THE LUMBER DAILY

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O&C Lands Edition
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MARKET PULSE | Lumber $623 | WTI $81 (-5%) | Diesel $5.21 | 10yr 4.48% | S&P 7,432

TOP STORIES

BLM Draft Plan Would Roughly Quadruple Logging on Western Oregon's O&C Lands

The Bureau of Land Management (BLM) released its draft management plan and environmental impact statement (EIS) on June 12 for the Oregon and California Railroad (O&C) lands, a checkerboard of nearly 2.5 million acres across 18 western Oregon counties. The agency wants to lift sustained-yield timber harvest toward roughly 1 billion board feet a year, matching levels from before the conservation restrictions of the 1990s and well above the roughly 250 million board feet actually cut from those lands last year. The BLM cites wildfire risk, barred-owl management, falling revenue, and a presidential executive order directing federal agencies to increase timber production. Timber receipts from the O&C lands are shared with the 18 counties, and the Interior Department recently raised the counties' share to 75 percent from 50 percent; the lands generated about $66 million in receipts last year. The American Forest Resource Council, a timber-industry group, backed the higher harvest as a source of mill jobs and county revenue, while conservation groups warned it would cut into older forests and harm salmon habitat and water quality. The release opens a public comment period, with a final EIS expected in November and a record of decision in February 2027.

Lumber Futures Reach an Eight-Month High on Tight Supply

The CME front-month lumber contract settled near $623 per MBF on June 12, its highest level since October. The move is running on supply rather than demand. U.S. housing activity remains soft, with starts subdued and builders cautious, yet futures have kept climbing as Canadian supply stays constrained under duties and curtailments and North American mills hold back volume. Cash-market conditions echo the squeeze: sawmill order files have stretched into the second half of June, discounts are hard to find, and mills are holding their published lists. The eastern spruce-pine-fir (SPF) supply pipeline is the leanest it has been in two years, and Southern yellow pine asking prices have run above print as producers pass through higher freight. The result is firm quotes built on thin supply meeting thin demand, not an order-file recovery.

U.S.-Iran Deal to Reopen the Strait of Hormuz Sends Crude to a Three-Month Low

President Trump said over the weekend that the United States has completed a deal with Iran to reopen the Strait of Hormuz, and Pakistan's prime minister, who mediated the talks, said the two sides declared an immediate and permanent end to military operations. A signing ceremony is planned for Switzerland on June 20. Under the reported terms, the strait reopens without a toll system and the United States ends its naval blockade. Crude fell more than 4 percent to a three-month low, with WTI near $81 a barrel and Brent near $84, after the strait, which carried about 20 percent of the world's oil before tanker traffic collapsed in March, moved toward reopening. For wood-products shippers, the drop feeds through to diesel and ocean freight, the input costs of drying lumber and moving it to market, even though it does nothing to loosen log supply.

WHAT YOU MISSED YESTERDAY

Friday, June 12 — business, markets, and the broader economy.

- Stocks closed higher Friday: the S&P 500 rose 0.5 percent to 7,431.46, the Nasdaq added 0.31 percent to 25,888.84, and the Dow gained 353.51 points (0.7 percent) to 51,202.26, lifted by a blockbuster market debut and growing hopes for a U.S.-Iran agreement.
- SpaceX began trading on the Nasdaq under the ticker SPCX, priced at $135 a share, and jumped 19 percent to close at $160.95 — the largest initial public offering (IPO) on record, valuing the company above $2 trillion.
- WTI crude fell more than 3 percent Friday to below $85 a barrel, an eight-week low, as a deal to ease Middle East tensions looked increasingly likely; it dropped further over the weekend once the agreement was announced.
- The 10-year Treasury yield eased to about 4.48 percent, down from roughly 4.55 percent at midweek.
- The week ahead is heavy: the Federal Reserve meets Tuesday and Wednesday, with the rate decision and new projections due Wednesday afternoon in Kevin Warsh's first meeting as chair, followed by May housing starts and retail sales — all after May consumer prices came in hot at 4.2 percent.

INDUSTRY & COMPANY NEWS

- **Lennar's quarterly results underscored soft housing demand.** The homebuilder reported June 11 that fiscal second-quarter new orders fell 4 percent from a year earlier to 21,749 homes, even as deliveries rose 2 percent to 20,519 on revenue of $7.9 billion. Gross margin on home sales compressed to 15.6 percent and earnings fell to $1.24 a share from $1.81 a year ago, as affordability and selective buyer demand weighed on pricing. The company guided full-year deliveries to roughly 82,000 to 83,000 homes, a signal of continued caution from the demand side of the lumber market.

- **MillerKnoll announced a chief executive transition.** The furniture maker said June 1 that president and chief executive officer Andi Owen will retire June 30, and that she resigned from the board and began a leave of absence immediately. Chief operating officer Jeff Stutz will serve as interim CEO from June 30 while the board, working with an outside search firm, looks at internal and external candidates for a permanent successor. The company's brands span the residential and contract furniture market, a downstream channel for hardwood and veneer.

■ MARKETS & SUPPLY SNAPSHOT

INDICATOR	VALUE	TREND
On-highway diesel	**$5.21/gal**	Week of June 8; eased from roughly $5.59 at the May peak, with more relief likely as crude falls
30-year fixed mortgage	**6.52%**	Up from 6.48% the prior week (June 11); still a headwind for housing demand
USD/CAD	**1.3987**	June 12; loonie near its 2026 lows
10-year Treasury	**4.48%**	Down from about 4.55% at midweek ahead of the Fed decision
Brent crude	**~$84/bbl**	Three-month low after the Hormuz deal; WTI near $81

■ THE BOTTOM LINE

Three things for your Monday. First, the federal supply story took a major step in western Oregon: a draft plan would push O&C harvest toward a billion board feet a year, against roughly 250 million cut last year, but a comment period, a final review, and the near-certain litigation that follows all stand between the draft and any log on a deck. Second, the war premium is draining out of energy, with crude at a three-month low and diesel easing as the Strait of Hormuz heads toward reopening, a freight-cost tailwind for mills that does nothing to add logs. Third, the lumber tape is a supply story, with futures at an eight-month high while housing demand stays soft and builders guide deliveries lower, so the bid is coming from tight supply rather than any recovery in orders.
