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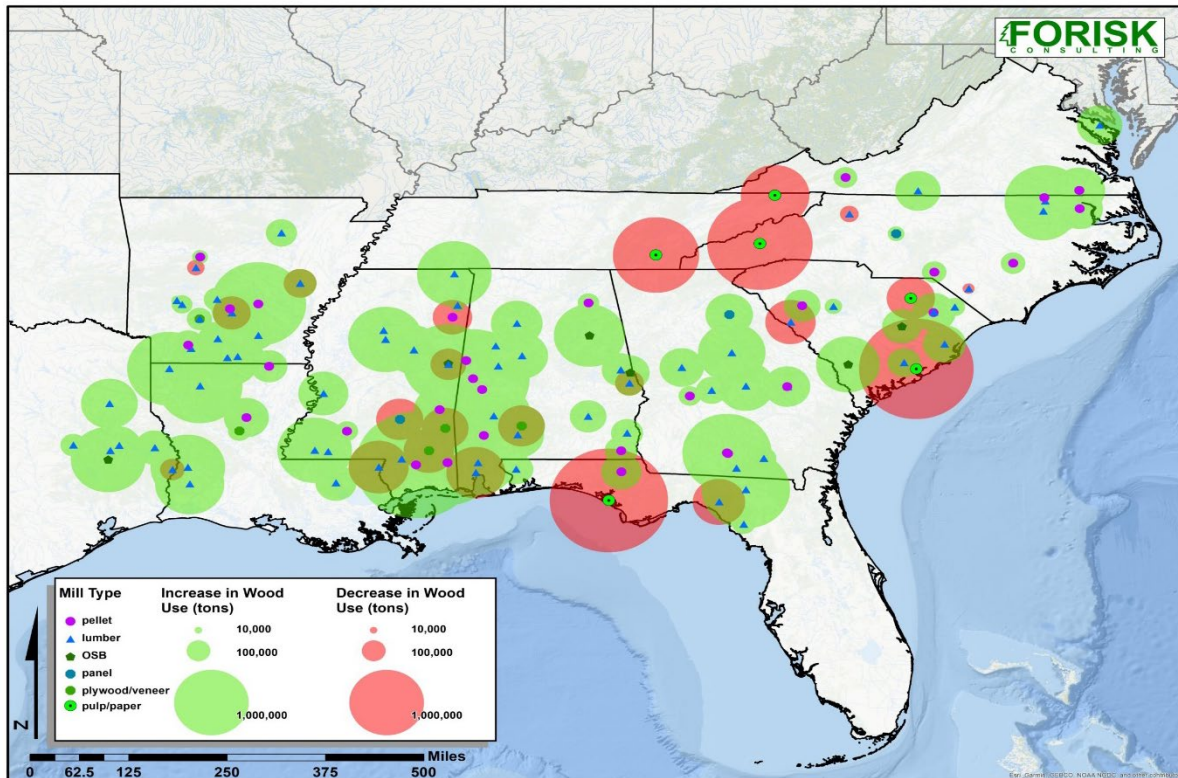
## Mill Investments and Closures in the U.S. South

Firms continue to invest in forest industry manufacturing facilities in the U.S. South. The region features abundant timber supplies and an established supply chain with favorable business operating conditions. Lumber manufacturers evaluate timber markets for future capital expansion, and the wood pellet and OSB sectors also plan expansions. Conversely, pulp and paper producers are rationalizing mill portfolios and using more recycled fiber at some locations, changing local wood markets. A brief review of recent mill wood use changes from Forisk's [North American Forest Industry Capacity Database](#) summarizes the net impacts of openings and closings in the region.

Since 2021, 106 mills plan to open or expand in the South and 24 mills closed or plan to reduce wood use by 2026. The net wood use change is 37 million tons from openings and closures combined; openings and expansions would add 53 million tons of total wood use to the region, while closures and reductions would remove 16 million tons of total wood use.

### Mill Expansions

Most of the increase is from sawmills, including 25 new mills in the region, with the largest mills averaging 1.1 million tons per year each. Pellet mills account for most of the balance of additional wood use, including announcements from Enviva, RBG, Spectrum Energy, and Drax in Mississippi, Alabama, and Georgia. New OSB mills announced by Huber, Martco, and Kronospan also increase wood use.





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Mill Wood Use Changes in the South, 2021 – 2026. Source: Forisk’s North American Forest Industry Capacity Database

**Mill Closures**

Closures at pulp/paper mills account for nearly 60% of the reduction in wood use in the region, and include WestRock Charleston, Evergreen Packaging Canton, WestRock Panama City, and Resolute FP Calhoun. Domtar also converted the Kingsport, TN mill to recycled feedstocks, reducing wood use. Also, several sawmills shut down, including Georgia Pacific McCormick, SC and West Fraser in Perry, FL. Other mills were damaged in fires and will rebuild in the future, including Dudley Lumber in AL and Hood Bogalusa in LA.

For details on mill capacity and to produce custom reports and maps, check out [\*Forisk’s North American Forest Industry Capacity Database\*](#). Discounted rates available for companies that also subscribe to the [\*Forisk Research Quarterly \(FRQ\)\*](#). Email [\*hsclark@forisk.com\*](mailto:hsclark@forisk.com) for pricing information and to place an order.

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