THE LUMBER DAILY

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Kiln Capacity Edition
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MARKET PULSE | Lumber $572 | WTI $93 | S&P 7,041 (record) | Nasdaq 24,103 (12-day streak) | 10yr 4.30% | 30yr mtg 6.30%

■ TOP STORIES

Western Forest Products Loads First Batches at New Chemainus Continuous Dry Kiln

The British Columbia (BC) producer began loading lumber this month into one of two new continuous dry kilns under installation at its Chemainus Value-Added Division on Vancouver Island, part of a roughly C$30 million capacity buildout that includes a second kiln scheduled for installation later in 2026 and an additional unit at its Duke Point sawmill in Nanaimo. Each kiln carries approximately 70 million board feet (MBF) of annual capacity and is positioned to feed higher-value end markets, including kiln-dried (KD) lumber for glued laminated timber (glulam) mass timber applications. The company's Saltair continuous dry kiln, commissioned in April 2024, has operated at 98.8% of full utilization since startup, producing roughly 25 million board feet of higher-value KD output. The province contributed up to C$7.5 million to the Chemainus project through its Manufacturing Jobs Fund.

Trex Names Adam Zambanini President and Chief Executive Officer Effective April 28

The Virginia-based composite decking and railing maker set a leadership transition with Executive Vice President (EVP) and chief operating officer (COO) Adam Zambanini moving into the president and chief executive officer (CEO) role on April 28, succeeding Bryan Fairbanks, who retires after 23 years with the company. Zambanini joined Trex in 2005 and previously served as president of Trex Residential Products. In his announcement statement he pointed to a "disciplined innovation pipeline" across both composite and polyvinyl chloride (PVC) decking. The transition lands as composite decking holds roughly 29% of the United States (US) residential deck-board market against 71% for wood, with composite growing at 8-12% annually and pressing directly on premium Western Red Cedar (WRC, Thuja plicata), thermally modified wood, and tropical hardwood decking segments.

Annandale Millwork Opens $11.5 Million Frogale Lumber Supply Facility in Newport News

The Virginia custom and stock millwork supplier, founded in 1952, celebrated the grand opening this month of its Frogale Lumber Supply unit in Newport News after an $11.5 million investment that adds 154 jobs and commits the company to purchasing more than $6 million of Virginia-grown forest products over the next three years. The facility gives Annandale a second Tidewater-area production and distribution footprint serving East Coast residential builders, at a moment when the US interior door market is projected to grow from roughly $19.7 billion in 2026 to $27.8 billion by 2036 and paint-grade fingerjoint and medium-density fiberboard (MDF) moulding stock continues to dominate the remodel channel.

■ DEEP DIVE: KILN CAPACITY & CUSTOM DRYING ON THE WEST COAST

BC's Value-Added Kiln Wave Is a Product-Mix Shift, Not Volume

The three continuous dry kilns Western Forest Products now has in or entering service, Saltair (operating), Chemainus Value-Added Division (loading), and Duke Point Nanaimo (2026), collectively approach 210 million board feet of annual continuous-kiln capacity aimed primarily at value-added and glulam-feed product. Saltair's 98.8% utilization rate since April 2024 commissioning is the operating benchmark that underwrote the Chemainus and Duke Point sanctioning. Significantly, none of this new capacity is being positioned to replace framing-lumber volume; the company has guided the new output toward kiln-dried material specified for mass timber producers and for appearance and industrial grades that carry value-added pricing. For buyers, this changes the BC coastal supply curve from a generic SPF or Hem-Fir green-output story into a more deliberately dried, grade-sorted stream.

Oregon: Forest Grove Sawline Triples Output While Specialty Kiln Services Tighten

Stimson Lumber's Forest Grove, Oregon operation is bringing on a $50 million HewSaw sawline from Finland's Veisto Oy in early 2026, a 350-foot line processing logs from 4 to 16 inches at 70 eight-foot blocks per minute, the highest-speed line in North America. Forest Grove already runs approximately 300 million board feet per year of kiln capacity, and the new sawline is guided to roughly triple stud output from the plant's historical 100 million board feet. Timberlab's Philomath, Oregon acquisition in September 2024 pairs milling, planing, and kiln drying on 80 acres, feeding the company's cross-laminated timber (CLT) and glulam programs. Outside the large producers, West Coast custom-kiln services for furniture, live-edge slab, and architectural buyers run roughly $1 to $3 per board foot depending on thickness, with full-kiln lease rates at roughly $500 per day or $10,000 per month, and wait times have lengthened as capacity consolidates into mill-captive continuous units.

Energy Is the Whole Ballgame: Drying Consumes 70-80% of a Mill's Total Energy

Industry engineering references put kiln drying at 70-80% of the total energy used in lumber manufacturing, with roughly two-thirds of the energy consumed between log and dry-dressed lumber going to the drying step alone. Dehumidification kilns cut that bill 50-70% relative to conventional steam-vent designs but at a smaller per-charge capacity; vacuum kilns are three to four times more expensive per unit of capacity than either conventional or dehumidification, but can drop drying times on thick hardwoods from weeks to days. Capital costs stack accordingly: small dehumidification units run roughly $15,000 to $30,000, vacuum systems $40,000 and up. The Lumbra Hardwoods closure announced this month in Milo, Maine was explicit about the math, monthly electricity costs doubling from roughly $20,000 to $40,000 took the operation below break-even before blade and equipment costs were factored in.

What to Do With It: Constraints Move to Log Supply and Custom Access, Not Kiln Throughput

Three practical implications. First, on the BC coast, the binding constraint is shifting from green-lumber throughput to log grade and diameter available for appearance and glulam-feed sorts, a headwind for buyers who source on WRC and Douglas Fir (Pseudotsuga menziesii) clears. Second, in Oregon, aggregate kiln capacity is expanding at the commodity-stud end while custom-kiln availability for small-volume specialty buyers is tightening, and wait times and per-board-foot rates have room to firm. Third, hardwood drying remains slow, 30 to 90 days for commercial thicknesses, and energy-cost volatility disproportionately hits the smaller specialty and concentration-yard operators that still use conventional steam or indirect-heat kilns. Appearance and architectural buyers should expect the specialty-grade premium over commodity KD softwood to widen through 2026 as this capacity repositioning plays out.

■ WHAT YOU MISSED YESTERDAY

Thursday, April 16 — business, markets, and the broader economy.

- **Indexes notch more records.** S&P 500 7,041.28 (+0.26%, +18.14 points), the benchmark's 8th all-time high of 2026, with the index briefly touching 7,100 for the first time intraday before paring back. Nasdaq Composite 24,102.70 (+0.36%, +86.69), 12th consecutive daily gain and longest streak since July 2009. Dow Jones Industrial Average 48,578.72 (+0.24%, +115 points).
- **Rates: mortgages at a four-week low.** 30-year fixed 6.30% (from 6.37% prior week) per the Freddie Mac Primary Mortgage Market Survey; 15-year 5.65%. 10-year Treasury yield 4.30%.
- **Energy firms on Hormuz.** West Texas Intermediate (WTI) crude rose roughly 3.7% to settle above $93 after Iran declared the Strait of Hormuz "completely open" for the duration of the Israel-Lebanon ceasefire; Brent traded near $95. US natural gas front-month held at a 7.5-month low, a modest tailwind for conventional-kiln mills that burn gas for steam.
- **Catalyst.** Iran's declaration that the Strait of Hormuz is "completely open" for the ceasefire period anchored the session's risk-on tone; tech and industrials led, energy names caught a bid as crude firmed rather than fell.
- **Housing signal.** The mortgage-rate decline lands into a Weyerhaeuser April 30 first-quarter release already guided lower, with wood-products earnings before interest, taxes, depreciation and amortization (EBITDA) run-rate pointed toward roughly $450 million for the quarter.

■ INDUSTRY & COMPANY NEWS

- **West Coast Dry Kiln Association sets May 16 Eugene spring meeting.** The industry group has tentatively scheduled its spring session in Eugene, Oregon with a plant tour of Zip-O-Log Mills' new kilns at its Goshen site, an indicator of continued specialty-kiln investment activity outside the large-producer footprint.
- **Weyerhaeuser April 30 first-quarter release guides wood products lower.** The company has pointed to roughly $450M wood-products EBITDA for the quarter, a 10% sequential step down, with Pacific Northwest mills running at approximately 85% of capacity and shipment volumes down 5% year over year into February. Funds from operations (FFO) consensus sits near $0.03 per diluted share, a roughly 72.7% year-over-year decline.
- **Rayonier completes merger-of-equals housekeeping.** The combined Rayonier-PotlatchDeltic entity retained the Rayonier name and RYN ticker, introduced a new corporate logo, and set a 10-member board with five directors from each legacy company; Eric Cremers is executive chair. Wood Products division continues to operate under Rayonier with interim leadership following the March Townsend Cribb departure.
- **US hardwood export flows continue to redirect.** Through May 2025, US hardwood lumber exports ran 10% below the 2024 pace and hardwood log exports ran 11% below. China-bound shipments fell 18% by value and 23% by volume year-over-year; for the first time, combined White Oak lumber exports to the United Kingdom (UK), Canada, and Vietnam exceeded those going to China.
- **Milgard completes 150,000 square foot Tacoma, Washington facility refit.** The window and door manufacturer finished a multi-phase renovation of its Tacoma fiberglass window and door production facility, replacing existing assets and supporting new product launches, the largest PNW window-and-door capital move into 2026.
- **Trimlite, a Wynnchurch Capital platform, closed its acquisition of Harris Door & Millwork.** The Georgia-based door-and-millwork distributor adds national and independent pro-dealer accounts to Trimlite's platform; Scotty Harris Jr. and Devon Miller remain in senior roles as shareholders.

■ HARDWOOD & SUPPLY SNAPSHOT

INDICATOR	VALUE	DIRECTION
CME lumber futures (front-month)	$572 / MBF	-0.6% WoW
Madison's SPF Index (wk ending Apr 10)	$523 / MBF	+4% MoM, -10% YoY
WSPF 2x4 #2&Btr KD (wk ending Apr 3)	$490 / MBF	Flat
30-year fixed mortgage (Freddie PMMS)	6.30%	Four-week low
15-year fixed mortgage	5.65%	From 5.74% prior wk
10-year Treasury yield	4.30%	Little changed
WTI crude oil (front-month)	~$93 / bbl	+3.7% on Hormuz
US Henry Hub natural gas	7.5-mo low	Kiln-fuel tailwind

■ HARDWOOD EXPORT MONITOR

DESTINATION / METRIC	LATEST READ	YoY
US hardwood lumber exports (Jan-May 2025)	-10% vs 2024 volume	Weakening
US hardwood log exports (Jan-May 2025)	-11% vs 2024 volume	Weakening
China hardwood lumber (Jan-May 2025)	-23% volume, -18% value	Sharply lower
UK+Canada+Vietnam White Oak (Jan-May 2025)	> China (first on record)	Redirected flow
Vietnam hardwood imports from US (H1 2025)	~$112.5M	Rising
Hardwood log unit price (June 2025)	-9% MoM, -7% YoY	Softening

Most recent US hardwood trade release available; full-year 2025 data publishes in summer 2026.

■ COMING UP

- **Apr 21-23 — National Wood Flooring Association (NWFA) Wood Flooring Expo, Charlotte.** Tracking domestic hardwood buyer signals, particularly on White Oak and Red Oak inventory positioning into the summer.
- **Apr 28 — Trex chief executive officer transition takes effect.** Watch the first investor communication under Zambanini for any shift in capital-allocation framing around the composite-vs-wood decking premium.
- **Apr 30 — Weyerhaeuser first-quarter earnings; UFP Industries first-quarter earnings.** Wood products margin print and Pacific Northwest log-cost commentary set the tone for the Canadian producer wave (Canfor, West Fraser, Interfor) in the first week of May.

■ THE BOTTOM LINE

Three things for your Friday: (1) The BC coast's continuous-kiln buildout is a product-mix signal, not a volume signal; expect more BC fiber to compete directly with Pacific Northwest clears, appearance grades, and glulam lamstock through the back half of 2026. (2) The top of the composite decking market just reorganized; the bar on durability claims is moving, and the window where thermally modified wood and Western Red Cedar hold their premium against composite narrows incrementally with each innovation cycle. (3) US hardwood export weakness is structural in China and redirecting through Vietnam and the UK; for West Coast hardwood producers, domestic inquiry on White Oak, Walnut, and Soft Maple is the lever that matters, and the real risk is that a soft spring shows up first in log prices, not lumber prices.

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