THE LUMBER DAILY

Monday, June 22, 2026
Import Paradox Edition
Est. 2026 | Vol. 1, No. 64

MARKET PULSE | Lumber $633 | WTI $76 | S&P 7,500 | 10yr 4.45%

TOP STORIES

Lumber Futures Hold an Eight-Month High While Canadian Mills Lose Money

Front-month lumber futures held near $633/MBF into the long weekend, the highest level since October, even after the Commerce Department's latest review trimmed preliminary antidumping and countervailing duty rates on Canadian softwood. The strength is coming from the supply side. Combined U.S. duties and tariffs on Canadian lumber still run near 35%, and the cost of those deposits, paid up front, has pushed many Canadian mills cash-negative, with mill-net prices on some spruce-pine-fir (SPF) below $500/MBF. Industry analysts estimate the Canadian softwood sector is on track for roughly C$1.0 billion in losses over the next 12 months and expect curtailments to continue. The North American supply base keeps shrinking: forecasts call for average annual capacity to fall about 1.3 billion board feet in 2026, with both Southern yellow pine and SPF losing ground, and BC's share of North American output is projected to slip below 10% by 2027 from roughly 22% in the early 2000s. Futures are firm because supply is leaving the market faster than already-soft demand.

Harvard Housing Study: New Building Shrinks, Renovation Carries the Demand

Harvard University's Joint Center for Housing Studies released its annual State of the Nation's Housing report, and the headline for wood is a split market. Single-family housing starts fell 7% in 2025 as unsold new homes piled up, and overall starts slipped about 1% over the past year. The study tied the slowdown to a weak labor market that added just 116,000 jobs in 2025, the fewest in any non-recession year since 2002, alongside consumer sentiment near record lows and mortgage rates at generational highs. The report also flagged import costs, with combined duties and tariffs adding at least $10,000 to the price of a new single-family home, and builders are responding by trimming prices, buying down rates, and shifting toward smaller homes, townhomes and tighter lots, each of which puts less framing lumber in the ground. The one channel still growing is repair and remodel: owner home-improvement spending has climbed 153% over the past decade, outpacing the 90% rise in single-family construction spending and the 84% gain in multifamily. For mills, the report points demand toward the finish and appearance grades a remodel pulls rather than the dimension lumber a new house frames with.

■ DEEP DIVE: THE IMPORT PARADOX

The World's Largest Wood Importer Sits on Ample Trees

The United States imports more wood products than any other nation, around $25 billion worth in recent trade data, ahead of China's roughly $17 billion. Yet the country manages 193 million acres of national forest and spends billions of dollars a year fighting wildfires on it. Testifying to a House Natural Resources subcommittee this month, U.S. Forest Service Chief Tom Schultz put national forests at just 5% of the raw material the country consumes for wood products and told members the resource on the ground is more than ample; the binding constraint, he said, is the lack of a market to sell it into. Committee chairman Bruce Westerman pressed the point, asking how a nation with that much timberland had become the world's largest importer of wood and paper, and noting the trend is still moving the wrong way.

Ample Timber, Idle Sales

Federal timber sales tell the supply side of the story. The Forest Service once sold around 12 billion board feet a year; that volume dropped 75% to 80% after the northern spotted owl was listed under the Endangered Species Act, and the agency has linked the decades of larger wildfires that followed to forests that stopped being actively managed. The agency is now pushing a roughly 25% harvest increase toward four billion board feet a year by fiscal 2028, up from 2.9 billion cut in 2023. Domestic capacity has room to absorb more log volume, with mills across the U.S. South running at about 76% of capacity. Schultz also noted that Canadian lumber now supplies about 25% of U.S. consumption, down from roughly 33%, a decline he attributed to trade duties and stronger domestic output.

What Rebuilding Markets Actually Means

The plan Schultz is counting on is a national strategy to rebuild demand for American wood, due later this year. Its emphasis traces to a late-May symposium in Madison, Wisconsin, where more than 230 industry, government and investment leaders mapped markets for small-diameter logs and mill residues. That is the heart of the problem: thinning and fuels-reduction work yields large volumes of small-diameter material and residues, not high-grade sawtimber, and there is no profit in cutting it without a buyer for the low-grade fiber. The Forest Service bars log exports from national forests outside Alaska, so the export trade that does exist runs off private land. Selling the fiber that active management produces, rather than simply cutting more of it, is the part of the equation the agency says it has not yet solved.

WHAT YOU MISSED YESTERDAY

Friday, June 19 - U.S. markets closed for Juneteenth; the latest in business and markets.

- U.S. stock and bond markets were closed Friday for the Juneteenth federal holiday. In the prior session on Thursday, June 18, the S&P 500 rose 1.1% to 7,500.58, the Nasdaq Composite gained 1.9% to 26,517.93, and the Dow Jones Industrial Average added 0.1% to 51,564.70.
- The Thursday rebound followed President Trump's signing of an interim peace agreement with Iran on June 18. The framework calls for Iran to reopen the Strait of Hormuz and the U.S. to lift its naval blockade under a 60-day ceasefire, with signing details still being finalized in Switzerland over the weekend.
- Oil held its recent declines on the deal. WTI crude traded near $76 a barrel and Brent near $79, both close to multi-month lows reached earlier in the month.
- The 10-year Treasury yield ended Thursday near 4.45%. Canada's May inflation reading was due Monday; consumer prices there rose 2.8% from a year earlier in April, led by gasoline.

INDUSTRY & COMPANY NEWS

- **West Fraser Timber** was fined about C$111,000 by WorkSafeBC over a January 2025 incident at its Westpine sawmill in Quesnel, BC, where a worker cleaning fiber from inside a silo was buried and killed. The regulator found the company failed to appoint an adequately trained supervisor for the confined-space program and was not prepared to perform an immediate rescue.
- **Drax** was cleared by a U.K. regulator that closed its investigation into the power generator's disclosures on Canadian wood-pellet sourcing, finding no evidence it had misled investors. The probe had hung over one of the largest buyers of North American wood pellets.
- **European Parliament** approved legislation implementing last year's U.S.-European Union tariff agreement, formalizing the trade terms that shape softwood and panel flows between the two markets as the Canada-U.S.-Mexico review deadline approaches on July 1.

■ MARKETS & HOUSING SNAPSHOT

INDICATOR	VALUE	TREND
Front-month lumber	**$633/MBF**	Eight-month high on tight Canadian supply
WTI crude	**~$76/bbl**	Eased June 19 as the U.S.-Iran framework held
10-yr Treasury	**4.45%**	June 18 close; U.S. markets shut Friday (Juneteenth)
USD/CAD	**~1.40**	Loonie near its 2026 lows
Existing-home sales (May)	**+3.2% to 4.17M**	Highest since December; resales firming

■ THE BOTTOM LINE

Three things for your Monday. First, the constraint on wood right now is demand: Harvard's data shows new construction shrinking and each new home using less framing lumber, while renovation is the one channel still expanding. Second, the firm price screen is a supply story, with lumber futures at an eight-month high only because duties wall off Canadian supply and push the mills behind it into the red. Third, the country's top forester told Congress the same thing from the federal side, that the timber on the ground is ample and the missing piece is a market to sell it into. For the back half of the building year, demand is the variable that decides where wood prices and volumes go.