THE LUMBER DAILY

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Memorial Week Rollup Edition
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MARKET PULSE | Lumber $593 | WTI $94 | Diesel $5.60 | S&P 7,520 | 10yr 4.56%

TOP STORIES

Markets Reopen Higher on Iran-Deal Hopes Even as US Strikes Iranian Vessels

US equities reopened Tuesday after the Memorial Day holiday with all three major averages higher in early trading. The S&P 500 added about 0.6% shortly after the bell, the Nasdaq Composite rose roughly 0.9%, and the Dow Jones Industrial Average gained 158 points, with traders pricing in growing odds of a US-Iran deal that would end the conflict and reopen the Strait of Hormuz. The oil tape contradicted itself. West Texas Intermediate (WTI) crude slid below $91 a barrel during Monday's holiday session on optimism that a deal was close, then bounced as the US military conducted what the Pentagon described as self-defense strikes early Tuesday on Iranian vessels allegedly preparing to deploy mines and on missile-launch positions in southern Iran. Brent crude rose more than 4% to about $100 a barrel by mid-morning. The 10-year Treasury yield held near 4.56%, in line with Friday's close. The combination, equities and rates firm with energy whipsawing, sets a more constructive backdrop for the building economy than the spring had carried, contingent on whether the diplomatic track holds.

Freres Engineered Wood Pays $5.85 Million for 12.9 Million Board Feet on Western Oregon BLM Lands

The Bureau of Land Management (BLM) sold 12.9 million board feet of timber across 324 public acres on May 21 to Freres Engineered Wood of Lyons, Oregon, in the Green Stone timber sale, generating $5,851,592 in revenue. Freres was the high bidder and will pay in installments over the next three years as it cuts and removes the timber. BLM said the volume would support roughly 800 single-family homes worth of framing if processed into solid sawn product; Freres' mix runs heavier to mass plywood panels and other engineered products that move into commercial and mass-timber projects. The sale sits inside the western Oregon program tied to the Oregon and California Revested Lands Sustained Yield Management Act of 1937, which directs BLM to manage roughly 2.5 million acres of Oregon and California Railroad grant lands (O&C) for sustained-yield harvest. It is the largest single western-Oregon BLM auction so far in fiscal 2026 and lands ahead of the agency's expected June 12 release of the draft environmental review for the revised resource management plan for the O&C lands.

Ottawa Commits $12.4 Million to Fourteen British Columbia Forest-Sector Projects

Energy and Natural Resources Minister Tim Hodgson announced on May 14 a $12.4 million federal investment in fourteen projects across British Columbia's (BC) forest sector. The package spans low-carbon wood technology, mass-timber use in construction, Indigenous-led forest businesses, value-added manufacturing, and export diversification. The money flows through four Natural Resources Canada programs, all renewed this year under a new $500 million federal envelope: the Investments in Forest Industry Transformation (IFIT) program, Green Construction through Wood, the Indigenous Forestry Initiative, and the Global Forest Leadership Program. The funding lands in a province where mill curtailments and closures have run heavy for two years, and the package is weighted toward operations that convert lower-value or underused fiber into higher-value products. The largest single recipients are noted below in Industry News.

■ DEEP DIVE: THE WOOD-PRODUCTS WORKFORCE

The Skilled-Labor Squeeze Behind Every Mill

US sawmill employment fell roughly 15% between 2010 and 2023 as automation reshaped the mill floor, and the positions that remain have become harder to fill. Employers across the wood-products sector report the most difficulty staffing plant managers, maintenance managers, millwrights, and skilled-trades workers. The causes are structural: an aging leadership base, thin talent pipelines, long on-the-job learning curves, the geographic isolation of many mills, and pay that competes poorly against other manufacturing. The deeper exposure is succession. The hands-on knowledge that keeps a mill running is concentrated in workers near retirement, and rebuilding it takes years.

The Logging-Contractor Cliff

Upstream of every sawmill is a logging-contractor base that is thinning quickly. In northeast Oregon, the average age of a logging contractor now exceeds 57, and the number of contractors working there has fallen about 35% over the past 15 years. The national picture rhymes with it: roughly one-third of logging-business owners expect to leave the business within five years. The gap is specifically in skilled and technical operators, and it sits at the point in the supply chain that decides whether logs reach the mill yard. A mill can modernize its sawline and still be capped by the crews that cut and haul its fiber.

Automation and the Policy Response

Mills have responded by consolidating manual stations into scanning and optimization lines. That shift does not remove the labor problem; it raises the skill bar, replacing several manual jobs with fewer technical ones for operators and technicians who can run and maintain the equipment. On the policy side, the Jobs in the Woods Act, introduced in the Senate as bill S.1336, would direct the US Department of Agriculture (USDA) to run a competitive grant program worth $10 million a year for five years, funding career-pathway training in forestry communities of 20,000 residents or fewer, with individual grants of $500,000 to $2 million. The Senate measure is led by Angus King of Maine and Jim Risch of Idaho, co-chairs of the Senate Working Forests Caucus, with companion bipartisan efforts in the House that include Washington Representative Marie Gluesenkamp Perez.

Retail Channel as the Demand Backstop

The retail channel that buys most of what the workforce produces is holding, not accelerating. Home Depot reported on May 19 that fiscal first-quarter sales rose 4.8% to $41.8 billion, with comparable sales up 0.6% and US comparable sales up 0.4%; adjusted earnings ran $3.43 per diluted share and the company reaffirmed full-year guidance. Lowe's followed on May 20 with sales of $23.1 billion against $20.9 billion a year earlier, comparable sales up 0.6%, online sales up 15.5%, and $96 million in expenses tied to its acquisitions of Foundation Building Materials and Artisan Design Group. Both retailers credited professional and contractor demand for carrying the quarter while do-it-yourself spending stayed cautious. A demand line that grows by less than a point per quarter does not pull workers off the sidelines; it sets the ceiling on how fast capacity rebuilds.

WHAT YOU MISSED YESTERDAY

Monday, May 25 - US markets closed for Memorial Day; Friday, May 22 set the backdrop.

- US stocks closed higher Friday and capped a strong week before the holiday. The S&P 500 rose 0.4% to 7,473.47, its eighth straight weekly gain. The Dow Jones Industrial Average added 294 points, or 0.6%, to a record close of 50,579.70, and the Nasdaq Composite gained 0.2% to 26,343.97.
- The 10-year Treasury yield finished Friday near 4.56% after backing off a 16-month high reached earlier in the week.
- WTI crude held near $98 a barrel into the Friday close, then slid below $91 during Monday's electronic session as US-Iran talks pointed toward a deal; national average on-highway diesel held near $5.60 a gallon.
- Memorial Day equity and bond markets in the US were shut Monday; Canadian markets were open.

INDUSTRY & COMPANY NEWS

- **Spearhead Timberworks** of Nelson, British Columbia received the largest single award in last week's federal forest-sector package, $7.5 million, to build a plant producing single- and double-curved glulam and hybrid-glulam components from locally sourced, underused hardwood fiber.
- **Yinka Dene Economic Development**, based in Burns Lake, British Columbia, was funded under the same federal package to develop wood-fiber insulation and packaging products made from waste fiber, broadening the menu of value-added uses for low-grade BC fiber.
- **Southeast Building Supply Interests** acquired Builders Supply Company, adding three Tennessee locations and expanding the building-materials dealer to fourteen locations across the Carolinas, Georgia, Alabama, and Tennessee. The deal continues the steady consolidation running through regional pro-dealer ranks.
- **Alberta Wildfire** classified the Whitecourt WWF017 fire as being held at 51 hectares, after a fast-moving Monday burn forced evacuation of the West Ridge subdivision in Woodlands County, displaced about 150 families, and closed parts of Highway 43. The fire sits inside one of the most active sawlog and pellet-fiber catchments in central Alberta and arrives well ahead of the historical onset of the western Canadian fire season.
- **Robbins Lumber** - State Fire Marshal and ATF investigators continued the on-site phase of the Searsmont, Maine probe, examining the mill's fire-suppression systems and excavating debris from the silo area. More than fifty witness interviews have been completed; ATF said it would stay on scene as long as needed. The May 15 silo dust explosion killed firefighter Andrew Cross of the Morrill Volunteer Fire Department and injured twelve.

■ TUESDAY OPEN

INDICATOR	LEVEL	NOTE
CME lumber futures (front month)	**$593/MBF**	Per thousand board feet (MBF); highest since April
Madison's cash benchmark	**$521/MBF**	Held a $520-$525 corridor through May
WTI crude	**$94/bbl**	Down on Iran-deal hopes Monday; up Tuesday on US self-defense strike
Brent crude	**$100/bbl**	+4% Tuesday morning on the same Iran headlines
On-highway diesel (US average)	**$5.60/gal**	Holding near multi-month highs
10-year Treasury yield	**4.56%**	Near a 52-week high
USD/CAD	**1.38**	Soft Canadian dollar; CAD near US$0.72

■ THE BOTTOM LINE

Three things for the short week. The post-holiday tape opens with rates steady, equities firm and oil cutting both ways, so the macro backdrop for builders is more constructive than the spring suggested, conditional on whether the Iran track holds. Capital is still being placed where the workforce can absorb it: $5.85 million from Freres for a Western Oregon BLM sale that feeds an engineered-products line, and $12.4 million from Ottawa weighted toward glulam and wood-fiber value-add in British Columbia. Underneath all of it is the constraint the deep dive lays out: a sawmill workforce down 15% and a logging-contractor base aging out, with retail demand growing less than a point per quarter and not pulling new workers off the sidelines.
