Monday, May 18, 2026
Operational Risk Edition
Est. 2026 | Vol. 1, No. 39

THE LUMBER DAILY

MARKET PULSE | Lumber $589 | WTI $105 (+4.2%) | Diesel $5.64 | S&P 7,408 (-1.2%) | 10yr 4.59% (+14bp)

■ TOP STORIES

Searsmont, Maine Lumber Mill Explosion Kills Firefighter, 10 Hospitalized

Robbins Lumber’s 145-year-old Searsmont, Maine sawmill suffered a silo dust explosion Friday May 15 at roughly 10:05 a.m. after fire spread from an area where wood shavings are packed in plastic bags to a nearby silo holding accumulated combustible dust. Morrill firefighter Andrew Cross, 27, was killed; ten others, mostly firefighters, were transported to Maine Medical Center in Portland and Massachusetts General in Boston, several in critical condition. As of Sunday May 17 ten remained hospitalized. The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) National Response Team joined the State Fire Marshal’s Office Sunday for the joint scene examination, with forensic scientists, electrical engineers and computer-modeling experts expected to remain on site through the week. Maine Forest Rangers, Maine State Police, the Maine Department of Environmental Protection and the federal Occupational Safety and Health Administration (OSHA) are also assisting. Robbins Lumber, founded 1881 and family-operated across six generations, manages 30,000 acres of company forest and employs 115. Ownership said the mill will not operate “for the foreseeable future.”

NAHB/Wells Fargo HMI Rebounds Three Points to 37 in May

The National Association of Home Builders (NAHB) and Wells Fargo released the May Housing Market Index (HMI) this morning at 37, up three points from April’s 34 floor and three points above the 35 consensus. All three sub-components advanced three points: current sales 40, prospective buyer traffic 25, six-month sales outlook 45. Three-month moving averages by region: Midwest 43 (+1), Northeast 42 (+1), South 35 (flat), West 28 (-1). The headline has now held below the 50 optimism threshold for 25 consecutive months. Builders cutting prices fell to 32% from 36% in April; among those who cut, the average reduction widened to 6% from 5%. Sales incentives held above 60% for the 14th straight month at 61%. NAHB Chairman Bill Owens tied softness to mortgage rates, gasoline prices and Iran-related economic uncertainty.

Maine Plywood USA Closes USDA TPEP Loan to Convert Bingham Sawmill

Maine Plywood USA LLC has closed on $11.9 million in U.S. Department of Agriculture (USDA) Rural Development loan guarantees through the Timber Production Expansion Guaranteed Loan Program (TPEP), structured as two notes of $5.9 million and $6.0 million plus $2.2 million owner and investor equity. The project converts an existing Bingham, Maine sawmill and wood-manufacturing facility into a plywood underlayment line targeting 2.5 million sheets in the first full year of stabilized operations, with employment up to 110. Maine Plywood also received a $1.0 million Maine Technology Institute grant. The closing places a second Maine project on the books following the late-April Mi’kmaq Nation Aroostook County sawmill construction and lands the same day federal agents are processing the Searsmont scene 90 miles to the south.

■ DEEP DIVE: MILL FIRES, EXPLOSIONS & OPERATIONAL RISK

2026 Incident Pattern: Silos, Kilns, Stackers, Shavings Buildings

The Searsmont event is the worst U.S. mill incident year-to-date but it is not isolated. The Cass Lake, Minnesota sawmill kiln-drying and storage building was destroyed by fire late on March 28. An Amish sawmill at Plainfield, New York was fully engulfed and effectively a total loss on the evening of April 14. West Fraser’s Blue Ridge, Alberta oriented strand board (OSB) mill took a fire January 10 with no recordable injuries; restart cleared during Q1 and production resumed late in the quarter. Holmes Custom Moulding (Piqua, Ohio) had six injured in a sawdust explosion earlier in the year, and Western Forest Products’ Columbia Vista (Vancouver, WA) re-milling fire settled in Q1 for USD$28.8 million gross insurance recovery. Across these incidents the common ignition geometry repeats: silos, cyclones, conveyors, kiln stacks, shavings/byproduct handling, and stacker buildings—every interface where fine, dried wood dust accumulates between active surfaces.

Combustible Dust: The Babine Legacy and the NFPA 660 Consolidation

Wood-dust deflagrations have been the catastrophic-loss pathway for the industry since the modern record began. The U.S. Chemical Safety Board (CSB) catalogued more than 250 combustible dust incidents between 1980 and 2005 with over 100 fatalities and 700+ injuries across industries. Dust Safety Science’s 2024 global tally recorded 263 fires, 53 explosions, 94 injuries and 62 fatalities, with food and wood products accounting for 79% of fires and explosions; storage silos drove 36% of incidents. The defining event for North American wood manufacturing remains the Babine Forest Products explosion at Burns Lake, British Columbia on January 20, 2012, followed three months later by Lakeland Mills at Prince George—together four dead and more than 40 injured. WorkSafeBC passed amended combustible-dust regulations in November 2025 on the 14th anniversary, broadening coverage beyond wood to metal, chemical and plastic dusts and tightening operator obligations on accumulation control; the new regulation takes effect January 4, 2027. South of the border, the National Fire Protection Association (NFPA) consolidated the prior NFPA 652 framework and five industry standards including NFPA 664 (Wood Processing and Woodworking Facilities) into a single NFPA 660 effective December 6, 2024. Chapter 24 of NFPA 660 carries the wood-specific provisions and the standard requires Dust Hazard Analyses (DHA) to be revalidated every five years.

Insurance: Reinsurance Softens but Wood-Products Risks Underwrite Separately

January 2026 property-catastrophe reinsurance renewals fell 14.7% year-over-year—the steepest decline since 2014—with global reinsurance capital above $700 billion and renewals into the cycle running 10–20% lower across the broad market. Commercial property declined in the Council of Insurance Agents and Brokers (CIAB) Q3 survey for the first time since 2017. Specialty wood-products coverage does not move on the same cycle. Pennsylvania Lumbermens Mutual Insurance Company (PLM), founded 1895 and the largest dedicated mutual to the lumber, woodworking and building-materials trades, alongside Continental Underwriters and BITCO, underwrite sawmills, kiln-dry operations and panel facilities as a discrete book against losses repeatedly tied to dust, kilns and conveyance ignition. The Insurance Bureau of Canada's April 2026 policy brief flagged mass-timber insurance pricing at 6–10x concrete-and-steel premiums across the 850+ project Canadian pipeline; that delta sits on top of the sawmill side of the book, not separate from it. The Robbins Searsmont loss— a working historic mill, 30,000 acres of fee land in the surrounding policy footprint, multiple firefighter casualties on a fireground that became an explosion— will print at the high end of any specialty-mutual recent claim distribution and is the type of loss that resets line capacity for the segment irrespective of broader reinsurance softness.

Mitigation Tech, OSHA Priorities, and Comparison to Other Manufacturing

The mitigation stack is mature. Spark detection-and-extinguishing systems—Firefly (Sweden) with TrueIR detectors and 1–3-second Quick Suppression, Fagus-GreCon (Germany) with the BS-7 system using IDT detection and millisecond-class water-mist extinguishing (Intelligent Extinguishment Technology, IET)—are designed for placement at conveyor transfers, cyclone inlets, filter discharges and pneumatic-conveyance interfaces where most ignitions originate. Engineering controls (deflagration vents, isolation valves, rotary airlocks), housekeeping programs to keep accumulation below NFPA 660 thresholds, electrical-classification compliance, and operator training round out the standard package. Federal enforcement is following the same risk surface: OSHA renewed its National Emphasis Program on Amputations in May 2025 and added the Site-Specific Targeting Program against high-injury-history establishments; control of hazardous energy (Lockout/Tagout, LOTO) was the 5th-most-cited OSHA standard in fiscal year 2024 with 2,443 violations, and the 2011–2020 Bureau of Labor Statistics (BLS) series tied 1,200 amputations to LOTO failure. Wood Product Manufacturing (NAICS 321) consistently runs incident rates above the manufacturing average; total private fatal-injury rate was 3.3 per 100,000 full-time-equivalent workers in 2024, and sawmill-specific exposure pairs amputation risk on saw lines and infeeds with the dust deflagration risk that ran the Searsmont fireground into mass-casualty territory.

■ WHAT YOU MISSED YESTERDAY

Friday, May 15 — business, markets, and the broader economy.

- S&P 500 7,408.50 -1.24% / Nasdaq 26,225.14 -1.54% / Dow 49,526.17 -537 pts -1.07% as Trump-Xi summit closed without major policy breakthroughs; Thursday's 7,500 and 50,000 records both surrendered.
- 10-year Treasury yield 4.595% +14 bp, highest since February 2025, on weak long-bond demand and inflation pressure tied to Iran-related crude moves.
- WTI June crude +4.20% / +$4.25 to roughly $105.27, a 1.5-week high, as Strait of Hormuz tensions tightened global supply.
- Freddie Mac PMMS 30-year fixed 6.36% (May 14 print), -1 bp from 6.37%; 15-year 5.71% -1 bp.
- Madison's Lumber Prices Index US$522/mfbm week ending May 15, flat week-over-week; Chicago Mercantile Exchange (CME) May lumber contract final settle $631.00/MBF; July took over front month into Monday's open at $589.00/MBF.

■ INDUSTRY & COMPANY NEWS

- **Haworth Acquires Majority of Tayco —** Holland, MI-based Haworth (FDMC 300 No. 7, $2.5B sales) took a majority interest in Toronto office-furniture manufacturer Tayco. Tayco runs a 200,000 sq ft Ontario plant with a recent 37,000 sq ft expansion; reported revenue ran to $58.9M. Tayco uses Cherry, Beech, Walnut and Ash among other species. Bill Melnik's management team and the brand operate independently post-close, with Haworth's Canadian dealer network gaining a Canadian-manufactured wood-componentry option in the current tariff environment.
- **Tamarack Mill (New Meadows, ID) Gets $9M USDA TPEP Loan —** Central-Idaho mill outside New Meadows closed on a $9 million USDA Rural Development TPEP loan for facility expansion. Tamarack is one of the smaller-volume Idaho operations and will use the financing to step capacity and improve handling on Idaho-grown logs.
- **Conifex Mackenzie BC Sawmill 7-Week Curtailment Begins Tomorrow —** Conifex Timber's Mackenzie, British Columbia sawmill enters its previously announced seven-week curtailment Tuesday May 19 with a July restart target. Approximately 25 million board feet (MMBF) of Spruce-Pine-Fir (SPF) supply is removed over the period; logging resumes early June, planers late June. Conifex tied the move to log inventory, fibre availability and spring breakup.
- **Census April Housing Starts Release Thursday May 21, 8:30 a.m. ET —** April New Residential Construction data drops Thursday morning, the first full single-month read since the March print of 1.502M annualized total starts and 1.372M permits. March was the highest total starts since December 2024; April single-family detail will be the first housing-side read against the May NAHB HMI rebound to 37.

■ BY THE NUMBERS

INDICATOR	VALUE	TREND
CME Lumber (Jul front-month, May 15)	$589.00/MBF	May contract settled $631 final
Madison’s Lumber Prices Index (wk May 15)	US$522/mfbm	Flat WoW, 5th print in $522–$524 corridor
WTI June crude (May 15)	~$105.27/bbl	+4.20% on Hormuz tension
EIA U.S. retail diesel (wk May 11)	$5.639/gal	+0.0c WoW, May 18 print drops May 19
10-year Treasury yield (May 15)	4.595%	+14 bp, highest since Feb 2025
Freddie Mac PMMS 30-year fixed (May 14)	6.36%	-1 bp WoW
USD/CAD spot (May 15)	1.372 (CAD 0.729)	Flat WoW

■ THE BOTTOM LINE

Three things for your Monday: the Searsmont mill loss began as a fire in a shavings-bagging area and escalated to a silo dust explosion — every operator running a shavings building feeding a dust silo should expect a hard underwriting conversation by Friday and a renewed look at their Dust Hazard Analysis before quarter-end. NAHB HMI bouncing three points off April’s floor while the 10-year hit 4.595% and Friday closed -1.2% sets up Thursday’s April starts print as the cleaner read on whether builder sentiment is leading or chasing the rate move. Bingham’s plywood-underlayment build and Tamarack’s expansion check keep the small-mill capital story — and the federal TPEP loan-guarantee channel — alive against a tape where Conifex Mackenzie’s seven-week SPF curtailment beginning Tuesday is the bigger short-run supply lever.