



From James Girard's 1939 USFS book 'Timber Cruising':

The most important part of learning to cruise timber is developing the powers of observation. A cruiser who observes intelligently soon learns to appreciate the importance of considering and weighing all the factors that influence timber volume and value. The ambition and determination of any man who desires to become an efficient timber cruiser should be to train himself to recognize and take stock of all the factors and conditions that affect the accuracy of his estimates.

A very wise statement. A good cruiser does more than "count trees", as I've heard from some folks. At that time Girard was Assistant Director, Forest Survey, at the Lake States Forest Experiment Station. Girard was an MB&G shareholder from 1946-1952.

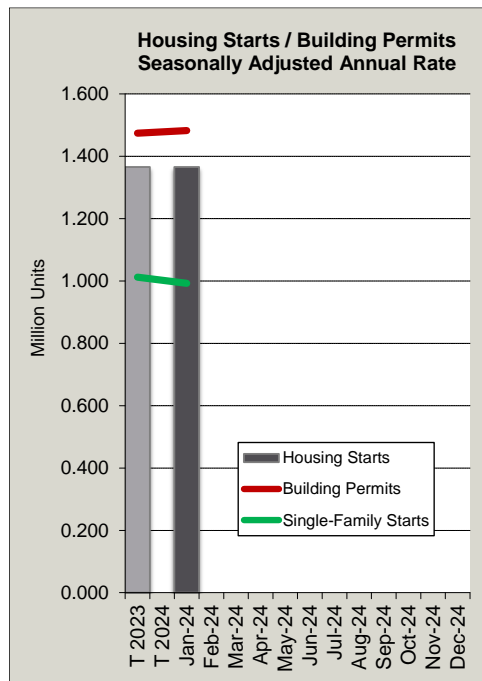
**Cruising for a Family Forest Owner
and MB&G Client
Clackamas County, OR**

If you need help with a timber cruise, or just want to talk forestry or forestry history, 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 works with the full range of forest landowners and offers a complete set of services, including timber harvests, silviculture, management plans, timber cruising, forestland valuations, and road maintenance. Thanks – Brent

MARKET WATCH: HOUSING, LUMBER AND LOGS

HOUSING STARTS

Housing starts decreased 9.8% in January, to 1.37 million units, and they were down 0.7% year-over-year. Single family starts decreased 8.4% in January, and year-over-year, they were down 1.8%.



January building permits increased 0.1% over December, to 1.48 million units, and they were down 1.7% year-over-year. Single-family permits were the same in December and January, at .997 million units, but they were down 3.4% year-over-year.

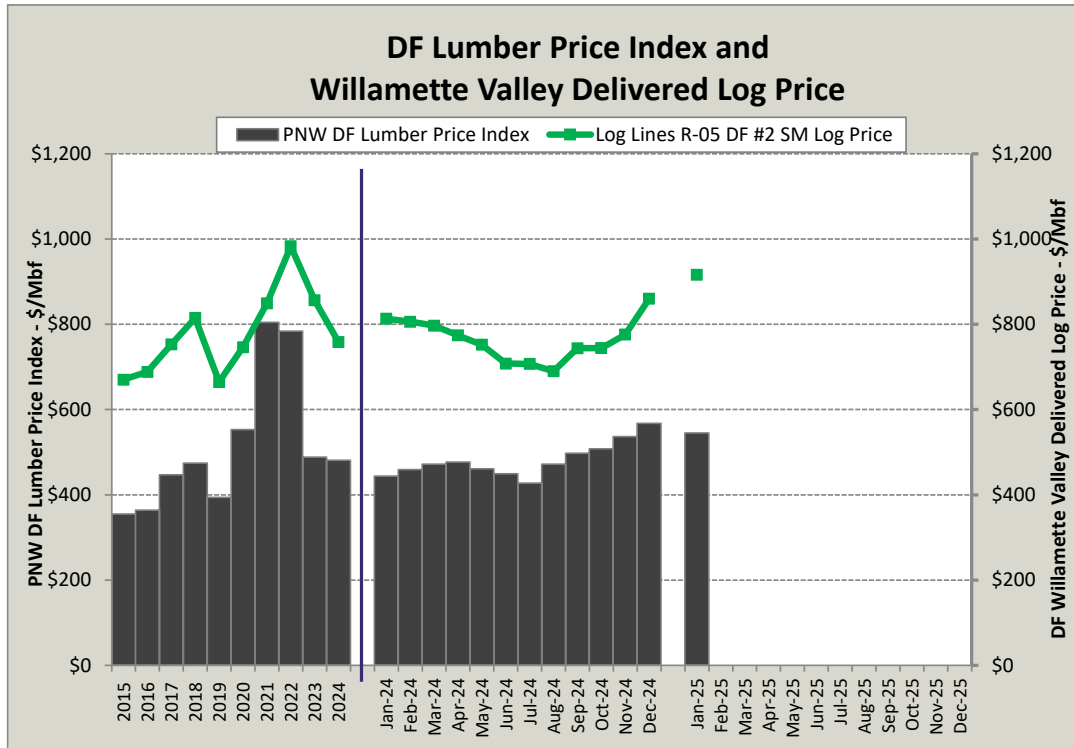
	Jan 2025	Dec 2024	Monthly Difference	Jan 2024	Annual Difference
All Starts	1.366	1.515	-9.8%	1.376	-0.7%
Single-Family Starts	0.993	1.084	-8.4%	1.011	-1.8%
Building Permits	1.483	1.482	0.1%	1.508	-1.7%
Single-Family Permits	0.996	0.996	0.0%	1.031	-3.4%

LUMBER & LOGS

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

January published DF #2S log prices increased 6.5% over December, to \$916/Mbf. January log prices were also 12.7% above a year ago, and they were 11.2% above the 5-year average of \$823.

At \$545/Mbf, the January DF lumber index price decreased 4% from December. Lumber is up 22.8% from a year ago and is still 12.4% below the 5-year average of \$622.



January 2025 Douglas-fir Prices							
	Jan 2025	Dec 2024	Change from Previous Month	Jan 2024	Change from Previous Year	5 Yr Annual Average	Current Month Compared to 5 Yr Annual Avg
Logs	\$ 916	\$ 860	6.5%	\$ 813	12.7%	\$ 823	11.2%
Lumber	\$ 545	\$ 567	-4.0%	\$ 444	22.8%	\$ 622	-12.4%

Lumber Track

YTD Western Mill Production through December 2024 was down 4% relative to December 2023. December production dropped 1% from November.

YTD production through December, as a percent of capacity, was down 3% when comparing 2024 to 2023. Monthly production as a percent of capacity decreased 5% in December, to 73%. (*Western Lumber Facts, (2/10/25)*)

Western U.S. Softwood Lumber Production			
YTD Total (Bbf)		Monthly Total (Bbf)	
December 2024	13.15	December 2024	1.00
December 2023	13.64	November 2024	1.01
Percent Change	-4%	Percent Change	-1%
YTD Production as a % of Capacity		Production as a % of Capacity	
December 2024	75%	December 2024	73%
December 2023	78%	November 2024	78%
Percent Change	-3%	Percent Change	-5%

INDUSTRY NEWS

Green Fir Lumber Price Increases

Green Douglas-fir has posted the strongest lumber price increases of all North American framing lumber so far in 2025. It posted a \$17 increase in the second week of February, while the broader Framing Lumber Composite Price only increased by \$5. Traders generally agree that the strength in green Fir is supply related, due to several mill closures in 2024. (Random Lengths 2/14/25)

U.S. Lumber Coalition Celebrates Lumber Tariffs



The U.S. Lumber Coalition, in a letter to President Trump, called U.S. trade law that enforces tariffs on Canadian softwood lumber a resounding success for American workers, companies, and forestry dependent communities. The coalition claims that this enforcement added eight BBf of production capacity and produced an additional 30 BBf of softwood lumber in the U.S. since 2016. (U.S. Lumber Coalition 2/19/25)

Residential Construction Spending on the Rise

According to the Census Bureau, residential construction spending reached nearly \$918 billion in 2024, up 5.9% from the 2023, and reaching pandemic highs. Both new single-family homes and home improvements have been driving a significant increase since 2023. Within the last decade, construction spending has essentially doubled, with some of the gain due to inflation. (Random Lengths 2/14/25)

Property Losses are not the only Impacts from Calif. Fires

A new report from UCLA finds that the recent CA wildfires will have impacts beyond lost properties. These are the report highlights:

- Local businesses and employees in the affected areas could face a total wage loss of \$297 million.
- Without substantial and effective wildfire mitigation efforts and investments, Californians will face increasingly higher insurance premiums and growing health risks from wildfire-related pollution.
- Los Angeles housing markets, and rental units in particular, will become increasingly unaffordable.
- All wildfire mitigation investments will be justified, considering the astronomical costs associated with wildfires.

(UCLA News 2/4/25)

The Headlines tell the story of the February 2025 NEPA News:

- Trump wipes out federal permitting guidelines (The Hill)
- Trump Moves to Repeal Burdensome NEPA Rules—What's Next? (Forbes)
- Trump Administration Puts Permitting Back in Its Proper Place (Independent Women's Forum)
- Trump moves to claw back almost 50 years of NEPA regs (Greenwire)

While there will surely be more reporting and opinions on this topic, here is a summary of the reporting from the Hill:

The 1978 National Environmental Policy Act (NEPA) requires the federal government to consider the environmental consequences before approving infrastructure projects ranging from roads and bridges to oil and gas pipelines to solar farms. Two courts had previously ruled that these regulations were invalid because the White House office that issued them, the Council on Environmental Quality, lacks rule making authority.

However, NEPA is a fairly sparse law, which for decades has relied on White House and agency regulations to explain how to follow NEPA. In mid-February, the White House rescinded all White House regulations directing the implementation of the law. At the same time, White House official Katherine Scarlett directed agencies to “continue to follow their existing practices and procedures” for the time being.

Agencies are being instructed to revise their NEPA review processes over the course of the next 12 months. Agencies are encouraged to make revisions that will improve the speed of new project approvals, and it is suspected that will include minimization of environmental considerations. (The Hill 2/21/25)

Creative Contention Deferral over the Oregon Wildfire Hazard Map

Oregon released the updated wildfire hazard map in January 2025, and public comments will be accepted until March 10. In what seems to be a flurry of calls for the repeal of the map, Governor Kotek has acknowledged the appeals will continue to be accepted, but asked the Oregon Department of Forestry to stop sending the appeals to the Office of Administrative Hearings until the legislative session concludes by June 29.

Kotek claims that holding the appeals while the legislature is in session will allow the legislature to carry out a public process while discussing possible changes to the map requirements without potential conflicts driven by the concurrent appeals process, and may save property owners from incurring potentially unnecessary legal fees if the legislature makes changes to the map. (KOIN 2/17/25)

Wooden Straws



Unlike plastic straws that take hundreds of years to decompose, and paper straws that have less strength and require resource-intensive chemical treatments, newly developed wooden straws may provide a preferable substitute for both. Researchers claim to have developed a straw made from de-lignified natural wood, infused with chitosan (from shellfish), resulting in a flexible, moldable material that is strong and can be shaped as needed. The all-natural straws are biodegradable and cost-effective, at \$0.002 per straw. They can also be produced with an optional bendable feature for added convenience. (AZO Materials 2/13/25)



State Farm: A Look at Insurance Challenges in California

In an effort to comply with California’s request for all insurance companies to suspend pending insurance non-renewals in fire-zone areas, State Farm has opted to pause non-renewals for homeowners, rental dwelling, and residential community association policies. However, insurance premiums are on the rise.

In early 2024, State Farm increased home insurance rates in California by an average of 20% for renewed policies. The insurer is now warning that California residents will soon face higher insurance costs due to the recent fires and increased future risk. It also said that an “immediate emergency interim approval” of rate increases will be necessary to help the company rebuild its capital.

State Farm reports that over the past nine years, it paid \$1.26 for every \$1.00 it collected in premiums, resulting in over \$5 billion in cumulative underwriting losses. This was before the most recent California wildfires racked-up billions of dollars in losses, which will further deplete its capital. State Farm’s financial strength was downgraded last year.

“With further capital deterioration as a result of the wildfires, additional downgrades could follow,” said State Farm. “If that were to happen, customers with a mortgage might not be able to use State Farm General insurance on the collateral backing for their mortgage.” (MSN 2/10/25)