

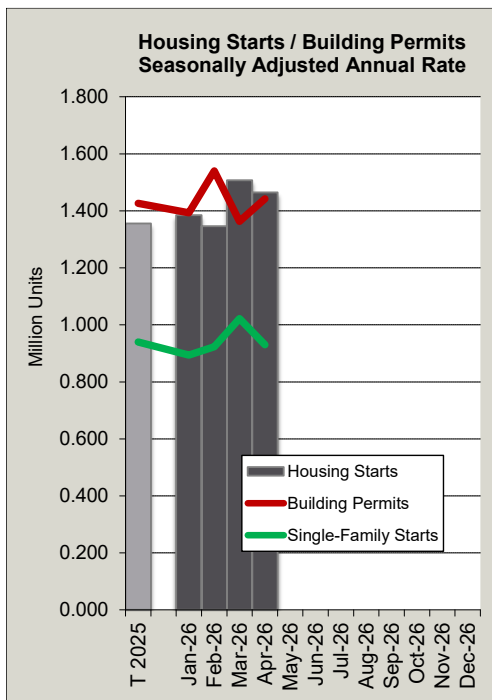


Family Forest Owner
MB&G Client
Washington County, OR

The picture on the left shows a railroad grade that runs through the clients forestland. If you've spent much time in the woods you've no doubt seen these "cuts" that were cleared for the tracks, or distinct raised subgrades that still exist long after all the tracks were pulled up. I did find an old grade once that still had all the aging railroad ties. Interesting to imagine all the railroads that once ran in the woods. Fire season is just around the corner so it would best to finish any projects that require machinery (not including logging) before July if you have the flexibility. I try to do all projects such as road brushing, pre-commercial thinning, or slashing outside of fire season. Many are predicting a bad fire season due to snowpack and drought issues. I'm sure like many fire seasons it will depend on where you are – but no matter where you are you'll smell smoke this summer I'm sure.

If you need help with any aspect of managing your forestland, or just want to talk forestry or logging 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, roadbuilders, 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

In April, housing starts decreased 2.8%, to 1.47 million units, and were up 4.6% year-over-year. Single family starts were down 9% in April, and year-over-year were down 2.4%.

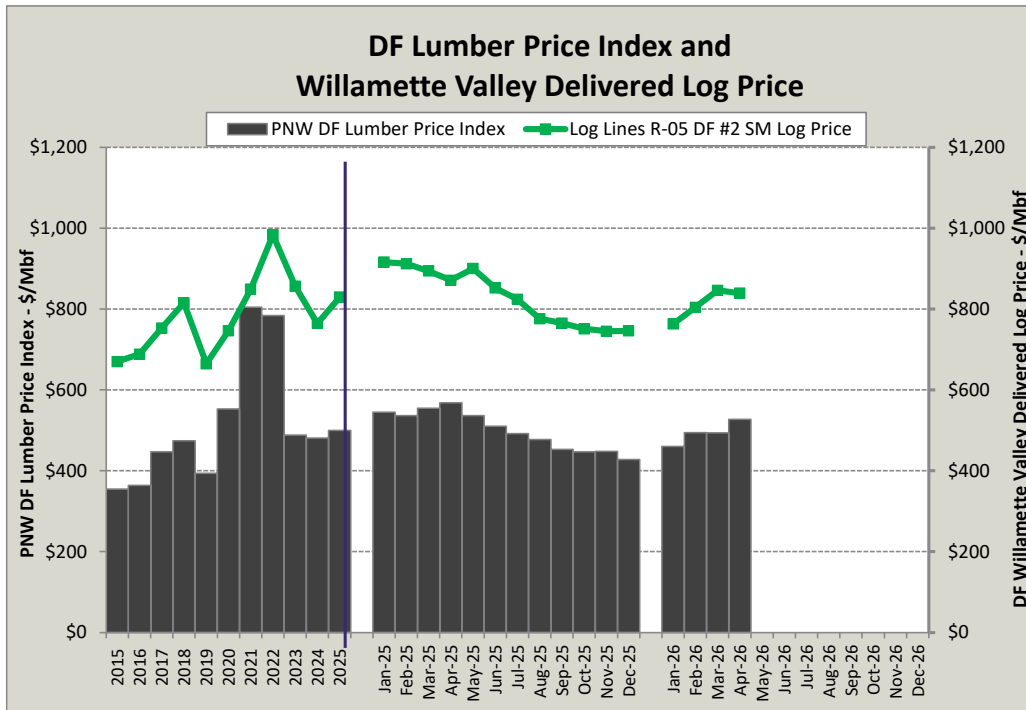
April building permits increased 5.8% from March and were down 0.2% year-over-year. Single-family permits (not shown) were down 2.6% from March to 0.87 million units, and they were down 5.5% from the same month in the prior year.

	Apr 2026	Mar 2026	Monthly Difference	Apr 2025	Annual Difference
All Starts	1.465	1.507	-2.8%	1.400	4.6%
Single-Family Starts	0.930	1.022	-9.0%	0.953	-2.4%
Building Permits	1.442	1.363	5.8%	1.445	-0.2%
Single-Family Building Permits	0.872	0.895	-2.6%	0.923	-5.5%

LUMBER & LOGS

April published DF #2S log prices decreased 0.8% from March, to \$839/Mbf. March log prices were 3.7% below a year ago, and they were 3.5% below the 5-year average of \$869.

At \$527/Mbf, the April DF lumber index price increased 6.8% over March. Lumber is down 7.2% from a year ago and is 13.8% below the 5-year average of \$612.



April 2026 Douglas-fir Prices

	Apr 2026	Mar 2026	Change from Previous Month	Apr 2025	Change from Previous Year	5 Yr Annual Average	Current Month Compared to 5 Yr Annual Avg
Logs	\$ 839	\$ 846	-0.8%	\$ 871	-3.7%	\$ 869	-3.5%
Lumber	\$ 527	\$ 494	6.8%	\$ 568	-7.2%	\$ 612	-13.8%

Lumber Track

Year-to-date West Coast Mill Production through March 2026, as reported by Western Wood Products, was level with March 2025. March production was 9.7% above the prior month.

Both March production and YTD production through March were at 80% of capacity, the same as in 2025. (*Western Lumber Facts, (5/18/26)*)

West Coast Softwood Lumber Production			
YTD Total (Bbf)		Monthly Total (Bbf)	
March 2026	2.01	March 2026	0.73
March 2025	2.02	February 2026	0.66
Percent Change	0%	Percent Change	10%
YTD Production as a % of Capacity		Production as a % of Capacity	
March 2026	80%	March 2026	82%
March 2025	80%	February 2026	82%
Percent Change	0%	Percent Change	0%

INDUSTRY NEWS

How will Oregon pay for Wildfire Response in 2026?

Most states use their general fund, or revenue from state taxes and other fees, to cover their wildland firefighting costs. Some states have property owners pay an annual fee on forested land and structures tied to wildfire risk. Oregon has a history of taxing timber sales and timberland. Many states are now looking to provide long-term funding from additional sources.

The Oregon legislature got serious about wildfire funding in 2024, after the \$10 million wildfire budget was completely exhausted by mid-July that year, and the total state wildfire expense was \$350 million by the end of the year.

Oregon legislators passed new legislation in 2025 to strengthen the state's funding for wildfire prevention and suppression. They added a new 65 cent tax on sales of nicotine pouches. This was coupled with another new revenue source, 20% of the interest from Oregon's "rainy day fund," which is estimated to generate \$43 million every two years for wildfire mitigation projects, such as forest thinning. The state also raised existing taxes on timber harvest and on landowner fees for building in forested areas, and they established a new process for the Oregon Department of Forestry to obtain emergency loans from the State Treasury, when needed.

The state also allocated \$150 million for a new natural disaster fund, replenishing and more than tripling an emergency wildfire fund. Also, a new funding account was created, to be filled with federal reimbursements from previous fire seasons.

"We're not 100% there yet, but we are 100% further than we were in fire season '24," said Kyle Williams, Oregon Department of Forestry's deputy director for fire operations. (High Country News 4/28/26)

U.S. Fire Management Priorities Released

Secretary of the Interior Doug Burgum has issued 2026 directives for the Department of the Interior.

Bergum stressed the importance of fire suppression for every fire under DOI management this season: "Suppression actions must be prompt, decisive and based on values at risk—balanced with firefighter safety and a clear assessment of probability of success. Until conditions permit, all unplanned ignitions will receive a suppression response, using direct or indirect strategies as conditions dictate."

Bergum also listed tools expected to be used for fire prevention:

1. Mowing and grazing
2. Cutting, masticating, thinning, piling, yarding, and selling timber and salvage
3. Establishing and maintaining linear fuel breaks and access roads
4. Biological and chemical fuel treatments
5. Prescribed burning (WHEN CONDITIONS PERMIT)
6. Selling vegetation products such as firewood, biomass, timber, and fence posts
7. Managing invasive species, including the seeding of native, non-invasive, or non-native species

(Hot Shot Wakeup 4/11/26)

Forest Service Relocations Announced

On March 31st, the U.S. Department of Agriculture's (USDA) Forest Service announced it will move its headquarters from Washington, D.C. to Salt Lake City, Utah, and begin a sweeping restructuring of the agency to move leadership closer to the forests. It is estimated that 260 employees will be relocated to Salt Lake City.

Under this reorganization, the agency's Fire and Aviation Management program will retain its existing Geographic Area Coordination Center at the National Interagency Fire Center in Boise, Idaho.

In an interview with the Deseret News, Tom Schultz, U.S. Forest Service Chief, called this reorganization and relocation common sense. "It's about saving money, being more efficient, getting more work done, partnering (with states, tribes and local governments) and also being prepared ... for this upcoming fire season."

In response to a question about closing the regional offices, Schultz said the nine regional offices each had upwards of 100 employees and these will be eliminated as 15 state offices will be created, each with its own director and six to eight employees. This model will eliminate cost and allow for more direct communication with Forest Service partners — whether that be the state, tribes, or others.

Research offices will also be consolidated. The Fort Collins, Colorado office will lead research across the agency, and the total number of research stations will be reduced from 77 to 20. Schultz suggested that by managing research from one location, the Forest Service will ensure a focus on active management and fire management programs, and that research is going to be very supportive of not just the National Forest system, but also private landowners.

For Oregon, changes include closure of the Region 6 (Oregon and Washington) office in Portland and opening of a state office in Salem. In addition, Portland's research office will close. Most of these organizational changes are expected to be completed within the next two years.

(Salem Statesman Journal 3/31/26, USDA 3/31/26, Oregonian 4/1/26, Deseret News 4/11/26, Capital Press 4/15/26)

Home Depot Sales Indicate Economic Concerns

Home Depot reported \$164.7 billion in sales in 2025, up 3.2% from 2024. Yet they also report that based on what consumers are buying, there is concern, or at least caution, about the economy. Remodeling spending has slowed. Shoppers are cutting discretionary spending for unnecessary upgrades and sticking to the essentials. (The Street 4/2/26)

Lower U.S. Lumber Supply in 2025

According to Random Lengths, U.S. softwood lumber supply fell by 1.5% in 2025. Lumber supply is calculated by adding domestic output (production) and imports and then subtracting exports. While U.S. lumber production increased by 1.2% in 2025, and lumber exports decreased by 10.6%, these gains in supply were offset by larger declines in imported lumber. Lumber imports fell by over 9% in 2025. Since 2021 imports have fallen by over 3 billion board feet or nearly 20%. (Random Lengths 3/27/26)

U.S. Commerce Review Confirms Unfairness of Canadian Lumber, Reduces Rate

In their 7th preliminary review of Canada's softwood lumber imports, the U.S. Commerce Department once again confirmed the practice of unfair Canadian lumber subsidies and dumping practices. If the preliminary review holds until it is finalized in August, Canadian softwood lumber imports will continue with countervailing tariffs, though at a reduced level.

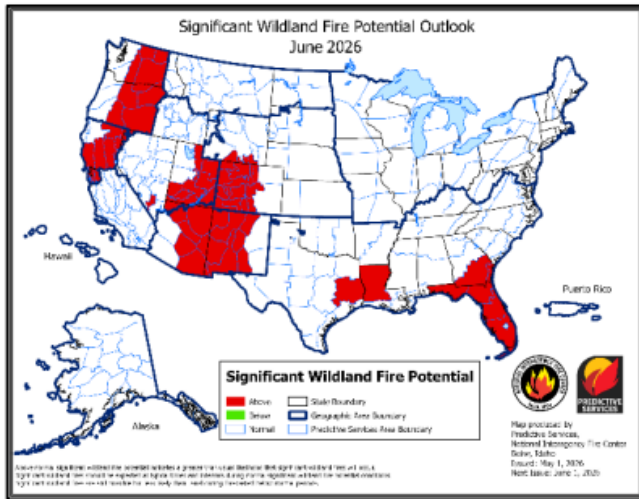
The countervailing tariff is expected to be reduced to 24.83%, a reduction from the currently assessed rate of 35.16%.

B.C. Forests Minister Ravi Parmar said the province is disappointed the United States has "signaled that it will continue to impose unwarranted and unfair duties on Canadian softwood lumber products."

Zoltan van Heyningen, Executive Director of the U.S. Lumber Coalition responded, "We appreciate the Commerce Department's commitment to strong enforcement with its fair and thorough review in this case. The United States needs continued strong enforcement of the U.S. trade laws to maximize long-term domestic production and softwood lumber availability produced by U.S. workers to build U.S. homes." (US Lumber Coalition 4/9/26, Canadian Press 4/10/26)

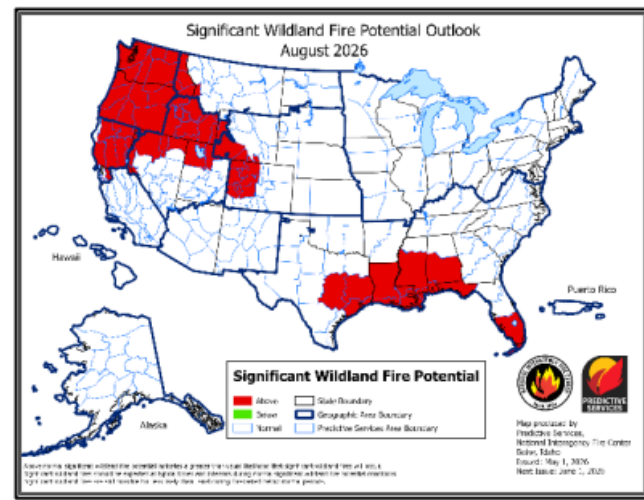
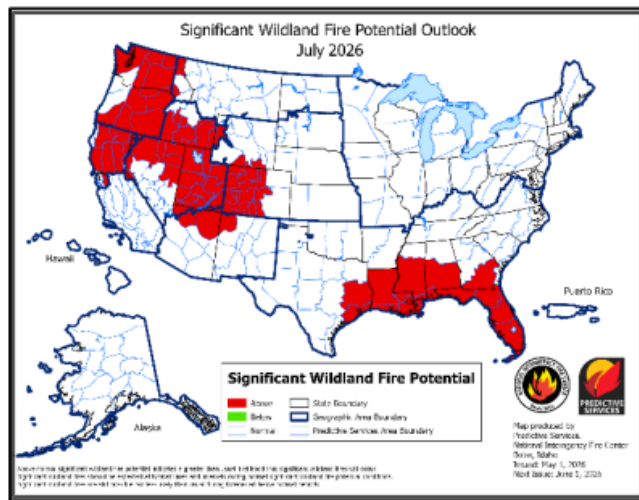
The Pacific Northwest May be in for a Hot Summer

The National Weather Service is forecasting that the Northwest will be hotter than average this summer.



The Bureau of Reclamation began rationing water May 21 to irrigators in Central Washington. While favorable weather could ease the water shortage, the weather service's Climate Prediction Center predicts a hot and dry summer throughout Washington, Oregon and Idaho. (Capital Press 5/21/26)

The National Interagency Coordination Center (NICC) also predicts significant wildland fire potential in the Pacific Northwest this summer. They released maps with their predictions for June to August. The areas in red show above normal potential for wildland fire. (NICC 5/1/26)



Housing Market Indicators from Home Depot and Lowes

Home Depot reports sales have been flat for the past three years and Lowes is reporting a similar trend. When comparing 1Q2026 with 1Q2025, Lowes reports that the number of transactions have declined by 0.9%, even as the average sale amount increased by 1.5% in the same period. However, allowing for inflation, sales values were essentially flat.

Both retailers expect their 2026 sales to be the same as last year or have a modest increase, up to 2%. Both also site a profound decrease in the DIY home remodel and repair related sales, due to the decrease in existing home sales in the last three years, which can be traced back to increasing mortgage interest rates. Home Depot reports that customers snap up smaller items like gardening tools and paint, but they are not starting large projects such as kitchen and bathroom renovations.

In an effort to boost sales, Lowes is offering more deals and promotions through their DIY marketing. They are also trying to attract more professional remodelers by offering some new tech in the store aisles to help with searching and finding needed items.

Home Depot is also courting builders, who tend to spend more than the DIY crowd and now account for half of its revenue. Over the past few years, the firm has acquired wholesale distributors that cater to professional contractors. (Economist 5/20/26, The Street 5/25/26)



What Everyone Wants to Know about the Recently Reorganized U.S. Forest Service

Will the major changes inside the U.S. Forest Service impact how quickly fires are detected and suppressed across the West? According to recent interviews, U.S. Forest Service wildland fire fighting capabilities should remain unchanged, at least in the near future.

Kieran Evans, a Type-2 Initial Attack Crew squad leader with the Forest Service said most of the changes so far have happened at higher administrative levels and that he expects little to no change to how federal firefighters respond to wildfires this year.

In a statement to KATU News, the Forest Service said wildfire operations remain fully intact. “The Forest Service’s fire readiness and response remain unchanged, and our operational firefighters and aviation resources continue to support wildfire response,” the agency said.

Lucas Mayfield, a spokesperson for Grassroots Wildland Firefighters who spent 19 years with the Forest Service, said even if a ranger station were to close, wildfire response would still continue through regional dispatch systems and mutual aid agreements. “While an office may be closed, firefighters will still be on.” Mayfield said. (KATU 5/25/26)



Studying Western Fire Trends

Fire ecologists with the U.S. Forest Service, University of California, Boise State University, and other academic institutions have made a surprising discovery. While comparing fire data from the 15-year period 1992-2006 with the 15-year period 2007-2021, they found that the West is actually experiencing far fewer wildfires than in the past.

However, they also discovered that when wildfires do spark, they are much more destructive than in the past – burning 40% more forested and unforested land overall. Researchers attribute this trend to both human influences and the West’s increasingly warm and dry landscape. (KUNM 5/26/26)



Fuel Prices will Add to Wildfire Costs in 2026

While the U.S. government is in charge of fighting most big wildfires, nearly all aircraft they use are privately owned by contractors. Last year, those planes used about \$50 million worth of jet fuel. Fuel costs have nearly doubled since the Iran war began in February, but most aerial firefighting companies have contracts that allow them to pass along higher fuel prices to the U.S. government. In emailed statements, officials from the U.S. Forest Service claimed to have budgeted \$45 million for fire aviation fuel this year. (NPR 4/30/26)