Abstract: In the last few years pulpwood and sawtimber markets have exhibited dramatic price decreases and significant mill closures. Many industry analysts are concerned that these changes are not part of a normal business cycle downturn, but instead represent a structural shift in markets as global competition increases. This paper examines the potential consequences of lower demand on the south by using the Southern Forest Assessment models with integrated land use projections, and the beta version of a multi-product model developed by the Southern Forest Resource Assessment Consortium (SOFAC). The price consequences of lower demand are significant and affect the interaction with marginal agricultural land in the rural South. Potential differences by species and product are also examined.