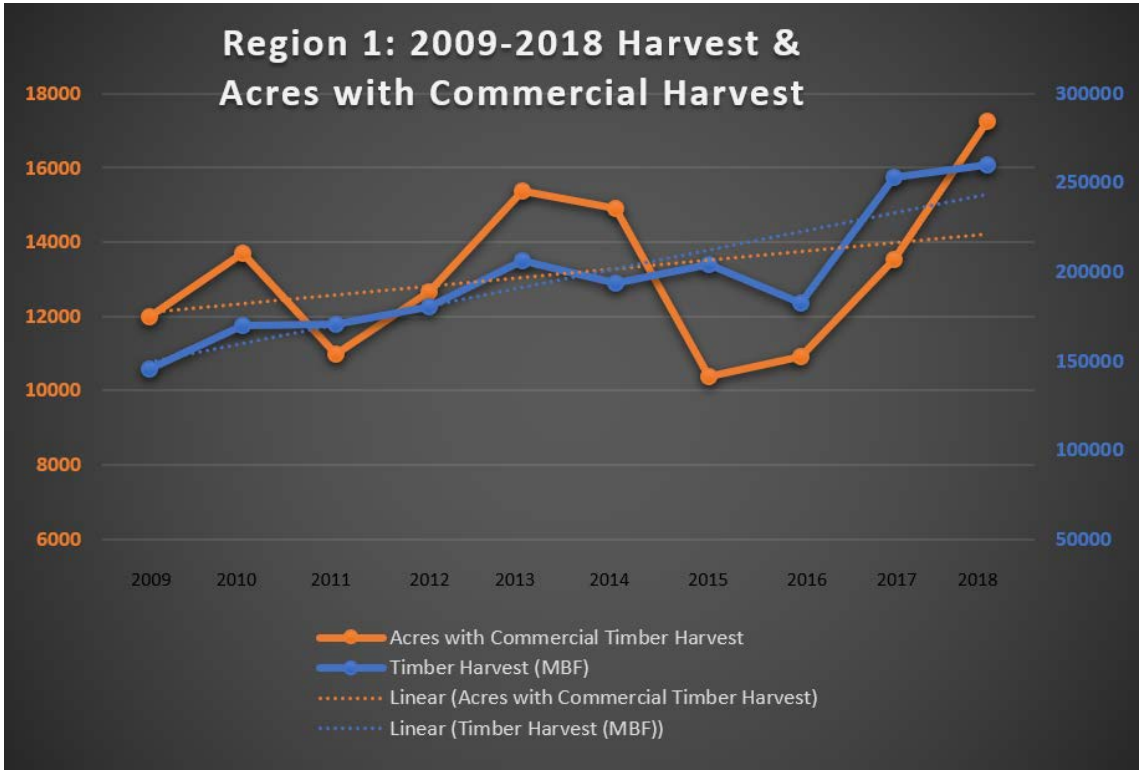
Federal Forest Management is Increasing

In Region 1:

2007 - 9,556 acres treated
2018 - 17,269 acres treated
= 45% increase!

In Idaho:

- 32% more harvest than in 2017 in federal forests.
- 24% of all of Idaho's harvest came from federal lands in 2018. This is twice the previous 10-year average!



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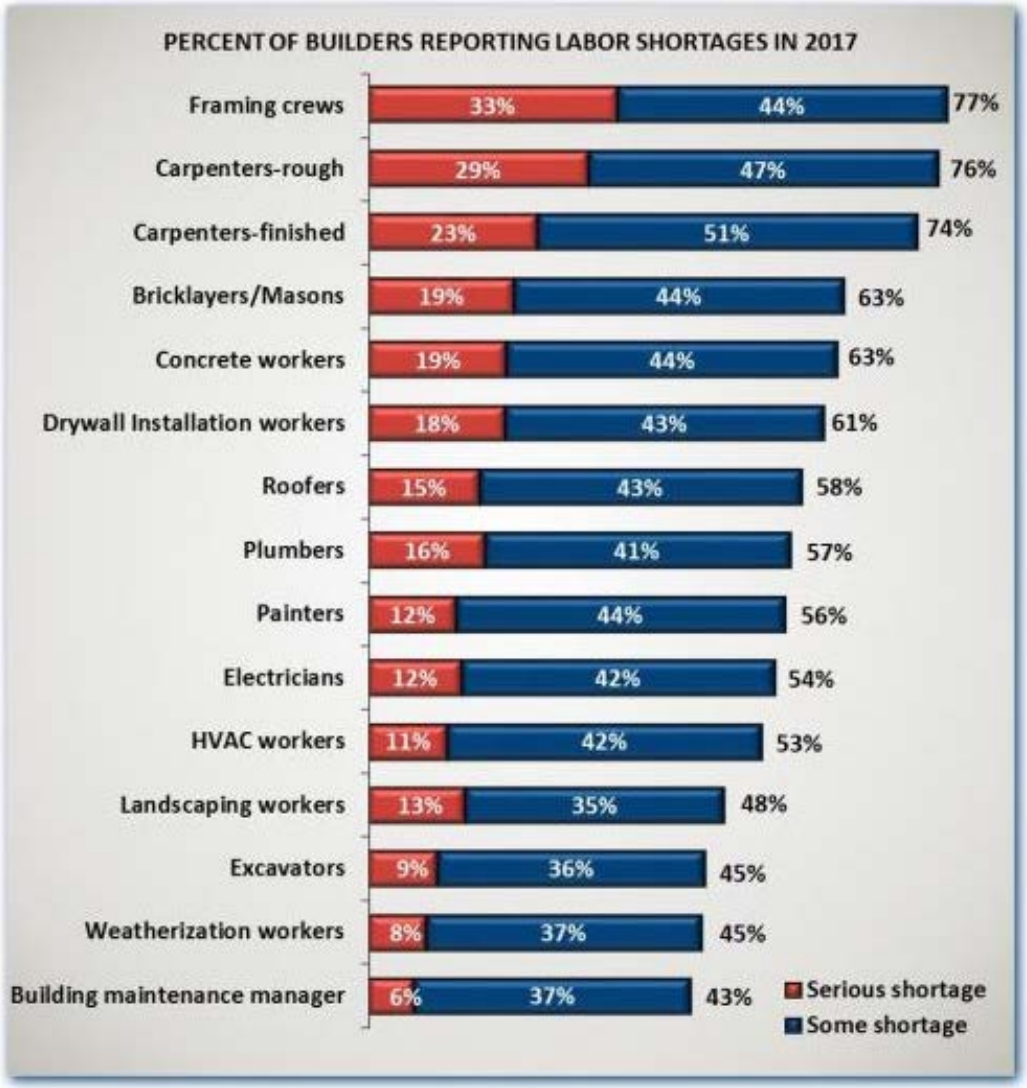
CHALLENGES FACING THE FOREST PRODUCTS INDUSTRY

- Workforce shortages
- Transportation
- Lack of predictable supply of federal timber
- Market fluctuations



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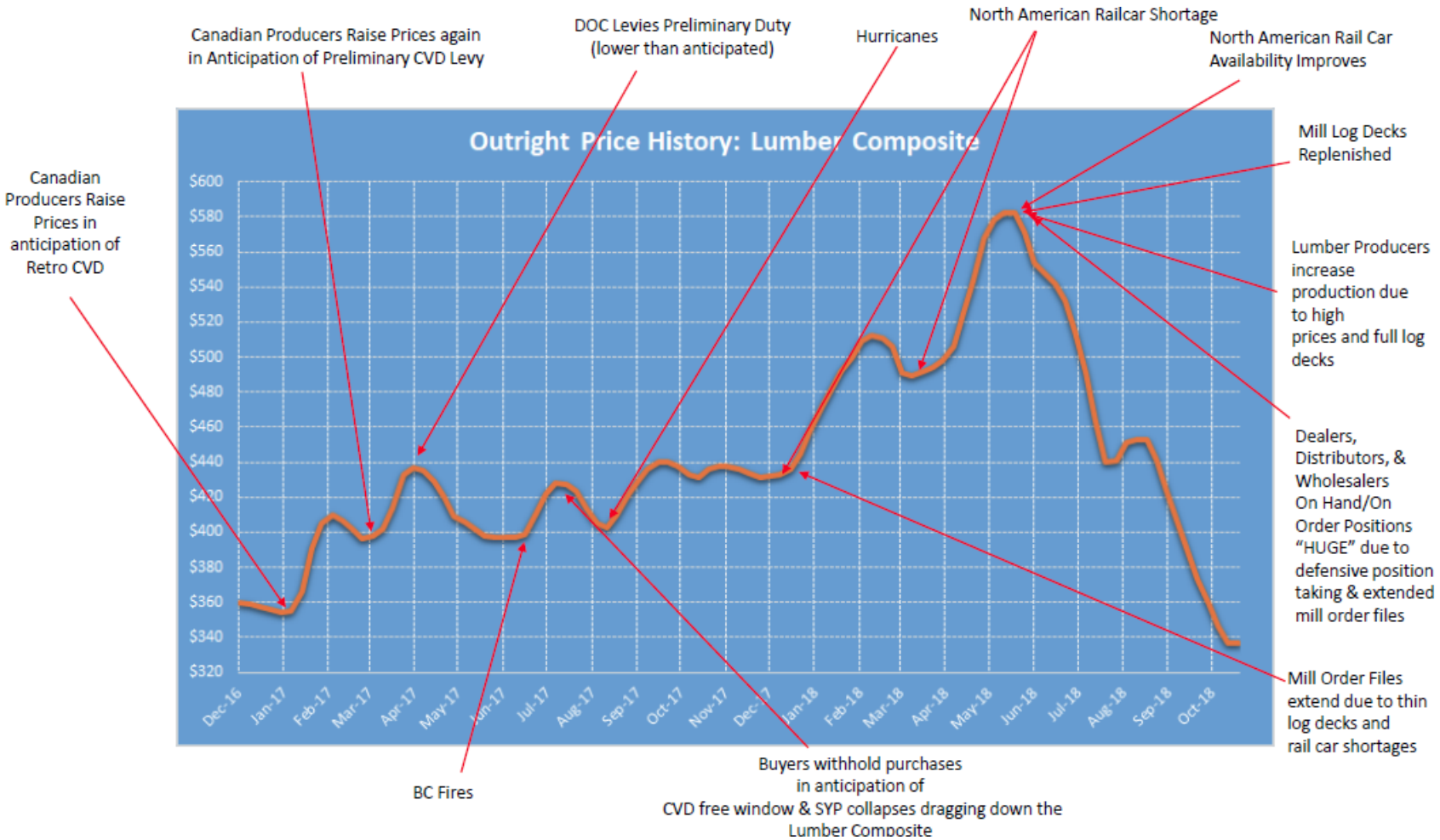
The Lumber Price Rollercoaster



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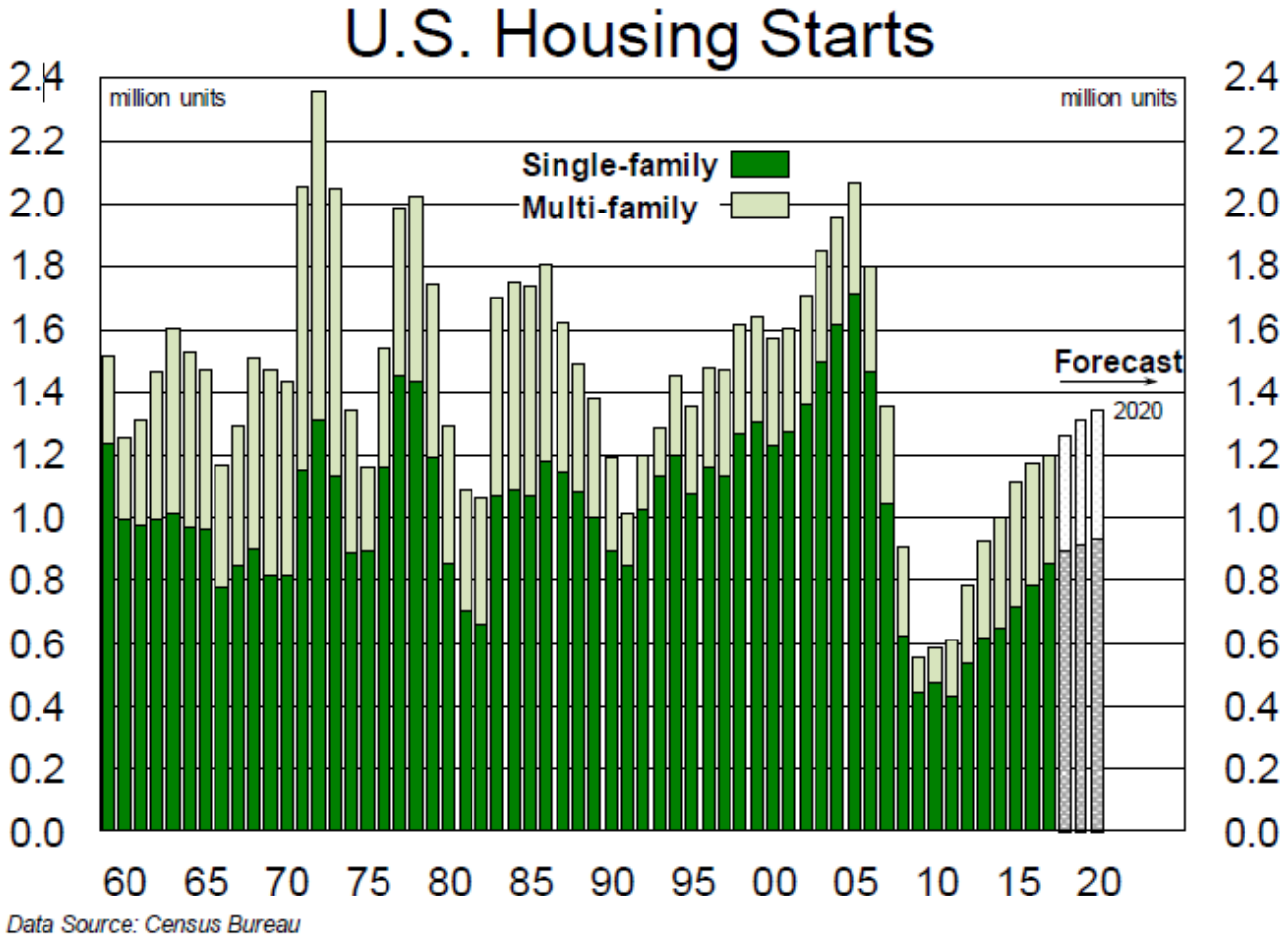

thousands	*2018*	*2019*	*2020*
Single-family	890	915	930
Multifamily	375	395	410
Total	1,265	1,310	1,340

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U.S. Lumber Demand Forecast

Million Board Feet

Markets:	*2018*	*2019*	*2020*
New Homes	16,800	17,620	19,360
Rep/Remodel	19,130	19,520	20,170
Non-Res.	2,330	2,440	2,550
Ind./Other	12,140	12,420	12,730
TOTAL	49,690	52,010	54,800

Source: FEA

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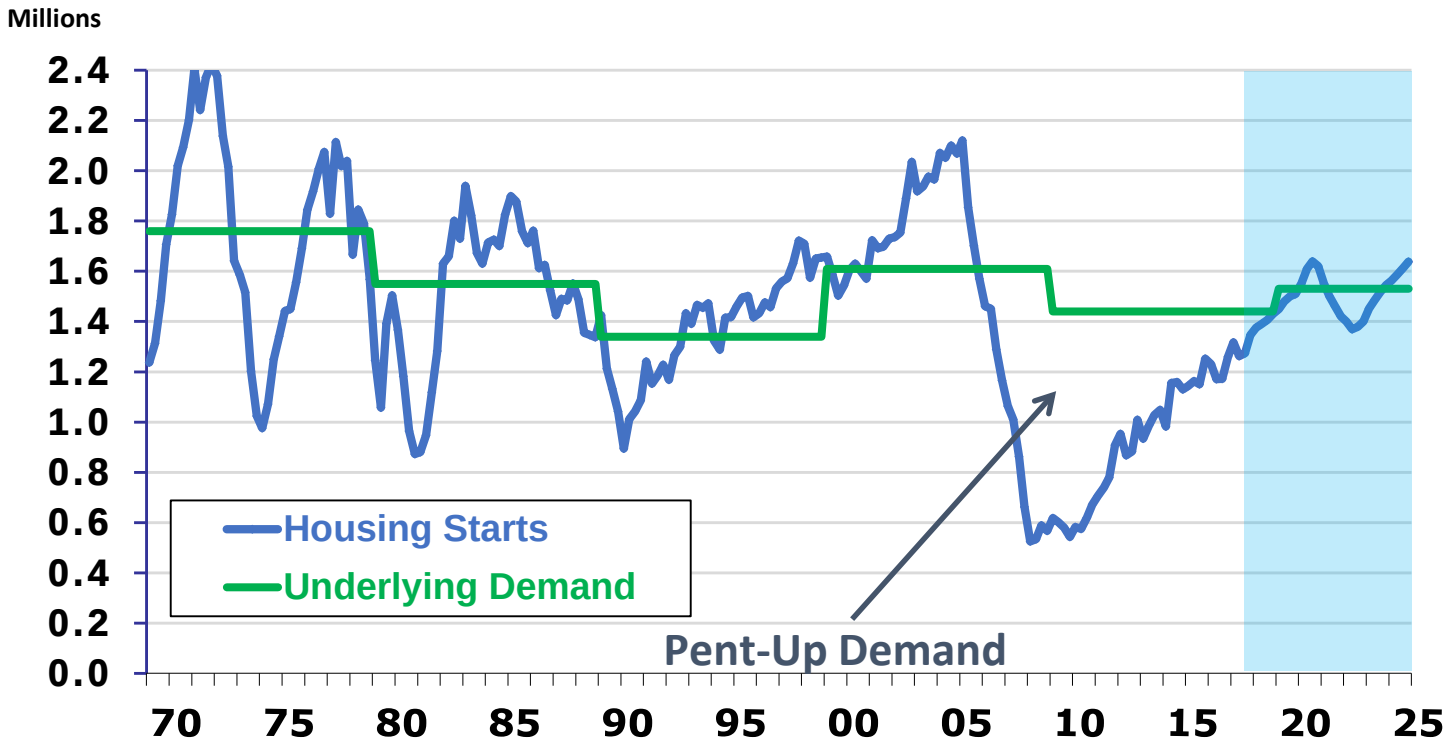
US Has Been Dramatically Underbuilding for Nearly a Decade



Source: FEA

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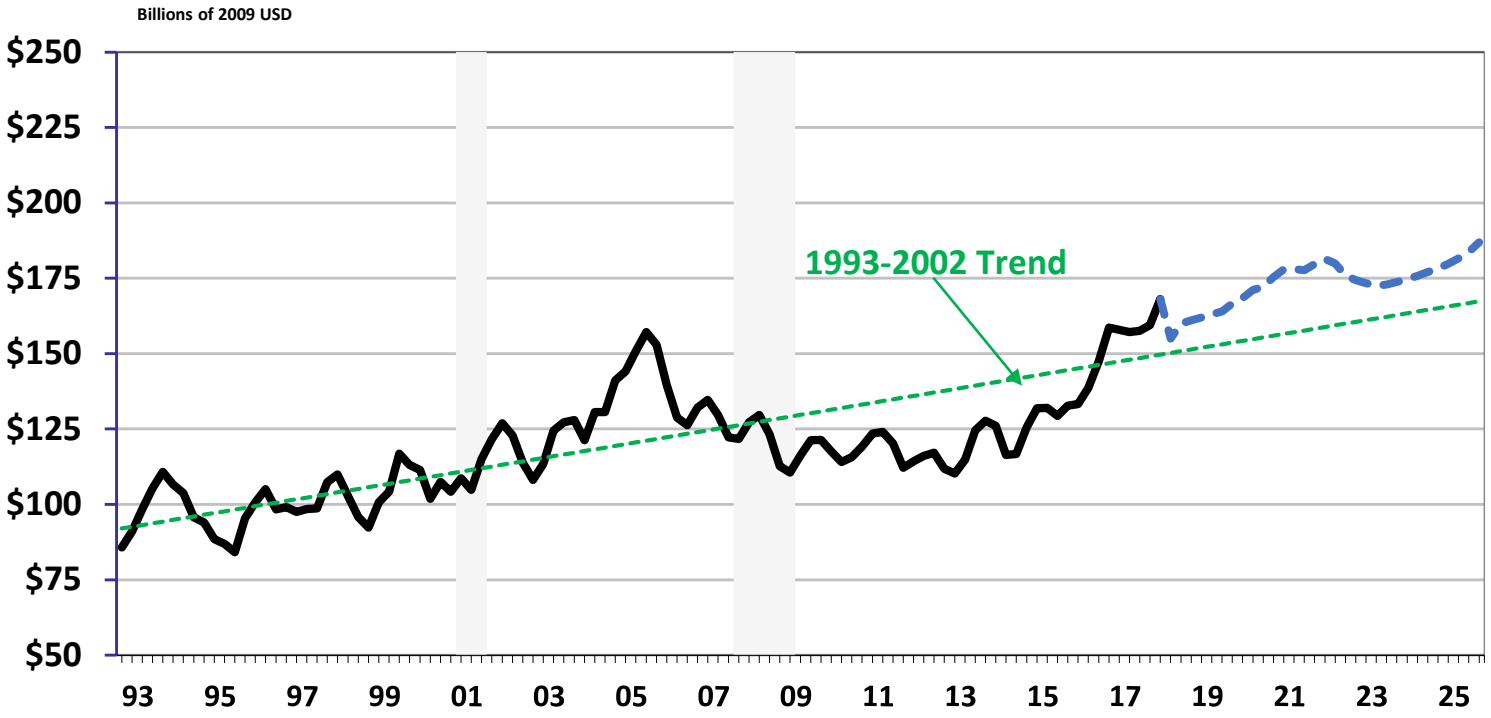
Aging US Housing Stock Will Lead to a Boom in Improvement Expenditures



Source: FEA

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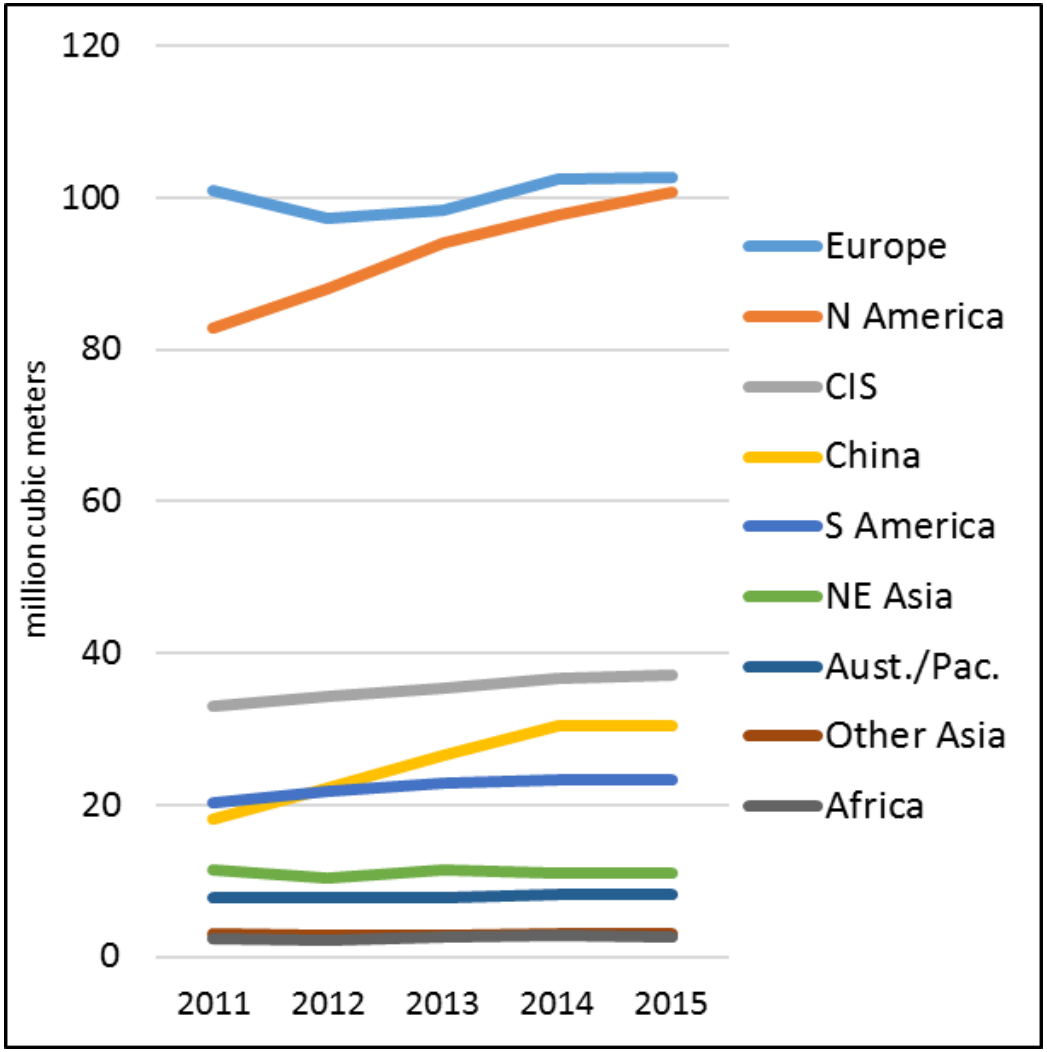
World Sawn Softwood Production



- Rising production driven mainly by N America
- N America: + 3.1% to 100.8m m^3 in 2015
- Europe largest producer @ 102.7m m^3 but zero growth in 2015
- Slow growth in CIS production, up 1.1% in 2015 to 37.1m m^3
- Strong growth in China levelled off at 30.5m m^3 in 2014 and 2015

Source: Forest Industries Intelligence Ltd analysis of FAOSTAT

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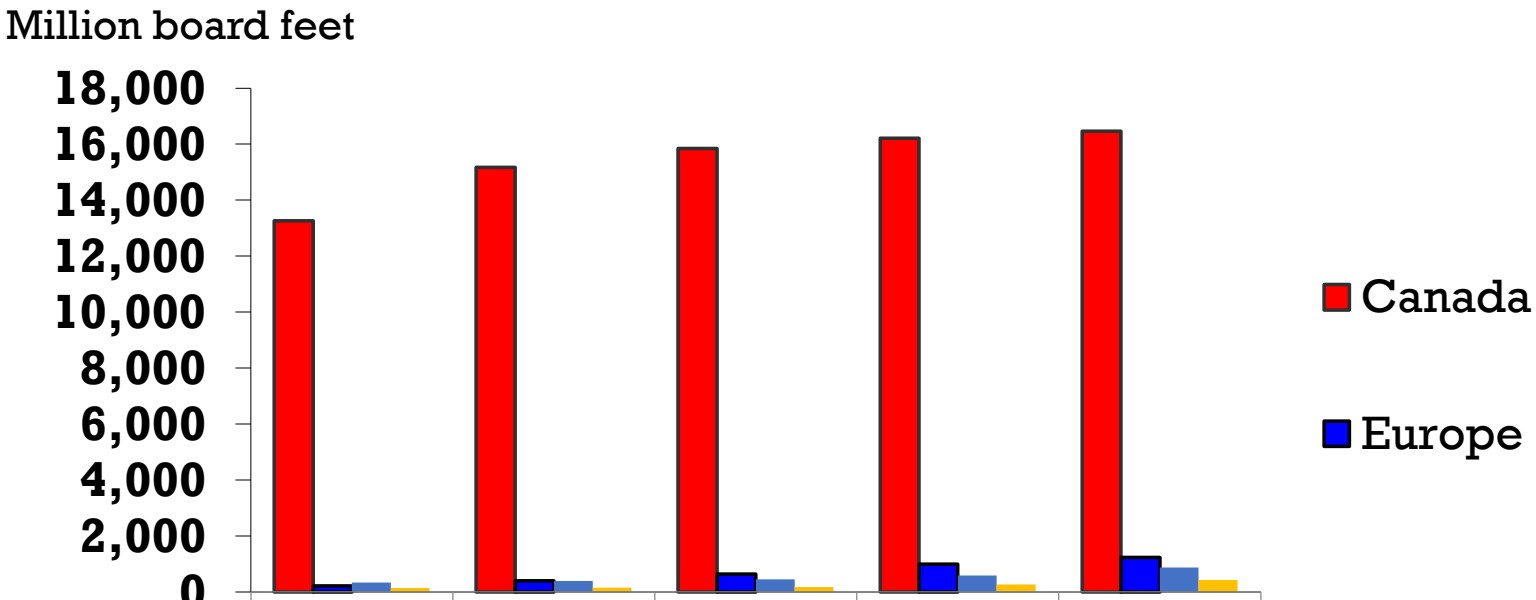
U.S. Lumber Imports Forecast



	2015	2016	2017	2018	2019
Canada	13,259	15,170	15,845	16,206	16,467
Europe	212	400	633	987	1,234
Latin America	334	391	454	585	877
NZ/Other	142	149	178	271	423

Source: USITC, WWPA

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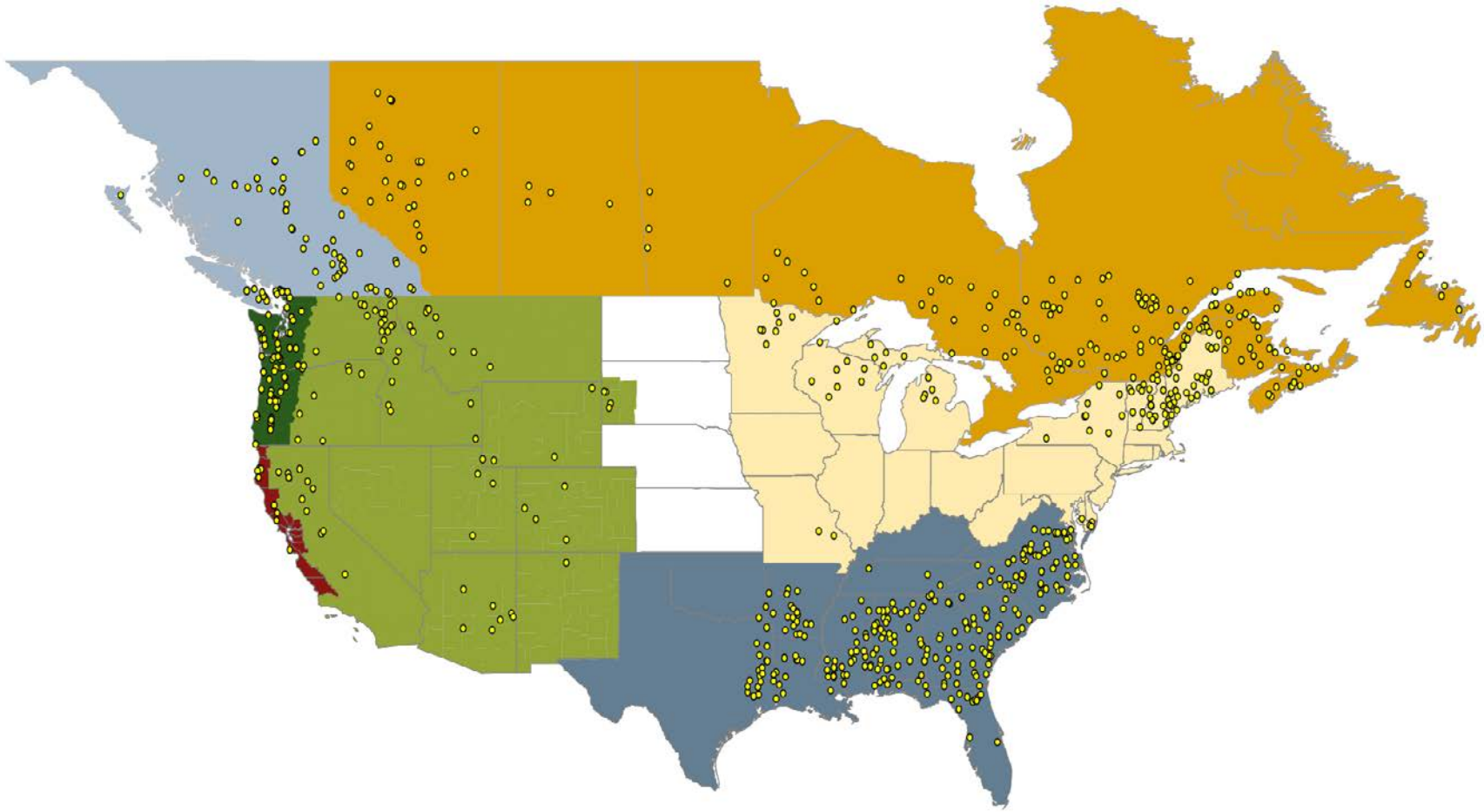

Lumber Mills of North America

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U.S. Lumber Capacity and Growth

MMBF	2018	Increase by 2025
West Coast	10,800	590
Inland	6,200	240
Redwood	700	100
South	20,800	1,170
NE/Lake States	1,970	200
TOTAL	40,470	2,300

Source: FEA

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Current Market Factors
(Wildcards)

- Logistics
- Softwood Lumber Agreement
- Trade War
- Weather

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Future of the Industry: Technology

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Tall Buildings Built from Mass Timber

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T3: Tallest Wood Building in the U.S.

- Built in Minneapolis in 2016
- 180,000 ft2
- 3,600 m3 wood
- 3,200 tons of carbon sequestered
- Built in 9.5 weeks!

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Image from Perkins+Will

What is Mass Timber

- Glue Laminated Timber (glulam)
- Parallel Strand Lumber (PSL)
- Laminated Veneer Lumber (LVL)
- Laminated Strand Lumber (LSL)
- Oriented Strand Lumber (OSL)
- Cross Laminated Timber (CLT)
- Nail Laminated Timber (NLT)
- Dowel Laminated Timber (DLT)

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2021 International Building codes will include regulations for **wood buildings up to 18 stories tall.**

This will…

- add 1.5 BBF to the US softwood market demand.
- use smaller tress thinned from overstocked forests.
- lessen the carbon footprint of construction.

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Questions?

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