Wednesday, June 17, 2026
Specialty Pivot Edition
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THE LUMBER DAILY

MARKET PULSE | Lumber $631 | WTI $76 (-5.8%) | S&P 7,511 (-0.6%) | 10yr 4.46%

TOP STORIES

Lumber Futures Reach an Eight-Month High as Supply Tightens

Front-month CME lumber climbed to roughly $617 per MBF on June 11, the highest level since October, and held near $631 by June 16. The move ran on constrained supply more than demand. US sawmills have not fully replaced reduced shipments from Canada, which still supplies about 30% of US consumption, and trade duties continue to discourage those imports. Wildfire damage and other production disruptions across Canadian operations have tightened availability further. The result is a market where futures firm even as US homebuilding cools, leaving buyers paying up for wood at the same time new construction slows.

California Launches a Statewide Mass Timber Coalition

California announced its first statewide Mass Timber Coalition, a public-private partnership meant to build an in-state engineered-wood manufacturing base while advancing forest-health and wildfire-mitigation work. The group brings together state and federal agencies, county and local governments, research institutions, industry, and non-profits, and intends to shape state policy and building rules that favor products such as cross-laminated timber (CLT). Backers point to rural counties including Humboldt as early manufacturing sites, connecting restoration and thinning material to higher-value building products. The launch extends a West Coast pattern of pairing federal-forest treatment with new wood-products capacity.

May Housing Starts Fall to a Six-Year Low on a Multifamily Plunge

The Census Bureau reported on June 16 that housing starts fell 15.4% in May to a seasonally adjusted annual rate (SAAR) of 1.18 million, the lowest since May 2020. The decline was concentrated in multifamily, which dropped 40.2% to a 295,000 pace. Single-family starts, the larger consumer of dimensional lumber, slipped only 1.9% to 882,000 and ran 6.7% below May 2025. Permits were nearly flat, down 0.7% to 1.41 million, with single-family authorizations up 0.6%. The release followed the June 15 NAHB/Wells Fargo Housing Market Index, which fell two points to 35, a 26th straight reading below the break-even 50, with 35% of builders cutting prices.

■ DEEP DIVE: THE SPECIALTY PIVOT

A Burned Mill Rebuilds Around Specialty Lumber

C&C Forest Products will invest more than $21 million to rebuild its Coushatta, Louisiana sawmill, destroyed by fire in February 2025. State officials confirmed the project on June 11. The replacement plant is being reconfigured around specialty lumber and timbers rather than commodity dimension, with capacity up to 90 million board feet a year. Louisiana Economic Development tied the work to 77 new jobs at an average wage near $65,000, plus 27 retained positions. Construction runs through the end of 2026, with sales targeted for the first quarter of 2027.

The Margin Logic Behind Moving Up the Value Chain

Commodity dimension lumber lives and dies on housing starts and the thin spread left after freight and duties. With single-family construction soft and imported fiber carrying steep tariff costs, mills earn little on framing-grade output in a slow market. Appearance grades, heavy timbers, and custom and industrial orders price off end use and finish quality, so they hold value better when starts slide. The current divergence makes the point in real time: framing-tied demand is cooling while supply-constrained and specialty grades keep prices firm.

Heavy Timber Demand Gets a Policy Tailwind

Demand for large-section sawn timbers and engineered wood is increasingly shaped by public policy. California's new coalition is the latest state effort to link restoration material to in-state manufacturing and to building codes that favor exposed wood structures. For sawmills, mass timber and exposed post-and-beam work pull through large, high-grade logs that command premiums over commodity sorts.

WHAT YOU MISSED YESTERDAY

Tuesday, June 16 — business, markets, and the broader economy.

- Equities split: the Dow rose 0.64% to a record close of 51,999.67, while the S&P 500 slipped 0.57% to 7,511.35 and the Nasdaq fell 1.15%.
- The 10-year Treasury yield held near 4.46% as a fading energy-risk premium eased inflation worries.
- Crude tumbled: WTI fell 5.8% to $76.05 and Brent dropped about 5% to $78.96, the first close below $80 since March, after the US and Iran signed a framework to reopen the Strait of Hormuz.
- Investors positioned ahead of the Federal Reserve's interest-rate decision, due June 17 after a two-day Federal Open Market Committee (FOMC) meeting.

INDUSTRY & COMPANY NEWS

- **Bernie McGlynn Lumber** will expand its Mildmay, Ontario sawmill under a $5.3-million project backed by a $1.6-million provincial grant announced June 10. The plan more than doubles production space with a new 30,000-square-foot building, installs a first-in-Ontario thermal-treating kiln and a double-bladed bandsaw, lifts output about 47%, and raises log purchases by roughly half while adding five jobs.
- **The U.S. Endowment for Forestry and Communities** opened a funding round offering up to $500,000 in pre-development support to study repurposing shuttered wood-products plants, including closed pulp and paper mills, for bioenergy. The group noted more than 40 US pulp and paper mills have closed since 2015, removing roughly 60 million green tons of annual wood demand from rural areas.
- **The U.S. Endowment** also moved ahead on a separate $5-million effort to connect underused wood fiber with new buyers, with three to five organizations set to be notified by June 12 for five-year agreements of up to $1 million a year aimed at keeping working forests economically viable.

■ MARKETS SNAPSHOT

INDICATOR	VALUE	TREND
CME lumber (front month)	**~$631/MBF**	Eight-month high; tight supply
US housing starts (May, SAAR)	**1.18M**	-15.4%; lowest since May 2020
Building permits (May, SAAR)	**1.41M**	-0.7%; single-family +0.6%
WTI crude	**$76.05**	-5.8%; lowest since March
10-yr Treasury	**4.46%**	Eased as oil risk faded
S&P 500	**7,511.35**	-0.57%; Dow hit record 51,999.67

■ THE BOTTOM LINE

Three things for your Wednesday: First, lumber's climb to an eight-month high is a supply story, with reduced Canadian shipments and production disruptions tightening availability even as buyer demand stays light. Second, the demand side is clearly weaker, with May starts at a six-year low and builder confidence stuck below the break-even line. Third, the squeeze is pushing mills and states toward higher-value wood, from a Louisiana rebuild aimed at specialty lumber to California's new mass timber coalition, while the Federal Reserve's rate decision later today sets the cost of financing the next building cycle.