THE LUMBER DAILY

Wednesday, May 13, 2026
Wildfire Season Edition
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MARKET PULSE | Lumber $585 | WTI $102 (+4%) | Diesel $5.64 | S&P 7,401 (-0.16%) | 10yr 4.46%

TOP STORIES

BC Launches "Make More in BC" Hub Strategy at Gorman Brothers West Kelowna

British Columbia Forests Minister Ravi Parmar announced Tuesday the first regional economic hub under the new "Make More in BC" program, anchored at Gorman Brothers Lumber in West Kelowna. The province is funding a C$2 million grant to FPInnovations, the Montreal-based forest sector research nonprofit, to identify diversification and value-added opportunities for hubs in the Merritt Timber Supply Area. Gorman Brothers specializes in one-inch finished boards exported to 35 countries for trim, soffit, wainscoting, decking, and siding. Parmar framed the program as a structural pivot away from US-export dependence after roughly 50 percent of BC interior sawmills curtailed or closed over the past two years. The Merritt area is targeted as the first of multiple hubs.

US Lumber Coalition: Canadian Share Down to 19%, 8.6 BBF of US Capacity Added Since 2016

The US Lumber Coalition issued a statement Tuesday asserting that combined antidumping/countervailing duties and the Section 232 wood tariffs (10 percent on softwood lumber, 25 percent on kitchen cabinets and vanities since October 14, 2025) have reduced Canada's share of US softwood lumber consumption to 19 percent, from 34 percent in 2016. The Coalition cited 8.6 billion board feet (BBF) of domestic capacity added since 2016, producing an additional 36 BBF of US lumber over the period. Canadian annual production capacity sits at roughly 27 BBF against domestic consumption of about 7.5 BBF, which the Coalition framed as structural overcapacity directed at the US market. The Section 232 rate increase on cabinets and vanities to 50 percent, originally scheduled for January 1, 2026, was deferred to January 1, 2027.

April CPI Prints Hottest Since May 2023 at 3.8%, 10-Year Hits 4.46% on Demand Side

April Consumer Price Index (CPI) data released Tuesday showed headline inflation at +0.6 percent month-over-month and 3.8 percent year-over-year, the highest annual print since May 2023. Core CPI ran +0.4 percent and 2.8 percent. The 10-year Treasury yield climbed about 5 basis points to 4.46 percent. Freddie Mac's weekly Primary Mortgage Market Survey (PMMS) put the 30-year fixed rate at 6.37 percent (May 8 print), now seven basis points off the spring low and tracking the higher 10-year. The S&P 500 closed 7,400.96, down 0.16 percent from Monday's record. April housing starts release lands May 21; March starts ran at a 1.502 million seasonally adjusted annual rate (+10.8 percent month-over-month) while permits dropped 10.8 percent to 1.372 million, signaling slowing forward pipeline against a still-firm completion rate.

DEEP DIVE: WILDFIRE SEASON ON FEDERAL LAND - RECENT RECORD AND 2026 OUTLOOK

The Federal-Land Fire Record, 2020-2025: Region by Region

Recent fire seasons across the western US have concentrated damage on federal land. Oregon's 2020 Labor Day complex (Beachie Creek, Holiday Farm, Riverside, Archie Creek, Lionshead) burned more than 1.2 million acres, much of it across the Willamette and Mt. Hood national forests; Oregon State University Extension projected a 100-250 million board feet per year reduction in harvestable westside sawtimber availability through 2065. Colorado's Cameron Peak Fire in 2020 burned 208,913 acres on the Arapaho and Roosevelt National Forests, still the largest fire in state history. The 2021 Bootleg Fire scorched 413,765 acres on the Fremont-Winema National Forest, third-largest in modern Oregon record. The 2022 Hermits Peak/Calf Canyon Fire in northern New Mexico burned 341,471 acres of the Santa Fe National Forest, the largest in New Mexico history, after two US Forest Service (USFS) prescribed burns escaped control. California's 60,138-acre 2022 McKinney Fire hit the Klamath National Forest. The 2024 season was Oregon's worst in modern record at roughly 1.9 million acres, including Durkee (294,265 acres, BLM/USFS eastern Oregon range and timber) and Lone Rock (131,407 acres, Gilliam-Wheeler-Morrow-Grant). California's 2024 Park Fire burned 429,603 acres including ~113,744 acres on the Lassen National Forest. 2025 retraced lower nationally - 5.13 million total acres against a ~7+ million 10-year average - with Alaska and the Southeast absorbing most activity.

Forest Types, Fire Behavior, and Salvage Value Across the Region

Fire behavior and salvage value vary sharply by forest type. Westside Douglas-fir/hemlock stands in the Oregon and Washington Cascades carry heavy fuel loads and tight crown spacing, supporting crown fire under east-wind events but yielding large-diameter old-growth Doug-fir and western hemlock sawlogs that hold appearance-grade value through a 12-18 month salvage window. Eastside ponderosa pine and lodgepole pine on the Fremont-Winema, Malheur, and Okanogan-Wenatchee tend to surface fire historically but have shifted toward stand-replacing behavior under century-plus fuel accumulation; blue stain compromises ponderosa pine appearance value within months, pushing salvage to industrial grade. California's mixed-conifer Sierra (Lassen, Plumas, Tahoe, Eldorado) carries sugar pine, white fir, and Doug-fir mixed with ponderosa; salvage premium concentrates in sugar pine and clear Doug-fir. Rocky Mountain Engelmann spruce/subalpine fir stands across the Arapaho-Roosevelt, Medicine Bow, and Beaverhead-Deerlodge sit at high elevation with slow decay rates - salvage windows extend 18-24 months for spruce - but logging logistics constrain volume reaching mills. Southwest ponderosa and mixed conifer on the Santa Fe and Gila are short-window salvage with high blue stain risk in the post-fire spring.

Suppression Costs Are Rising; Salvage Volumes That Reach the Mill Are Not

Federal suppression spending continues to climb. The Department of the Interior spent US$4.79 billion on suppression in FY2024; FY2025 combined USFS plus Interior wildfire appropriations totaled US$7.3 billion. The 2024 Oregon state fire season alone ran approximately US$350 million gross, with the Oregon Department of Forestry (ODF) carrying US$317.5 million in emergency fire costs and an expected ~US$185 million in federal reimbursement. Salvage flow to mills, by contrast, has not scaled with the burn. USFS Pacific Northwest Region 6 attained 594 million board feet against a 653 MMbf target in FY2024 (-9 percent), a representative gap across western regions. Specific salvage projects illustrate the throughput challenge: Cameron Peak Fire salvage on the Arapaho-Roosevelt advanced via the Greenman and Johnson Creek sales (Johnson Creek 824 gross acres, 245 net), but with much of the burn-area material now down or rotting beyond merchantability. Hermits Peak/Calf Canyon salvage was completed on the Santa Fe National Forest within the first post-fire year. Region 5's Post-Disturbance Hazard Tree Project covering Klamath, Shasta-Trinity, Mendocino, and Six Rivers remains the largest single salvage proposal in modern USFS history. The Biscuit Fire 2002 precedent is the cautionary number: of 367 MMbf proposed for salvage, only 67 MMbf (~18 percent) was harvested after legal and administrative delays.

2026 Outlook: Record-Low Snowpack Sets an Early, Long Season

The setup for 2026 is the worst in two decades. Oregon set a new record-low April 1 Snow Water Equivalent (SWE) since SNOTEL monitoring began in the 1980s; California recorded its second-lowest April 1 SWE; Washington statewide snowpack measured 53 percent of median, in the fifth percentile of years on record. Arizona, Colorado, Idaho, Nevada, New Mexico, Utah, and Wyoming all set record-low April 1 SWE values. By early May, basins across Oregon, California, and the Great Basin sat below 20 percent of normal or already barren. Year-to-date US acres burned through early May ran ~1.85 million, nearly double the 10-year average. The National Interagency Fire Center (NIFC) May outlook flagged above-normal significant fire potential through May for the southeast Atlantic coast, Florida, the Southwest into far west Texas and extreme southern Utah, the Sacramento Valley, and the East Bay; the June-August outlook expands above-normal across the Four Corners, parts of California, Washington, and Oregon, with the Northwest east of the Cascades flagged starting in June. NOAA temperature outlooks favor above-normal May-August across Oregon and Washington with below-average precipitation through October. Oregon Governor Kotek and state fire agencies have warned of a June-to-October season. Live fuel green-up is slow, dead fuel moistures near normal in April but trending dry; the larger risk is high-elevation fuels coming snow-free earlier than usual and extending the active perimeter window. Forward-looking salvage pipeline depends on whether USFS and BLM can move post-incident sales within 12 months of containment - the structural throughput problem on federal land does not move with weather.

WHAT YOU MISSED YESTERDAY

Tuesday, May 12 - business, markets, and the broader economy.

- **Stocks:** S&P 500 7,400.96 -0.16% off Monday's record, Nasdaq 26,088.20 -0.71%, Dow 49,760.56 +0.11% (+56 pts).
- **Catalyst:** April CPI +0.6% M/M and 3.8% Y/Y headline (highest since May 2023); core +0.4% and 2.8%. Tech led the decline; energy/staples held.
- **Rates:** 10-year Treasury 4.46% +5 bps; 30-year mortgage 6.37% per Freddie PMMS (May 8 print, +7 bps W/W).
- **Oil & diesel:** WTI $102.18 +4% on renewed Hormuz/Iran tension and supply chatter; EIA US retail diesel $5.639/gal week of May 11.
- **Macro on deck:** April PPI Wed; April retail sales Thu; April housing starts/permits May 21.

INDUSTRY & COMPANY NEWS

- **Interfor Q1 2026 Lands Thursday May 14.** Interfor Corporation reports Q1 results Thursday May 14 (release pre-market) with conference call Friday May 15 at 8:00 am PT. First major Canadian report under the 7th administrative review preliminary AD rates; Nairn Centre and Gogama Ontario sawmills running through early-to-mid June for log-inventory wind-down before indefinite curtailment.
- **Conifex Mackenzie BC Sawmill Curtailment Begins Monday May 19.** Conifex Timber confirmed approximately seven-week temporary curtailment at its Mackenzie, British Columbia sawmill starting May 19 with a July target restart, citing log inventory levels and BC Interior spring breakup conditions. Q1 results release pre-market May 15 with 9:00 am PT / 12:00 pm ET conference call.
- **BlueLinx Q1 2026 Beat: Specialty Mix Now 70% of Sales, 80% of Gross Profit.** Building products distributor BlueLinx Holdings reported Q1 adjusted EPS $0.21 (vs ~$0.09 consensus, +129% beat), net sales $731 million +3.1% Y/Y. Specialty products now 70 percent of revenue and 80 percent of gross profit. Stock rose 20.6 percent in after-hours trade following the May 6 release. Read-through to specialty distribution mix shift across the remodel-oriented LBM channel.
- **BLM Western Oregon O&C RMP Revision - Draft EIS Due June 12.** The Bureau of Land Management Notice of Intent process to revise resource management plans covering 2.4 million acres of O&C lands in northwestern, coastal, and southwestern Oregon moves to Draft Environmental Impact Statement (EIS) on June 12, Final EIS in November, and Record of Decision targeted February 2027. The proposal targets approximately 1 billion board feet per year sustained yield, against roughly 250 MMbf realized in the prior year.

- **Idaho Forest Group + USFS Region 1 Restructure on the Idaho Panhandle.** The Idaho Panhandle National Forests (IPNF) published its 2026 periodic timber sale announcement. Concurrently, the USFS regional restructure consolidating Region 1 and Region 4 places Idaho administration under a new state-aligned regional structure as the HQ move from Washington DC to Salt Lake City advances. Mill purchasers in the Coeur d'Alene basin are tracking lead-time changes on Bonners Ferry, Lewiston, and Grangeville sales.
- **BC "Make More" + Quebec Royalty Cut + Ontario Roadmap - Three-Province Subsidy Posture.** BC's hub-strategy launch follows Quebec's February 2026 abolition of the annual sawmill royalty (~C$20 million/yr returned to mills) and Ontario's 10-year forestry roadmap, against Canadian federal/provincial program announcements totaling more than C$2.1 billion since October 2025. The US Lumber Coalition's May 12 framing positions these as evidence of structural overcapacity rather than transition assistance, sharpening the case for higher Section 232 rates in the October 2026 hardwood update window.

BY THE NUMBERS

INDICATOR	VALUE	DIRECTION / NOTE
CME Lumber (front-month settle)	$585.00 / MBF	Tue +0.8% intraday, $589.50 high
Madison's Lumber Prices Index	$522 / MBF	Wk May 8, -$2 W/W, breaks $522-524 corridor
WTI Crude Oil	$102.18 / bbl	+4% Tue on renewed Hormuz tensions
EIA US Retail Diesel	$5.639 / gal	Wk May 11 weighted average
10-Year Treasury Yield	4.46%	+5 bps Tue on hot April CPI print
30-Year Mortgage (Freddie PMMS)	6.37%	May 8 print, +7 bps W/W
April CPI Headline / Core (Y/Y)	3.8% / 2.8%	Highest headline since May 2023

THE BOTTOM LINE

Three things for your Wednesday: First, the 2026 wildfire setup is the worst in two decades - record-low Oregon SWE, California's second-lowest, year-to-date acres burned at nearly double the 10-year average. Federal-land salvage flow will be tested again; Region 6's 594-of-653 MMbf FY2024 attainment shows the binding constraint is throughput, not available timber. Second, the demand side stiffened Tuesday: April CPI 3.8% Y/Y pushed the 10-year to 4.46% and mortgages to 6.37%, complicating the housing-pipeline arithmetic that underpins capacity additions on both sides of the border. Third, the Canadian response is now three-province: BC's hub launch at Gorman Brothers Tuesday, Quebec's February royalty cut, and Ontario's roadmap, against C$2.1 billion in subsidies the US Lumber Coalition is framing for the October 232 hardwood update window. The fire season decides physical supply; the trade machinery decides which mills get to buy salvage and what arrives at the kiln next.
