



**Tree Planter
Planting for an MB&G Client
Marion County, OR**

Log markets are picking up some as log buyers work through their inventories and more aggressively search for logs in a region without a ton of available supply. Depending on where you are and when you plant it seems to have been a good planting season in terms of the weather. I guess we'll know how it went when regen surveys are done this fall. We've had moisture at times but overall it seems to have been pretty warm and dry. It's getting a little late in the game but if you still need seedlings there are plenty floating around. If you just finished a harvest, have burned the slash piles, and are staring at a clean unit that looks ready for planting, I'd resist that temptation, unless you have no plans to apply herbicides. If you plan to spray, I'd wait until the weeds come in this spring and then site-prep spray this summer and plant next year.

Hope to see y'all at Tree School!

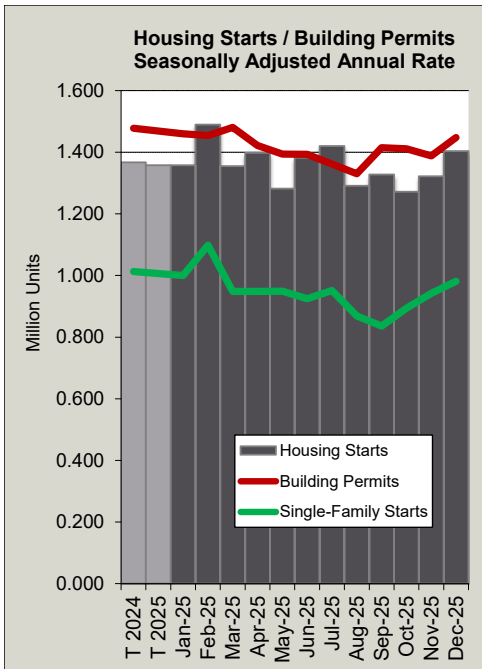
If you need help with reforestation, log marketing, silviculture, or other aspects of managing your forestland, or just want to talk forestry, give me a call at (503) 224-3445 or send me an email at bkeller@masonbruce.com. MB&G has a sophisticated understanding of the forest industry and great relationships 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

Housing starts data has been released through December 2025. Housing starts increased 6.2% in December, to 1.4 million units, and were down 7.3% year-over-year. Single family starts were up 4.1% in December, and down 9% year-over-year.

December building permits jumped 4.3% from November to 1.45 million units but were down 2.2% year-over-year. Single-family permits were down 1.7% from November, to 0.88 million units, and down 10.9% year-over-year.



December 2025 Housing Starts (millions)

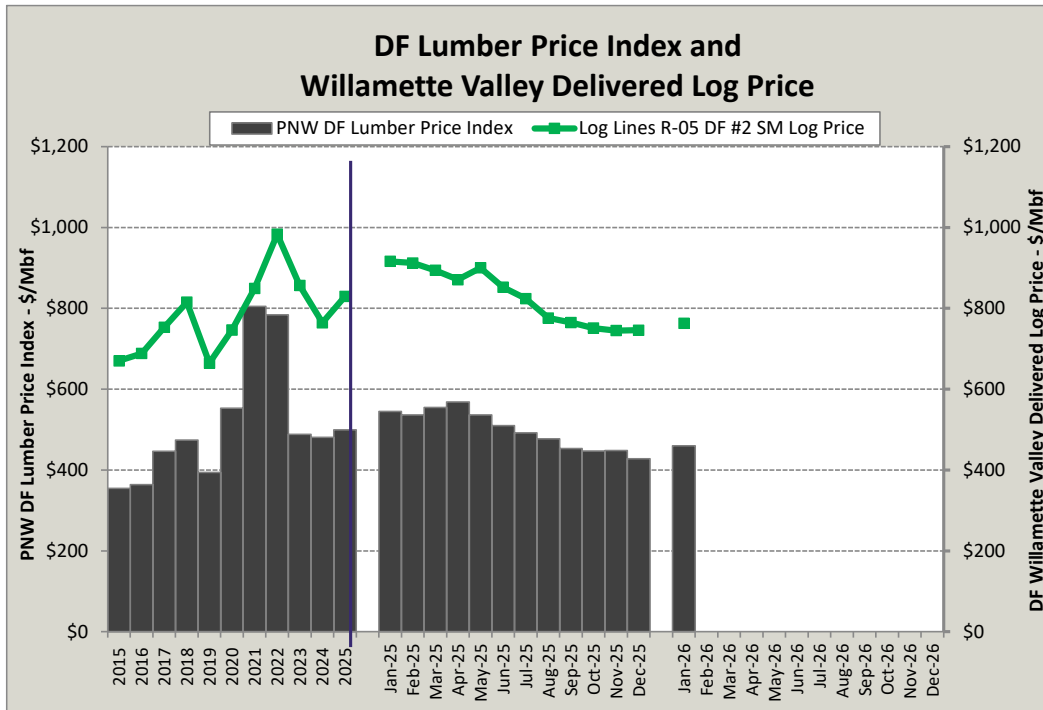
	Dec 2025	Nov 2025	Monthly Difference	Dec 2023	Annual Difference
All Starts	1.404	1.322	6.2%	1.514	-7.3%
Single-Family Starts	0.981	0.942	4.1%	1.078	-9.0%
Building Permits	1.448	1.388	4.3%	1.480	-2.2%
Single-Family Building Permits	0.881	0.896	-1.7%	0.989	-10.9%

LUMBER & LOGS

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

January published DF #2S log prices increased 2.3% over December, to \$763 per thousand-board-feet (Mbf). January log prices were 16.7% below a year ago, and they were 12.2% below the 5-year average of \$869.

At \$460/Mbf, the January DF lumber index price increased 7.4% over December. Lumber is down 15.6% from a year ago and is 24.8% below the 5-year average of \$612.



January 2026 Douglas-fir Prices							
	Jan 2026	Dec 2025	Change from Previous Month	Jan 2025	Change from Previous Year	5 Yr Annual Average	Current Month Compared to 5 Yr Annual Avg
Logs	\$ 763	\$ 746	2.3%	\$ 916	-16.7%	\$ 869	-12.2%
Lumber	\$ 460	\$ 428	7.4%	\$ 545	-15.6%	\$ 612	-24.8%

Lumber Track

We are now reporting West Coast (Oregon and Washington) data only. Previously, our reports included the entire West, which included California and the inland West.

YTD West Coast Mill Production through December 2025, as reported by Western Wood Products, was 1% below December 2024.

West Coast Softwood Lumber Production			
YTD Total (Bbf)		Monthly Total (Bbf)	
December 2025	8.00	December 2025	0.55
December 2024	8.05	November 2025	0.57
Percent Change	-1%	Percent Change	-3%
YTD Production as a % of Capacity		Production as a % of Capacity	
December 2025	79%	December 2025	65%
December 2024	78%	November 2025	79%
Percent Change	1%	Percent Change	-14%

December production was 3% below the prior month.

YTD production through December, at 79% of capacity, was 1% above the same period in 2024. At 65% of capacity, December’s monthly production was reportedly down 14% from the prior month.

[Note: In MB&G’s opinion, the reported monthly production in December as a percentage of capacity seems to be inconsistent with the report of December’s 2025 production. We have requested verification of this data. No response has been received as of this reporting.] (*Western Lumber Facts*, (2/10/26))

Lumber Track

YTD Western Mill Production through November 2025 was 1% below November 2024. November production was 9% less than the prior month.

YTD production through November, at 78% of capacity, was up 1% when comparing 2025 to 2024. At 77% of capacity, November’s monthly production was up 2% from the prior month. (*Western Lumber Facts*, (1/12/26))

Western U.S. Softwood Lumber Production			
YTD Total (Bbf)		Monthly Total (Bbf)	
November 2025	11.95	November 2025	0.91
November 2024	12.03	October 2025	1.00
Percent Change	-1%	Percent Change	-9%
YTD Production as a % of Capacity		Production as a % of Capacity	
November 2025	78%	November 2025	77%
November 2024	77%	October 2025	75%
Percent Change	1%	Percent Change	2%

INDUSTRY NEWS

Mortgage Rates Below 6% in January

Thirty-year fixed-rate mortgages averaged 6.09% as of January 22, 2026. At this time in 2025, the 30-year fixed rate mortgage averaged 6.96%.

“With the economy improving and the average 30-year fixed-rate mortgage nearly a percentage point lower than last year, more homebuyers are entering the market,” said Sam Khater, Freddie Mac’s Chief Economist. (Freddie Mac 1/22/26)

Homes were Selling in December

National Association of Realtors chief economist Lawrence Yun said that while 2025 was a tough year for homebuyers, conditions improved late in the year due to declining mortgage interest rates and slower increases in home pricing. “December home sales, after adjusting for seasonal factors, were the strongest in nearly three years,” Yun said.

Dustin Jalbert, senior economist at Fastmarkets indicated a positive outlook for new home construction as well, stating, “The good news is we’re probably close to a floor on single-family starts. In mid-January, the US Census Bureau released their residential sales report for October. It showed stable monthly home sales and inventories, and falling home prices. (Random Lengths 1/16/26)

Builder Sentiment Falls Further

According to the January National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index, builder confidence in newly built single-family homes fell to 37 points, two points lower than December’s survey. Builders have been offering purchase incentives and price reductions to maintain new home sales.

On a positive note, in mid-January, the average mortgage rate fell to 6.06%. This is lower than the rate has been in the last three years. The January survey was also conducted before Fannie Mae and Freddie Mac announced their plan to purchase \$200 billion in mortgage-backed securities, in an effort to bring down mortgage interest rates further. Next month’s survey

may show an improvement due to the prospect of lower interest rates, which would help with affordability issues. (NAHB 1/19/26)

Oregon Set Heat Record in December

The entire U.S. had above-averages temperatures in 2025, according to the National Centers for Environmental Information. December 2025 was the warmest December on record for Oregon, as well as for Washington and California.

The average Oregon temperature in December was 39.7 degrees, or 7.9 degrees above normal. The previous record was 39.6 degrees set in December 1917.

December weather patterns ushered in warm and moist air and now snowpacks are below average for mid-January. Capital Press reported that the Willamette Basin was only 22% of normal snowpack in the first week of January. (Capital Press 1/6/26 & 1/13/26)

Governor Kotek Appoints New Oregon State Forester

Governor Kotek appointed Kacey KC to serve as State Forester and Director of the Oregon Department of Forestry. If approved by the state senate, KC will be the first woman in state history to lead the agency on a permanent basis, beginning on March 1st.

“I am extremely excited for the opportunity to join the Oregon Department of Forestry team,” KC said. “While I am not from Oregon, my experience at both the national and state level equips me to deepen key relationships while leading and supporting the strong work and mission of the Department.” (OPB 1/22/26, Nevada Appeal 1/24/26)

The New U.S. Wildland Fire Service (USWFS)

In response to last summer’s presidential executive order, the U.S. Wildland Fire Service (USWFS) was formally established in January 2026. The USWFS is composed of multiple fire programs within the Department of the Interior, including those of the Bureau of Land Management and the National Park Service. The news release stated that the USWFS will “streamline decision-making, improve operational efficiency and enhance the Department’s ability to respond quickly and effectively to wildfire threats.”

The U.S. Forest Service is the federal government’s largest firefighting agency, with more than two-thirds of government firefighting resources. The Forest Service fire program is not part of the reorganization. Congressional action is needed to authorize consolidation of the Forest Service fire program with the USWFS.

Brian Fennessy has been hired as the agency’s inaugural chief. Fennessy was the Orange County, CA Fire Authority Chief before accepting this position. Fennessy told staff that he would share “the blueprint for our phased unification in the coming weeks.”

In response to concerns about whether the agency would focus more on fire suppression than mitigation, Fennessy responded that the “primary purpose and mission is wildland fire suppression. At the same time, we have a duty to improve fire mitigation strategies and programs across all bureaus.”

The current proposed appropriations bill in Congress has zero dollars appropriated for the USWFS despite Interior requesting \$6.5 billion. However, the individual fire programs in Interior agencies remain funded. (Associated Press 1/16/26; Wildfire Today 1/12/2026)

Prescribed Burn Associations in Oregon

Prescribed burn associations (PBAs) are gaining popularity in Oregon and across the U.S. There are currently nine PBAs in Oregon and about 170 in the U.S.

In Oregon, PBAs are volunteer organizations that work in conjunction with a certified burn manager. When conducting a prescribed burn with a PBA, certified burn managers are responsible for planning, securing permits, and monitoring weather conditions during operations. PBAs also coordinate with volunteers and oversee preparation of the site.

In addition to the benefit of using a prescribed burn to reduce wildfire fuels, Oregon landowners using certified burn managers can also tap into a \$5 million liability fund, with individuals eligible for claims of up to \$1 million per incident if a wildfire on their property moves to other properties.

In the aftermath of the 2020 Labor Day wildfires, the Oregon Legislature created its certified burn manager program to reduce barriers to prescribed fires. (Capital Press 1/8/26)

O&C Counties Celebrate Return of Funding

In January, the U.S. Congress passed the FY26 Interior Appropriations Bill, which corrects revisions made in 1982 to the 1937 O&C Act. The corrections will increase and return the percentage of timber payments for O&C counties to 75% of shared timber receipts. This represents a 50% increase over the last several years.

In a statement from the Association of O&C Counties Board President, Douglas County Commissioner Tim Freeman stated that this correction represents one of the most significant achievements and highest priorities for O&C Counties in the last 44 years. (County News 1/16/26)

Gambling on Wildfires?

Last year, users on Polymarket, a crypto-based prediction gambling site, put money on predictions like, "How many acres will Palisades wildfire burn in total?" and "When will the Palisades wildfire be fully contained?" More than half a million dollars were wagered on four different markets predicting the duration and size of the fire.

The gamification of wildfire containment raises ethical questions about whether these gaming markets offer gamblers a perverse incentive to find ways to prolong a wildfire in order to win bets.

"I'm in favor of prediction markets, but we need to recognize the potential for dangerous incentives when they involve high-stakes events like fires, terrorist attacks, or other critical incidents...Imagine someone deep in gambling debt placing a large bet on a fire spreading to a nearby area and then deliberately starting a fire to ensure that outcome," Nathanael Fast, director of the USC Neely Center for Ethical Leadership and Decision Making, told Newsweek. Thus far, there is no indication that such a scenario has ever happened, but it is concerning, to be sure. (Newsweek 1/14/26)

Good Neighbors in Linn County

Linn County Parks and Recreation Department (LCPR) and the Willamette National Forest have partnered under the Good Neighbor Authority to provide recreation services.

The two organizations will expand collaborative management and complete critical recreation site maintenance and infrastructure improvements, including bathroom maintenance, visitor access, and re-paving campground roads at several recreation sites. (Willamette National Forest 1/22/26)

The Supreme Court Rules Against Emergency Tariffs

A February U.S. Supreme Court ruling struck down tariffs issued under the International Emergency Economic Powers Act. These were reciprocal tariffs levied on U.S. trading partners, as well as fentanyl-related tariffs on China, Mexico, and Canada.

While the ruling doesn't reverse the long-standing anti-dumping levies on Canadian softwood lumber (approximately 35%) or the Section 232 tariff on softwood lumber (10%), B.C. Premier David Eby says it "opens up the possibility" of the province mounting a legal challenge to the Section 232 10% tariff that the U.S. claimed was necessary because wood products made outside of the U.S. threatened the country's own wood products industry, and therefore threatened its economic strength and national security.

After the court's ruling, President Trump was quick to criticize the ruling and to announce a new 10% global tariff, followed by another announcement raising it to 15% the next day. This new 15% tariff will be levied under Section 122 of the Trade Act of 1974. The law allows presidents to impose this type of tariff of up to 15% for 150 days to stem the flow of U.S. dollars overseas. The tariff will go into effect Feb. 24, but it will not apply to goods covered by the U.S.-Mexico-Canada trade agreement.

NAHB chairman Bill Owens stated, "While the Supreme Court's ruling reins in presidential authority to impose tariffs under IEEPA, President Trump still has wide latitude in setting tariff policy. With the nation facing a housing affordability crisis, NAHB urges the president to exempt building materials as part of his tariff strategy..." (CBC News 2/21/26), (NAHB 2/20/26 & 2/23/26), (Capital Press 2/20/26 & 2/23/26)

U.S. Plywood Market is Steady

In late January, Freres reported the local plywood market is steady, with a sense of guarded optimism that market conditions and pricing could improve as we move further into the year. Freres news release stated, "What the industry needs most this year are stronger markets and improved pricing, and ultimately, a meaningful pickup in the residential construction sector." (Wood Central 1/28/26, Freres Wood 1/28/26)

Softwood Lumber Traders finds New Partners

Canadian softwood lumber exported to China in 4Q2025 surged to over 156 MMbf, a quarterly increase of 36%, as China became the primary destination for Canadian producers seeking to reduce their reliance on the U.S. market.

In 2025, duties imposed on Canadian exports to the US jumped from a combined 14.4% to 45% between August and October. The combined 45% duties and tariffs are viewed as prohibitive, and it seems China was the most viable alternative market for Canadian exporters.

Also in 2025, the U.S. began shipping softwood lumber to Syria for the first time in over 20 years. This after the European Union and the U.S. lifted longstanding economic sanctions against Syria after a new government took control of the country. Thus far, the volume has been small, but the easing of sanctions will allow the U.S. to compete for a share of what many observers believe will be a massive Syrian market for building products. The World Bank has estimated costs for rebuilding Syria at \$216 billion in the wake of a civil war that began in 2011. (Random Lengths 2/13/26)

The Mega Merger

Rayonier and PotlatchDeltic Corp. have completed their previously announced merger. In so doing, they have created a massive U.S. timberland REIT with nearly 4.2 million acres of timberland across 11 states, including 931,000 acres in the U.S. Northwest, mostly in Idaho. It is reported that the newly formed Rayonier is the second largest publicly traded timber and wood products company in North America with a total value of \$8.2 billion, behind Weyerhaeuser, valued at about \$19 billion.

In addition to timberland, the entity also owns six sawmills, an industrial-grade plywood mill, a rural land sale program, and commercial and residential developments. (Agriculture Investment Marketplace 2/2/26)

Carbon Credits for Burial of Burned Timber

In Bighorn County, Montana, more than 10 million pounds of trees killed by wildfire are earning carbon credits. Instead of being openly burned or left to decay, releasing carbon back into the atmosphere, the biomass was placed in an engineered underground chamber designed for long-term storage. The approach locks away the carbon contained in the wood while addressing the growing problem of post-fire forest debris. Proceeds from carbon credit sales will help to support the cost of forest restoration. (ESG News 2/2/26)

More Layoffs at Roseburg

In February, Roseburg Forest Products announced its third round of layoffs in six months. Approximately 146 positions at its Riddle, OR plywood facility will be eliminated in early April 2026. This staff reduction will bring Roseburg Forest Products' total job losses to nearly 400 since September 2025.

The current layoffs stem from Roseburg's multi-year investments in modernizing operations and its increased focus on engineered wood. Roseburg's specialty plywood production was previously split between their Riddle and Coquille locations. It is now being consolidated at Coquille, while Riddle will continue producing plywood sheathing and underlayment.

According to an April 2025 release, Roseburg's Riddle Plywood plant acquired a new line that completes the replacement of the mill's green-end, positioning it to be the newest and most advanced veneer peeling operation in the industry. (Roseburg Forest Products 2/4/26, Woodworking Network 2/4/26, Oregonian 2/5/26, KOBI 2/9/26)