Tuesday, June 9, 2026
Demand Edition
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THE LUMBER DAILY

MARKET PULSE | Lumber $609 | WTI $91 | S&P 7,406 | 10yr 4.53% | CPI Wed

TOP STORIES

Irving to Double a Maine Sawmill With $42 Million in State-Backed Financing

Irving Forest Products will roughly double its Ashland sawmill in northern Maine after the Finance Authority of Maine (FAME) approved about $42 million in tax-credit financing, the agency confirmed June 6. The project adds a second sawline and 68,000 square feet at the mill in Nashville Plantation, which borders Ashland in Aroostook County. The new line is built to handle larger and longer logs, and it lifts annual capacity from 130 million to 250 million board feet. Irving Forest Products, a division of J.D. Irving, said employment will rise from 140 full-time workers to about 220 once the addition runs, roughly 80 new jobs in a rural county. The mill opened in 2014. The expansion comes as U.S. mills add softwood capacity while curtailed and closed Canadian operations pull volume out of the North American supply.

Oregon's New State Forester Starts With a 'Zero Tolerance' Message

Kacey KC, Oregon's new state forester, has begun reshaping the Oregon Department of Forestry after the ouster of her predecessor, the agency confirmed this week. KC is the first woman to permanently lead the department. She arrived from Nevada, where she spent 24 years in forestry and natural-resource agencies, including eight as that state's first female State Forester and Firewarden. Now in her third month, KC said she brought a 'zero tolerance' policy for financial mismanagement and for mistreating staff, the issues tied to her predecessor's removal. In her first weeks she met with environmental groups, timber operators, tribes, and rural fire-protection associations, and said she meets at least twice a month with the heads of Oregon's other natural-resource agencies. The department manages state forests that supply logs to mills and share timber revenue with rural counties.

California Fast-Tracks 400 Wildfire-Prevention Projects and a Five-Year Plan

California has fast-tracked more than 400 priority wildfire-prevention projects covering over 220,000 treatment acres across nearly 100,000 footprint acres, Governor Gavin Newsom's office said June 5. The work follows a March 2025 emergency proclamation and pairs mechanical fuels reduction with expanded prescribed and cultural burning. The state's Wildfire and Forest Resilience Task Force also released a draft Wildfire and Landscape Resilience Action Plan for 2026 through 2031. Fuels-reduction and thinning projects generate large volumes of small-diameter and low-grade material, which need sawmill, biomass, or other wood outlets to be removed at a reasonable cost. California has lost most of its in-state milling and biomass capacity over the past two decades, which has long made disposal of that material a constraint on how fast treatment can scale. The draft plan aims to speed work the state says has fallen behind its wildfire risk.

■ DEEP DIVE: LUMBER'S DEMAND PROBLEM

A Decade of Flat Consumption

U.S. lumber consumption was roughly 50 billion board feet in 2016, and in 2025 it was almost exactly the same. Ten years of population growth, rising home equity, and persistent housing-shortage arguments did not move the total. Housing starts have fallen every year since their 2021 peak, and 2026 is on track to extend the slide. Repair and remodeling, which accounts for about 40% of U.S. lumber demand, has been just as flat since the COVID-era surge faded. That matters because the recent strength in lumber quotes is not coming from rising use. The amount of wood the country actually consumes has been stuck for a decade, even as the conversation stays fixed on a housing shortage and pent-up demand.

The Affordability Math

A new study from the National Association of Home Builders (NAHB), released June 9, puts a number on one piece of the problem. Government regulation at the federal, state, and local levels adds $131,734 to the price of the average new single-family home, 26.4% of the $499,500 average sales price as of January 2026. That regulatory burden is up about 40% over five years. Of the total, $84,939 comes from rules during construction and $46,795 from land development. Stacked on elevated mortgage rates and high prices, that cost pushes the entry-level buyer out of the market. Fewer attainable homes get built, which holds down single-family starts and the lumber that goes into each house.

What It Means for Specialty

The firmness in cash lumber, now at multi-month highs, comes from thin Canadian supply moving under duties. It does not reflect a demand rebound. With overall consumption flat and remodeling soft, the appearance-grade, millwork, and remodel-tied products that define the specialty trade face the same affordability ceiling as commodity framing. The divergence is the useful signal: a supply-driven floor can lift quotes even while order files stay quiet. For producers, that argues against reading higher prices as proof that demand has turned. The steadiest pull stays in niche products with captive buyers, while the broad housing-driven volumes wait on cheaper money and more attainable homes.

WHAT YOU MISSED YESTERDAY

Monday, June 8 - markets and the broader economy.

- U.S. stocks were mixed as chip shares rebounded from Friday's selloff. The S&P 500 rose 0.3% to 7,405.73 and the Nasdaq Composite gained 0.9% to 25,929.66, while the Dow Jones Industrial Average slipped 81 points, or 0.2%, to 50,786.01.
- Oil eased after an intraday spike. WTI crude settled near $91 a barrel, off a $95 high reached earlier in the session, as the White House worked to hold a fragile Israel-Iran ceasefire.
- The 10-year Treasury yield held at 4.53%, easing from 4.58% earlier in the day. Traders are waiting on Wednesday's May Consumer Price Index (CPI) report, with economists generally looking for a headline rate near or above 4% year over year.

INDUSTRY & COMPANY NEWS

- **President Trump** nominated three members to the U.S. International Trade Commission (ITC), with the slate sent to the Senate on June 1, and the US Lumber Coalition urged senators to confirm them on June 8. The commission decides whether imports injure U.S. industries, the injury test that sits behind the antidumping and countervailing duty orders on Canadian softwood lumber. Filling the vacancies keeps the agency able to act as the softwood case moves toward its next decision.
- **North American pulp prices split in May.** Northern bleached softwood kraft (NBSK) fell $20 to $1,570 per tonne on oversupply, while bleached hardwood kraft (BHK) rose $50 per tonne. Global producer inventories climbed to 42 days of supply, and some European producers began taking downtime and closing capacity to defend prices. Fluff pulp ran the other way, up $90 per tonne, with further June increases announced.
- **New York's packaging law stalled again.** The state legislature adjourned June 8 without voting on the Packaging Reduction and Recycling Infrastructure Act, which would shift the cost of managing packaging waste onto producers. The bill cleared the state Senate but died in the Assembly for the third straight session. The American Forest & Paper Association had cited a study estimating the measure could raise household costs by up to $732 a year for a family of four.
- **Environmental groups sued to halt logging in Washington's Elwha watershed.** The suit, filed June 5, seeks to stop a roughly 400-acre timber project in the Elwha River watershed on the Olympic Peninsula. The case adds to a run of litigation testing how quickly public timber on the West Coast can move from sale to harvest.

■ MARKET & FIBER SNAPSHOT

INDICATOR	LEVEL	NOTE
CME lumber futures (June 8)	**~$609/MBF**	Highest since March; tight supply as Canadian imports stay light
WTI crude (June 8)	**~$91/bbl**	Eased from a $95 intraday spike on a fragile Mideast ceasefire
10-year Treasury (June 8)	**4.53%**	Off 4.58% intraday; markets await Wednesday's May inflation print
S&P 500 (June 8)	**7,405.73 (+0.3%)**	Chip shares rebounded from Friday's selloff
NBSK pulp (May)	**$1,570/tonne (-$20)**	Softwood pulp slips on oversupply; hardwood pulp rose $50

■ THE BOTTOM LINE

Three things for your Tuesday. First, lumber's firm tone is a supply story. Cash prices sit at multi-month highs because Canadian volume is thin under duties, even as a decade of flat consumption and soft remodeling shows the demand side is not driving the move. Second, the affordability wall keeps rising. New research puts a six-figure regulatory cost on the average new home, and stacked on high mortgage rates and prices, that math caps single-family starts and the wood each house consumes. Third, the structure of the industry keeps shifting underneath the slow market. A Maine mill is doubling output as Canadian supply leaves, a new Oregon state forester is signaling tighter accountability, and California is racing to treat fire-prone acres that will need somewhere to send the fiber. Until borrowing and building get cheaper, the firmest demand stays in the narrow corners of the market with captive buyers.

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