

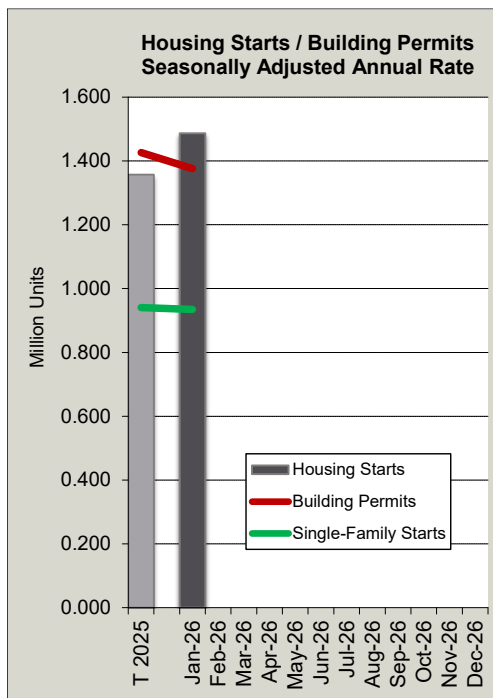


**Family Forest Owner  
MB&G Client  
Clackamas County, OR**

Log prices have come up a bit in the last few months and are holding steady despite the fact that most economic factors related to log prices are marginal at best. Many loggers, who had already endured a tough winter as work became scarce, are now getting hammered with high fuel prices. This of course drives up their prices for logging and cuts into the income of log sellers. Loggers are a glaring example, but no one in the forestry world is immune to the high cost of fuel and I think we'll see further cost increases for all reforestation activities, road maintenance, and any other task that requires a vehicle or machine. It's that time of year again: if you have a recent clearcut that is turning yellow it's time to attack the Scotch broom before it takes over, which it will without mercy. This can be done by hand or with herbicides. The goal isn't eradication, just putting the trees in a position to outcompete the broom.

*If you need help with reforestation, log marketing, silviculture, or other aspects of managing your forestland, or just want to talk forestry, give me a call at (503) 224-3445 or send me an email at [bkeller@masonbruce.com](mailto:bkeller@masonbruce.com). MB&G has a sophisticated understanding of the forest industry and great relationships with numerous log buyers, loggers, road builders, 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 data has been released through January 2026. Housing starts increased 7.2% in January, to 1.5 million units, and were up 9.5% year-over-year. Single family starts were down 2.8% in January, and down 6.5% year-over-year.

January building permits decreased 5.4% from December and were down 5.8% year-over-year. Single-family permits were down 1% from December, to 0.87 million units, and down 11.6% year-over-year.

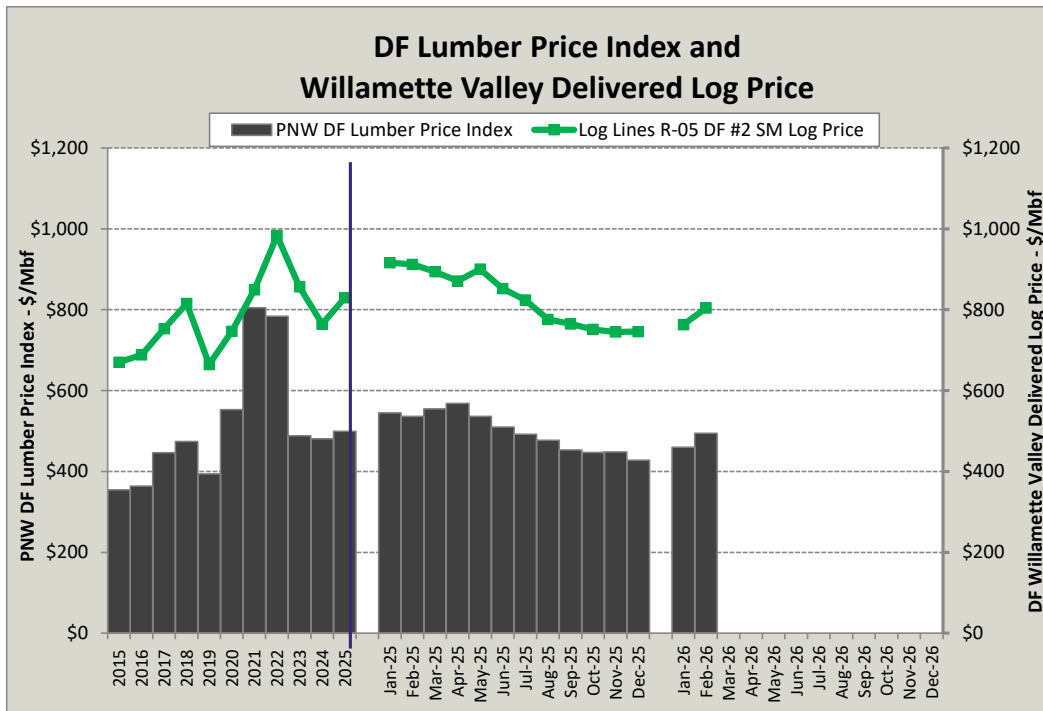
	Jan 2026	Dec 2025	Monthly Difference	Jan 2025	Annual Difference
All Starts	1.487	1.387	7.2%	1.358	9.5%
Single-Family Starts	0.935	0.962	-2.8%	1.000	-6.5%
Building Permits	1.376	1.455	-5.4%	1.460	-5.8%
Single-Family Permits	0.873	0.881	-0.9%	0.988	-11.6%

## LUMBER & LOGS

Published Douglas-fir (DF) log and lumber prices improved in February, as shown below.

February published DF #2S log prices increased 5.4% over January, to \$804/Mbf. February log prices were 11.8% below a year ago, and they were 7.5% below the 5-year average of \$869.

At \$494/Mbf, the February DF lumber index price increased 7.5% over January. Lumber is down 7.8% from a year ago and is 19.2% below the 5-year average of \$612.



### February 2026 Douglas-fir Prices

	Feb 2026	Jan 2026	Change from Previous Month	Feb 2025	Change from Previous Year	5 Yr Annual Average	Current Month Compared to 5 Yr Annual Avg
Logs	\$ 804	\$ 763	5.4%	\$ 912	-11.8%	\$ 869	-7.5%
Lumber	\$ 494	\$ 460	7.5%	\$ 536	-7.8%	\$ 612	-19.2%

### Lumber Track

YTD West Coast Mill Production through January 2026, as reported by Western Wood Products, was 11% below January 2025. January production was 14% above the prior month.

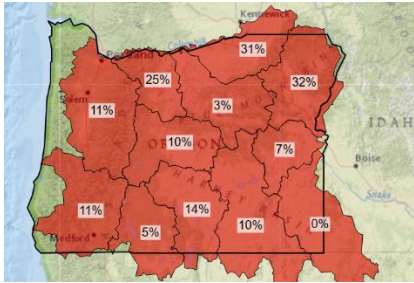
YTD production through January, at 75% of capacity, was 5% below the same period in 2025. At 75% of capacity, January's monthly production increased 10% from the prior month. (*Western Lumber Facts*, (3/6/26))

West Coast Softwood Lumber Production			
YTD Total (Bbf)		Monthly Total (Bbf)	
January 2026	<b>0.63</b>	January 2026	<b>0.63</b>
January 2025	<b>0.70</b>	December 2025	<b>0.55</b>
Percent Change	<b>-11%</b>	Percent Change	<b>14%</b>
YTD Production as a % of Capacity		Production as a % of Capacity	
January 2026	<b>75%</b>	January 2025	<b>75%</b>
January 2025	<b>80%</b>	December 2025	<b>65%</b>
Percent Change	<b>-5%</b>	Percent Change	<b>10%</b>

## INDUSTRY NEWS

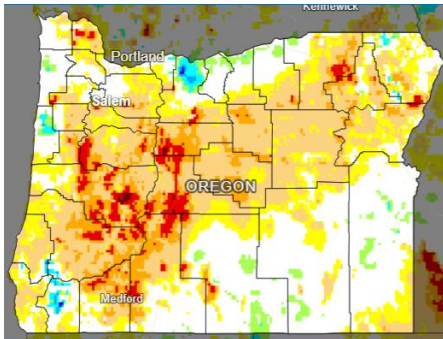
### Looks Like a Hot and Dry Year Ahead

Capital Press reports that an El Niño is on the way and that the Northwest will have a drier and warmer than average spring and early summer, a trend that may persist through the end of the year, according to the National Weather Service. This would follow a winter that had less-than-normal snowfall and has resulted in a lower-than-average snowpack, as shown on the map below.



The snow-water equivalent as of March 26, shows that the Willamette Valley has only received 11% of the normal precipitation for the season.

Forecasters are concerned that persistent dry conditions will lead to a peak Western wildfire season that starts early and stays busy. “Lack of snowpack and abnormal warmth over winter is a big concern because it could start us off early and rather quickly,” said Jim Wallmann, U.S. Forest Service wildfire meteorologist at the National Interagency Fire Center in Boise. “The positive, if I can say there is a positive, is that we are still early in the year and there is still potential for this spring to mitigate the worst of conditions where the summer could be closer to normal.”



This experimental map is based on methodology from the NOAA National Weather Service’s Climate Prediction Center. The Long-Term Multi-Indicator Drought Index estimates current long-term drought conditions in Oregon. (Capital Press 3/5/26 & 3/19/26, Drought.gov 3/24/26 & 3/26/26)

### Is a New Timber Era around the Corner for Oregon?

The Trump administration has proposed quadrupling logging on federal lands in 18 Oregon counties, raising timber harvests to levels not seen since before spotted owl protections reshaped forest management in the 1990s. Will Oregon’s timber production return to historical levels? The possibility has been met with cautious optimism by Oregon’s timber industry and the counties that rely on timber revenue. It has been met with disdain and warnings from environmental groups.

“Bringing timber production back to historic levels is essential for reviving local economies and reducing the threat of catastrophic wildfires,” Bureau of Land Management (BLM) Director Bill Groffy said in a statement. “President Trump has made it clear — enhanced domestic timber production is vital for our national security, economic prosperity and effective wildfire management.”

Since the territory was settled, timber has always been a part of Oregon’s economy. The Statesman Journal points out that Portland’s Major League Soccer team is called the Timbers, the state hosts a coffee brand called Stumptown, and atop the State Capitol Building stands the Oregon Pioneer, a 23-foot gold-leaf statue holding an axe and standing on a tree stump. Even the state animal, the beaver, is best known for felling trees.

Timber boomed in the 1950’s, buoyed by World War II and the post-war building boom, and much of that wood came from Oregon. The trend of cutting second growth timber began in the 1950’s. In 1961, one-fourth of the nation’s softwood lumber, half of the plywood and one-fifth of the sawmill timber originated in Oregon. At its height, as the state’s economic backbone, Oregon boasted 2,000 logging operations with a combined payroll exceeding all other employment sectors.

Of course, when the northern spotted owl was listed as threatened in 1990, under the federal Endangered Species Act, Oregon's timber harvest dropped swiftly — from 8.4 billion board feet in 1989 to 4.1 billion in 1994.

To meet the goals set forth in the presidential directive, the increase in production will need to come from federal lands, concentrating on the Oregon & California Railroad and Coos Bay Wagon Road forestlands — a checkerboard of federal parcels across 18 western Oregon counties (O&C Lands).

Another big area where logging could be increased on federal lands is national forests. In a compromise between timber groups and environmentalists, the Northwest Forest Plan could allow up to 1.1 billion board feet of timber to be harvested in Oregon and Washington forests but has typically averaged less than half of that level.

BLM leadership has said that the BLM wants to return to the "maximum productive capacity of the lands," which would roughly quadruple the 45 to 275 million that's been harvested since the 1990's. Updates to both the Northwest Forest Plan and BLM's western Oregon forest management plan are currently in the works and could be implemented as soon as 2027. Whether harvest levels ultimately increase to the levels proposed by the Trump administration or the levels ultimately approved in plan updates, which may be different, remains to be seen. Other factors that affect federal harvest levels include staffing and funding. (Oregonian 3/9/26, Statesman Journal 3/20/26)



### **Canadian Lumber Import Updates**

Canadian softwood lumber imported into the U.S. includes a combined duty rate of 35%, which has affected trade. The volume of lumber imported from Canada in January 2026 was 28% less than in January of 2025. Additionally, the U.S. Department of Agriculture reports that Canadian lumber prices dropped more than 28% over the past year, from \$218 per cubic meter to \$158 per cubic meter. Even still, Canadian lumber still makes up 80% or more of all lumber imported into the U.S.

While the U.S. Lumber Coalition claims that the decrease in Canadian imports is being replaced by U.S. production, Wood Central reports that imports from other countries is on the rise with increased imports from Argentina, Finland, Sweden, Chile and New Zealand in 2025.

Campbell Global reports a decline in all U.S. softwood lumber imports, including those from Canada. However, it also reports that lumber from other sources increased in 2025. (U.S. Lumber Coalition 3/24/26, Wood Central 2/23/26 & 3/26/26, Campbell Global January 2026)



### **Conflict in the Middle East affects Timber Trade Locally and Globally**

On February 28, 2026, the United States and Israel initiated joint strikes on Iranian and regional infrastructure targets. The Iranians retaliated with their own strikes on Israel and neighboring countries, and by blocking the Strait of Hormuz, which disrupts energy supplies from the region, and has caused increases to global oil prices. On March 11, the oil price exceeded \$100 per barrel for the first time since 2022.

In forestry, where heavy equipment and big trucks are required, higher fuel prices increase the cost of harvesting trees, hauling logs, milling logs and managing timberlands. Forisk estimates that for each \$1 per gallon increase in the cost of diesel fuel, the logging cost increases by approximately \$0.70 per ton and it could increase log hauling by about \$0.90 per ton. These increased costs reduce profit margins, and the profitability and sustainability of manufacturing, hauling, and forest operating activities.

Internationally, the conflict will also affect fuel costs and trade partners. Sweden and Finland are among Europe's top exporters of softwood lumber, and much of their lumber is exported to Europe and to the Middle East-North Africa (MENA) region and Asia. Russia is also a major supplier of lumber to China. With increased fuel costs, these suppliers may focus on

ports closer to their origin and flood their local markets with wood. Additionally, the conflict has reduced economic activity and building in Europe and the Middle East, creating less demand for lumber. (Resourcewise 3/11/26, Forisk 3/13/26, Campbell Global Feb. 2026)



### **Freres Reports an Uptick**

Freres Wood reports that veneer sales picked up significantly in February. They credit the increased demand to the transition of Roseburg Forest Products away from 9' and 10' panels. Freres remains one of the largest and highest quality 9' and 10' veneer producers on the West Coast. Their customers produce a wide range of siding, sanded panels, and sheathing. While they are optimistic about a busy spring season, they also are wary of the recently reduced tariffs to South America and the expected competition that may follow from the US South. (Freres Wood 3/16/26)



### **PacifiCorp Resolves Federal Lawsuits**

With an agreement to pay \$575 million, PacifiCorp settled with the United States' claims that PacifiCorp's electrical lines negligently started four Oregon fires and two in California. Settlement funds will help repay the U.S. for the costs incurred fighting the fires and some of the funds will be distributed to the Forest Service and Bureau of Land Management to restore some of the 290,000 acres of public land that were burned.

The six fires included in the settlement:

- The "242 Fire," which began on Sept. 7, 2020, near Chiloquin, OR, and burned 8,916 acres of federal land;
- The "Archie Creek Fire," which began on Sept. 8, 2020, in the Umpqua National Forest and burned 67,000 acres of federal land;
- The "Echo Mountain Complex Fire," which began on Sept. 7, 2020, near Otis, OR, and burned approximately 2,500 acres, including federal land;
- The "South Obenchain Fire," which began on Sept. 8, 2020, east of Eagle Point, OR, and burned 14,780 acres of federal land.
- The "Slater Fire," which began on Sept. 8, 2020, on Slater Butte National Forest lands, CA, within the Klamath National Forest and burned 157,229 acres of federal land within the Klamath, Six River, and Rogue River Siskiyou National Forests;
- The "McKinney Fire," which began on July 29, 2022, on land next to the Klamath National Forest, CA, and burned 39,000 acres of federal land.

(U.S. Attorney's Office 2/20/26)



### **Western Forest Products Expands in Vancouver, WA**

With a new focus on manufacturing glulam beams, Western Forest Products (WFP), located in the Fruit Valley area of Vancouver, Washington, plans to demolish existing lumber drying kilns and storage buildings and build up to three prefabricated steel buildings and an office building.

WFP is also moving forward with plans to sell the nearby site of the former Columbia Vista Sawmill, which it purchased in 2018. The Columbia Vista mill was established in 1952 and is reportedly beyond repair.

Western Forest Products continues to operate two other Southwest Washington manufacturing facilities, one in central Vancouver, and another in Washougal. (Columbian 2/26/26)