

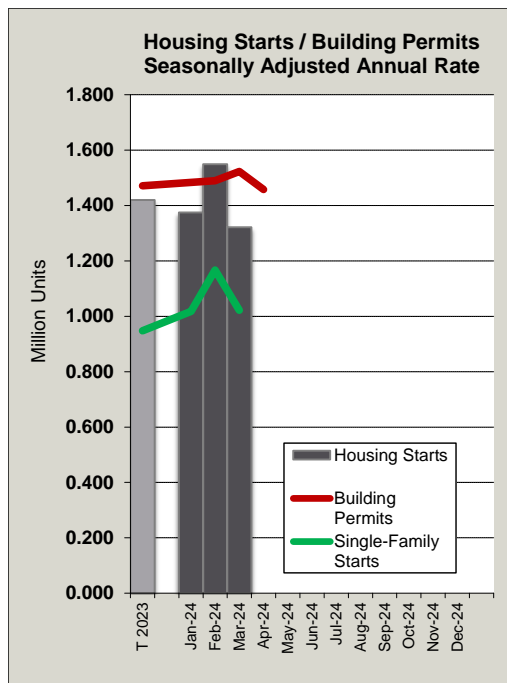
Family Forest Client
Columbia County, OR

Whenever “fire season” approaches, I’m asked by many for my forecast. I’m happy to speculate (guess), but really no one knows. I recently asked an ODF Fire Boss what the general prediction was, and he shrugged his shoulders. What we do know is to be prepared, by managing our forests to resist fire, having a fire plan, and patrolling our forests during fire season for trespassers that may start fires irresponsibly. It rained about an inch in the last day at my house, so right now I’d predict a mild fire season. Next weekend it’s supposed to be 85-degrees, and then I’ll be calling operators to make sure they have their fire wagons ready. Who knows. Let’s hope 2024 is a mild “fire season”....

If you need help putting together a fire plan, with any other aspect of your forest management, or just want to talk forestry, give me a call at (503) 224-3445 or send me an email at bkeller@masonbruce.com. MB&G has a sophisticated understanding of the forest industry and great relationships with numerous log buyers, loggers, nurseries, and reforestation contractors. MB&G is a full-service outfit that in addition to harvest and reforestation does management plans, timber cruising, forestland valuations, and road maintenance. Thanks – Brent

MARKET WATCH: HOUSING, LUMBER AND LOGS

HOUSING STARTS



Housing starts fell month-over-month by 14.7% in March, to 1.32 million units, and they were down 4.3% year-over-year. Single family starts fell 12.4% in March, and year-over-year, they were up 21.2%.

March building permits fell 4.3% from February to 1.46 million units, and they were up 1.5% year-over-year. After a strong February, single-family permits were down 5.7% in March, and they were up 17.4% year-over-year.

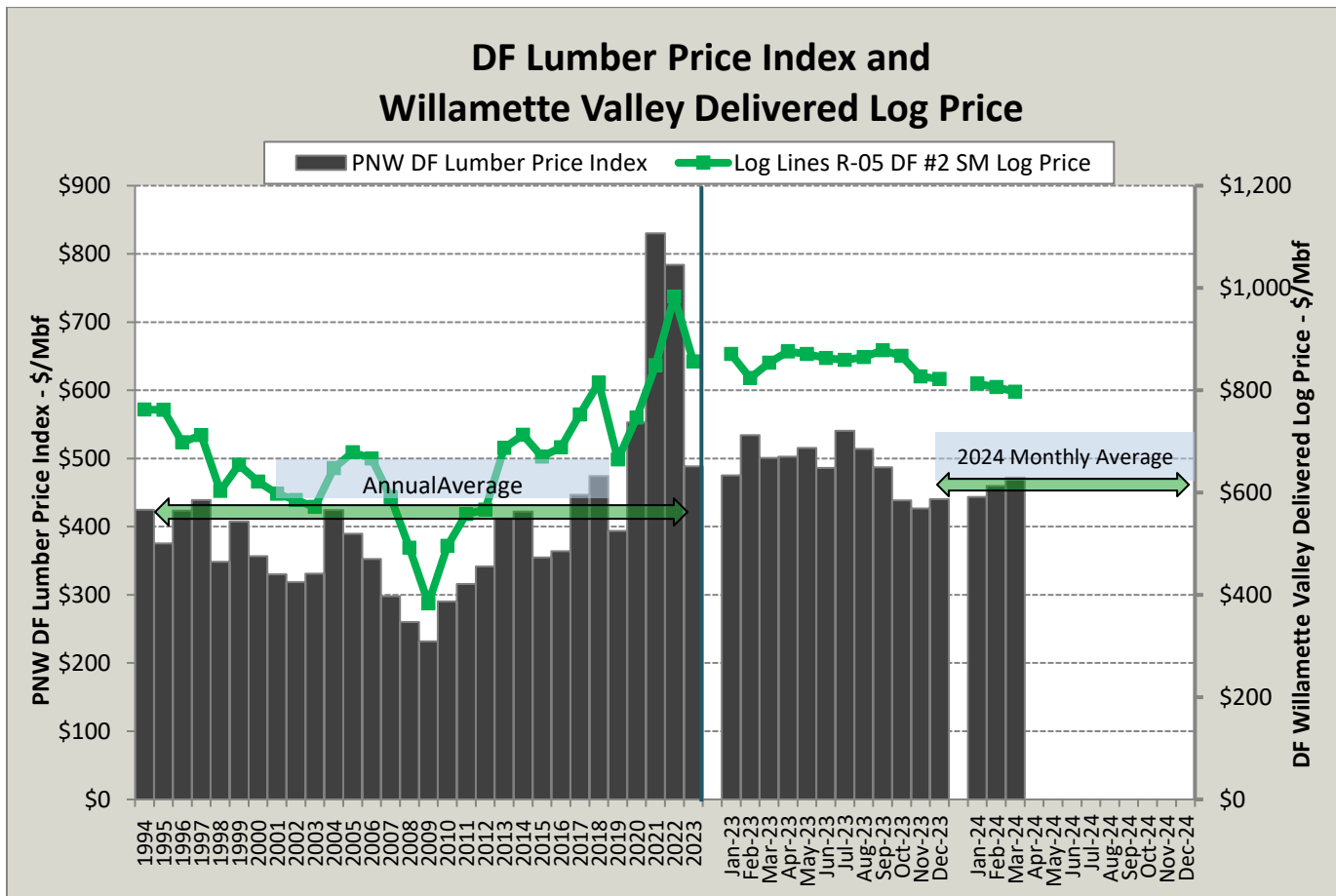
March 2023 Housing Starts (millions)					
	Mar 2024	Feb 2024	Monthly Difference	Mar 2023	Annual Difference
All Starts	1.321	1.549	-14.7%	1.380	-4.3%
Single-Family Starts	1.022	1.167	-12.4%	0.843	21.2%
Building Permits	1.458	1.523	-4.3%	1.437	1.5%
Single-Family Building Permits	0.973	1.032	-5.7%	0.829	17.4%

LUMBER & LOGS

Published DF log and lumber prices were mixed in again in March, as shown below.

March published DF #2S log prices decreased 1.1% from February, to \$797/Mbf. March log prices were also 6.7% below a year ago, and they were 0.8% below the 5-year average of \$804.

At \$472/Mbf, the DF lumber index price increased 2.7% from February. Lumber is down 5.8% from a year ago and is 22% below the 5-year average of \$605. The spread between log prices and lumber prices is currently unusually large. If past trends hold, log prices would be expected to soften.



March 2024 Douglas-fir Prices							
	Mar 2023	Feb 2023	Change from Previous Month	Mar 2022	Change from Previous Year	5 Yr Annual Average	Current Month Compared to 5 Yr Annual Avg
Logs	\$ 797	\$ 806	-1.1%	\$ 854	-6.7%	\$ 804	-0.8%
Lumber	\$ 472	\$ 459	2.7%	\$ 501	-5.8%	\$ 605	-22.0%

Lumber Track

YTD Western Mill Production through February 2024 was up 3% relative to February 2023. February production increased 1% from January.

YTD production as a percent capacity was down 1% when comparing 2024 to 2023. Monthly production as a percent of capacity increased 5% in February, to 76%. (*Western Lumber Facts, 4/8/24*)

Western U.S. Softwood Lumber Production			
YTD Total (Bbf)		Monthly Total (Bbf)	
February 2024	2.23	February 2024	1.12
February 2023	2.17	January 2024	1.10
Percent Change	-8.18%	Percent Change	-9.14%
YTD Production as a % of Capacity		Production as a % of Capacity	
February 2024	73%	February 2024	76%
February 2023	74%	January 2024	71%
Percent Change	-6%	Percent Change	-3%

INDUSTRY NEWS

Inflation Rises Again, Keeping Mortgage Rates High

Fannie Mae reports that with stronger-than-expected economic data and a recent increase in the inflation rate, mortgage interest rates have increased, and the Federal Reserve is now projecting fewer rate cuts this year.

However, Fannie Mae is still forecasting some improvement in the housing market. So far, 2024 has seen an increase in the number of homes listed for sale. With listings expected to outpace the number of homes sold, some deceleration in home prices should occur. However, Fannie Mae still forecasts a 4.8% increase in home prices in 2024. (Fannie Mae 4/23/24)

Softwood Lumber Imports from Europe are Down in 2024

After two years of unusually high softwood lumber imports from Europe, 2024 imports from Europe have plunged sharply. Through February 2024, YTD Softwood lumber imports from the European Union fell 34% compared to the first two months of 2023. The drop was especially steep in January. Imports in that month declined to 154 MMBf, down 47% from the historical high volume of 292 MMBf shipped in January 2023. Imports from Germany and Sweden fell 34% and 22%, respectively, through February this year. (Random Lengths 4/12/24)

Oregon's Wood Products Manufacturing Sector

Oregon's wood products manufacturing sector lost jobs during the Great Recession and then remained fairly stable since 2012, employing around 23,000 people. This sector has seen employment dip slightly in the last year. However, those numbers don't fully reflect the recent mill closures, which are set to eliminate at another 300 jobs in mostly rural Oregon communities. (Oregonian 4/45/24)

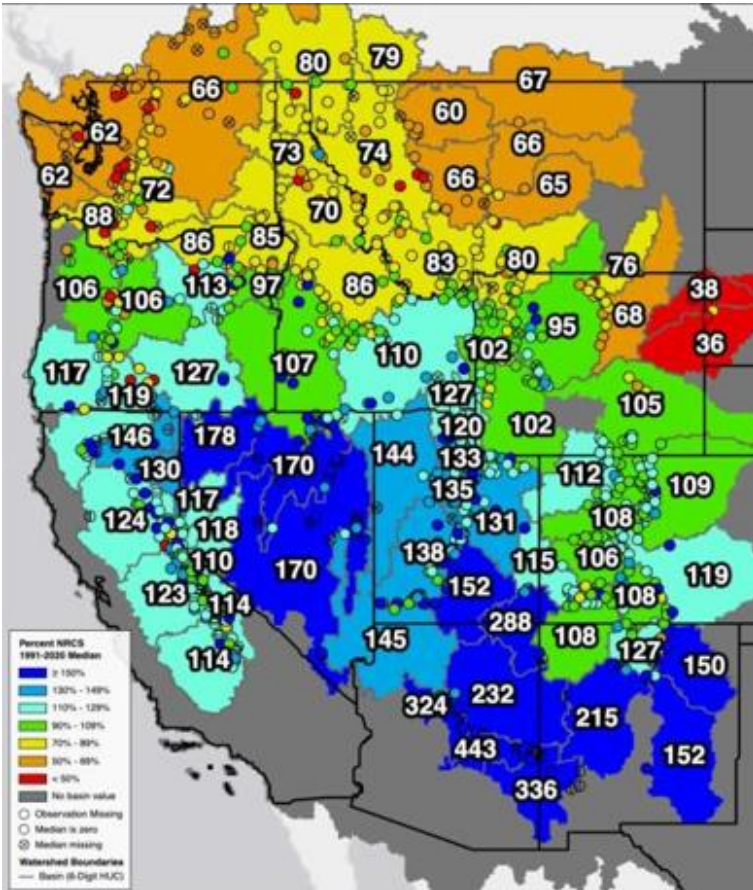
Oregon wood products manufacturing jobs



Source: Oregon Employment Department • [Get the data](#)



Washington State Experiencing Snow Drought



In Washington, much of the state currently has a snowpack between 58 and 66% of its seasonal average. Although a dry winter was expected in the Pacific Northwest with the strong El Niño event in past winter, Washington's meager snowpack is unprecedented. Because of the dry winter and poor snowpack, much of Washington can expect water supply issues throughout the summer.



Washington's snowpack is in bad shape this year and many areas are facing drought conditions. (AP Photo)

Despite the dry conditions in Washington, Oregon managed to avoid similar issues thanks to some unusual jet-stream behavior. Oregon's mountains managed to

maintain an average snowpack for the year. As seen on the map, California and Nevada experienced higher than normal snowpack. (KOIN 4/16/24)

Many Wildfire Settlements Receive Oregon Tax Exemption

Money received from settlements for wildfire losses have traditionally been taxed by the state of Oregon. However, this is changing with an exemption stemming from the passing of Oregon Senate Bill 1520 that becomes effective June 6, 2024. The exemption will apply to settlements for fires ignited after January 1, 2020, and declared a state or federal emergency. (KDRV 3/28/24)

Activists Cause Modification to Oregon BLM Project

On April 10th it was reported that a group of about 25 activists in southern Oregon were holding a blockade to stop an approved BLM logging project to address fire mitigation. Activists claimed the logging plan included old-growth trees. Two weeks later, the activists claimed victory after they say the BLM agreed to remove a section of old-growth forest from the planned logging project.

Nick Smith, a spokesperson for the American Forest Resource Council, said in an email that old-growth and mature trees were never a target of the timber project and that the BLM had procedures in place to retain the largest and oldest trees. Smith criticized the BLM for the contract modifications, saying the move appears "to be a political decision that comes at the expense of good forest management." Smith said BLM's decision "is sending a troubling message they will allow anti-forestry activists to bully BLM public lands managers for doing their jobs." (Greenwire 4/10/24 & 4/24/24)