

Hardwood Markets Turning in Mixed Performances

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Moulding/Millwork

Cabinets

Pallets

Railroad Ties

Flooring

Furniture

Board Road/Mats

HMR Demand Index (HDI)

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Cabinets																									
Residential Flrg.																									
Truck Trailer Flrg.																									
Upholst. Furniture																									
Wood Furniture																									
Moulding/Millwork																									
Wood Components																									
Board Road																									
Pallets																									
Railroad Ties																									



Flooring Industry



“ Consumers continue to choose wood look-a-like products due to cost with the intent of replacing with hardwood in the future. Higher-end consumers continue to choose hardwood flooring, as the cost is not a factor in their decision.”

—Residential flooring manufacturer

“ We’re in a heavily price-driven market, which is why we’re seeing the uptick in Red Oak while White Oak is dropping.”

—Residential flooring manufacturer

“ Uncertainty surrounding tariffs, global conflicts, rising diesel prices, etc. discourage fleets from investing, but eventually they will have to replace their aging inventory. We and industry experts are hopeful that this will lead to a stronger '27 and even stronger '28... ”

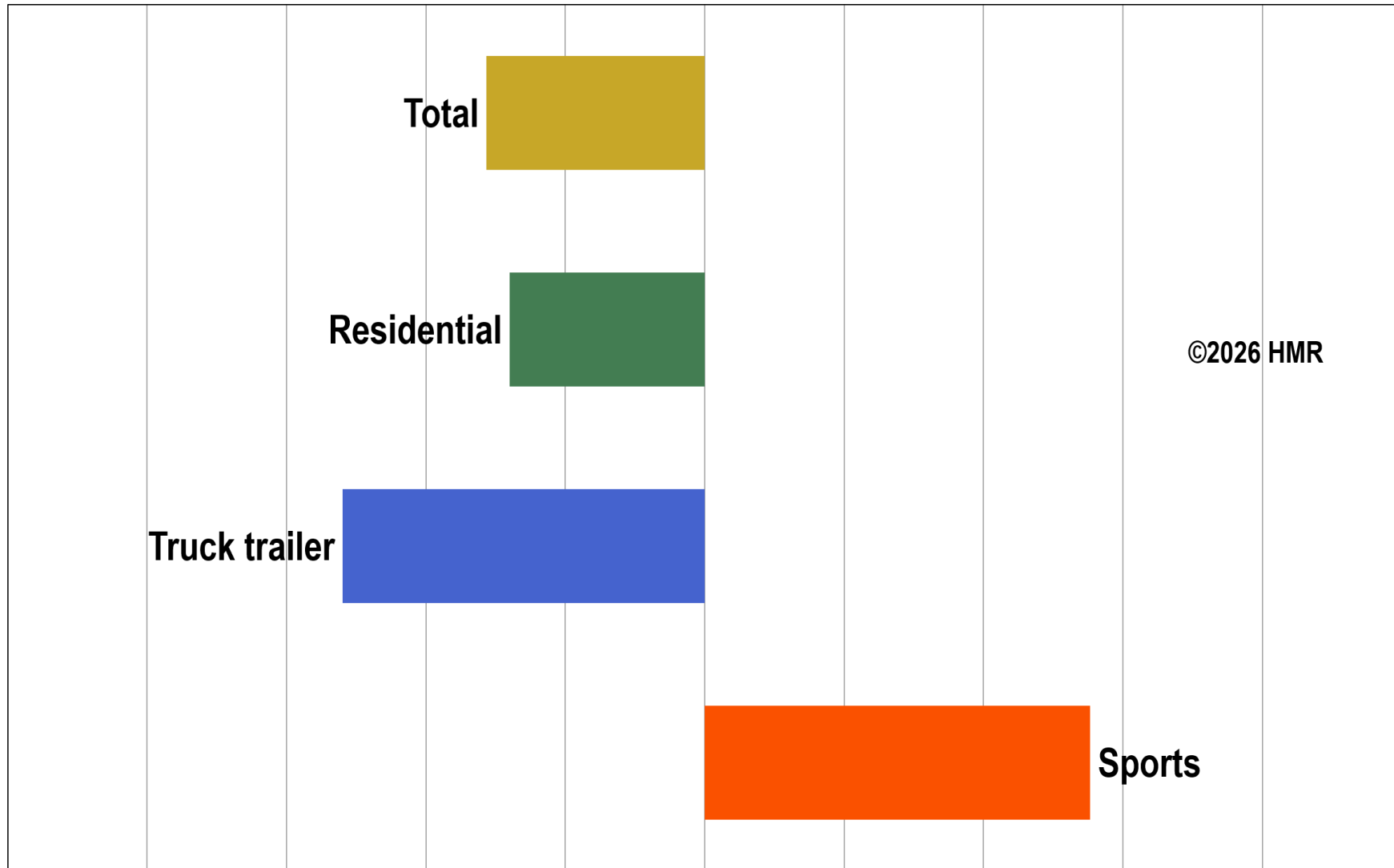
—Truck trailer flooring manufacturer



“ *[Our customer] is buying in big volumes again and is predicting big jumps in buying in 2027.* ”

—Supplier to truck trailer flooring manufacturer

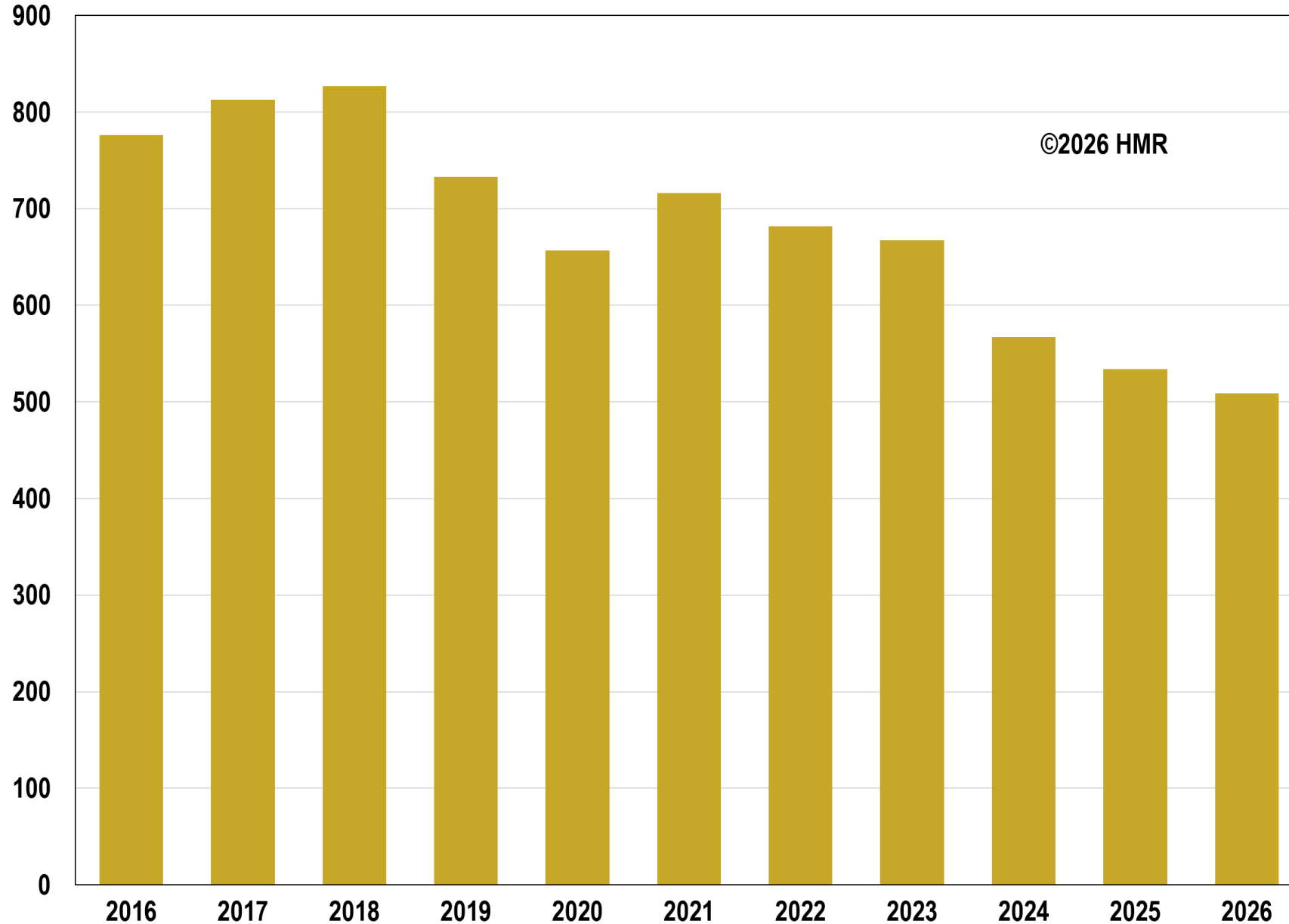
Year-to-date 2026 Change in Consumption by Flooring Industry Sub-Sectors



©2026 HMR

Million Board Feet

Hardwood Consumption by the U.S. Flooring Industry



Millwork Industry



“Imports and substitute products continue to create competitive pressure, particularly in price sensitive segments. This has kept market pricing below the level needed to fully reflect increased production costs, raw material costs, and the value of domestically produced hardwood products.”

—Millwork manufacturer

“Continued creep in from MDF, LVL, and other import products, along with newer players in the market such as PVC and foam extrusion, are cause for some uncertainty for the future.”

—Moulding manufacturer

“ Because TFL [thermally fused laminate] and DLV [decorative laminate veneer] materials have a printed surface, manufacturers can achieve any color and grain pattern they would like. These printed paper surfaces are always consistent from sheet to sheet and rarely have any material defects to work around, so the yield is generally higher than solid wood. ”

—Wood component manufacturer

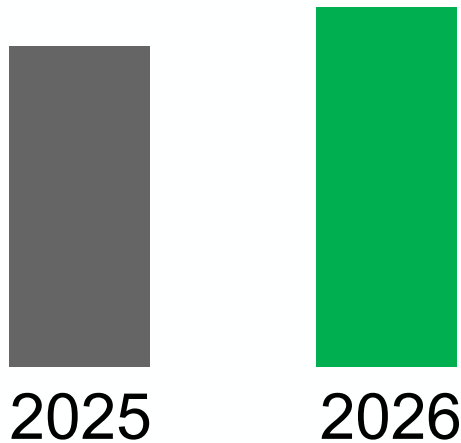
“ All of our market segments are currently in contraction, and the picture is similar across all of our geographic markets—North America, Europe, and Asia. ”

—Wood component manufacturer

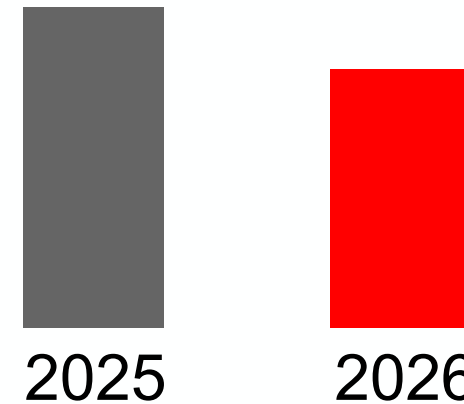


Millwork/component industry consumption trends – 2026 vs. 2025

Moulding & millwork manufacturers

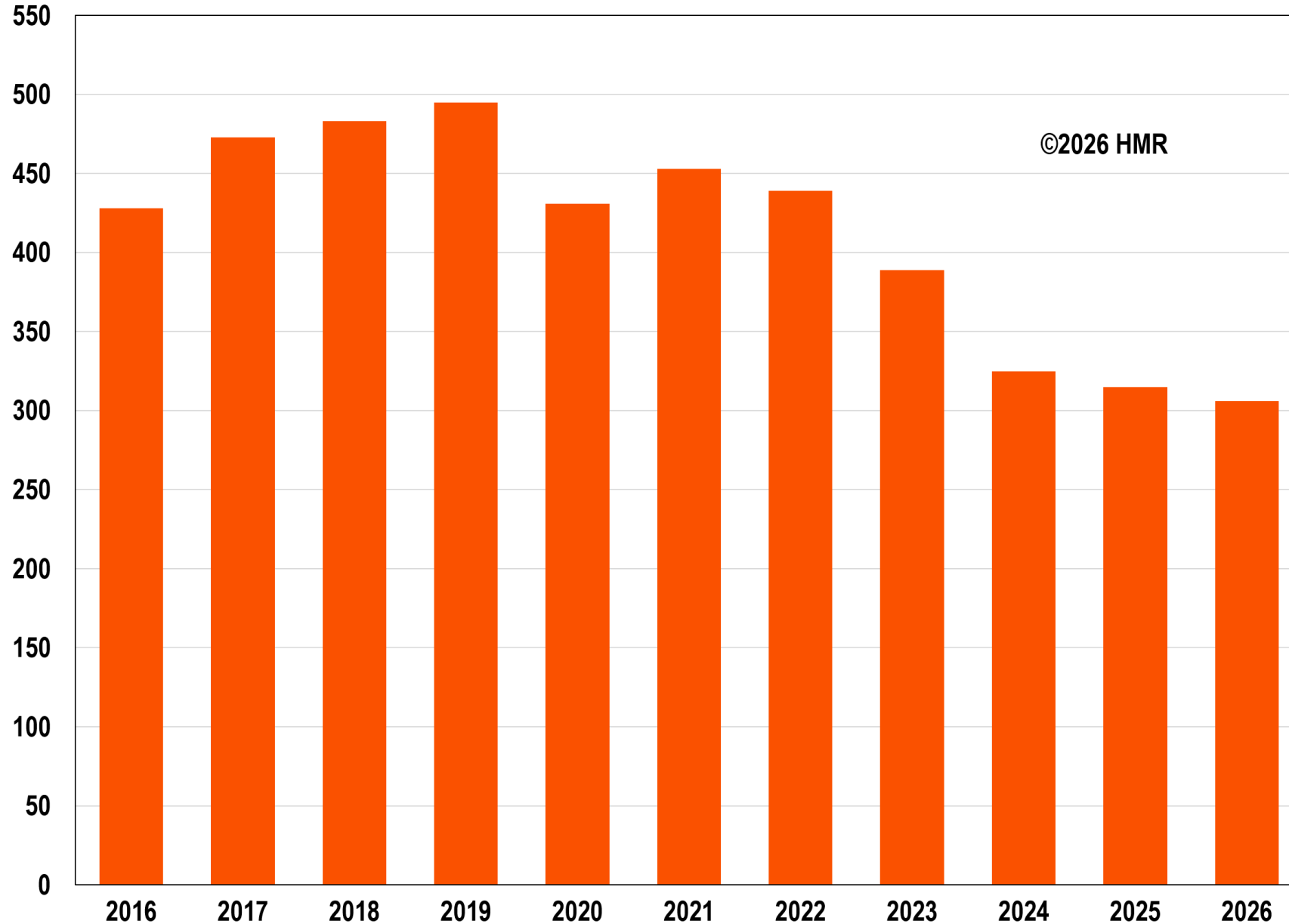


Wood component manufacturers



Million Board Feet

Hardwood Consumption by the U.S. Millwork Industry



Furniture Industry



“Due to an anti-dumping lawsuit, we are putting more hardwood in our frames at one facility and looking at possibly other facilities utilizing U.S. hardwoods.”

—Upholstered furniture manufacturer

“No one has extra money to purchase the higher-end furniture like they used to.”

—Furniture manufacturer

“We’ve introduced White Oak and are seeing strong demand. Demand for Ash and Cherry continue to drop.”

—Small case goods manufacturer

Furniture industry consumption trends – 2026 vs. 2025

**Upholstered furniture &
Amish/Mennonite/small
case goods manufacturers**



2025



2026

**Traditional/larger
case goods
manufacturers**



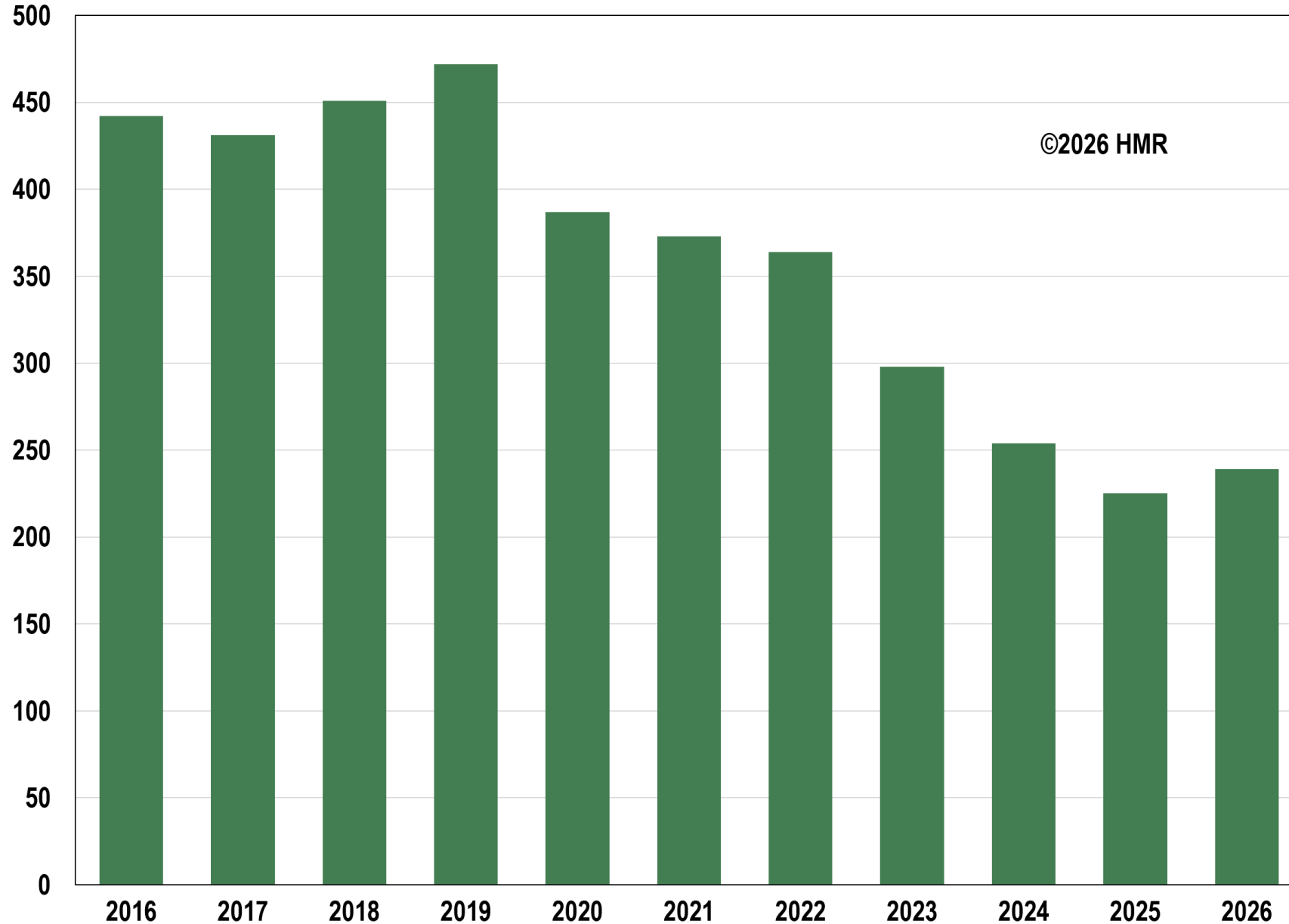
2025



2026

Million Board Feet

Hardwood Consumption by the U.S. Furniture Industry



Cabinet Industry



“Cabinet imports continue to hurt the domestic cabinet manufacturing industry.”

—Cabinet component manufacturer

“In 2025, about 71% of the products we finished were primed or painted. YTD 2026, that number has decreased to 68%. For custom, the past 12 months, MDF has moved past our stain grade Hard Maple to become our #2 overall “species.”

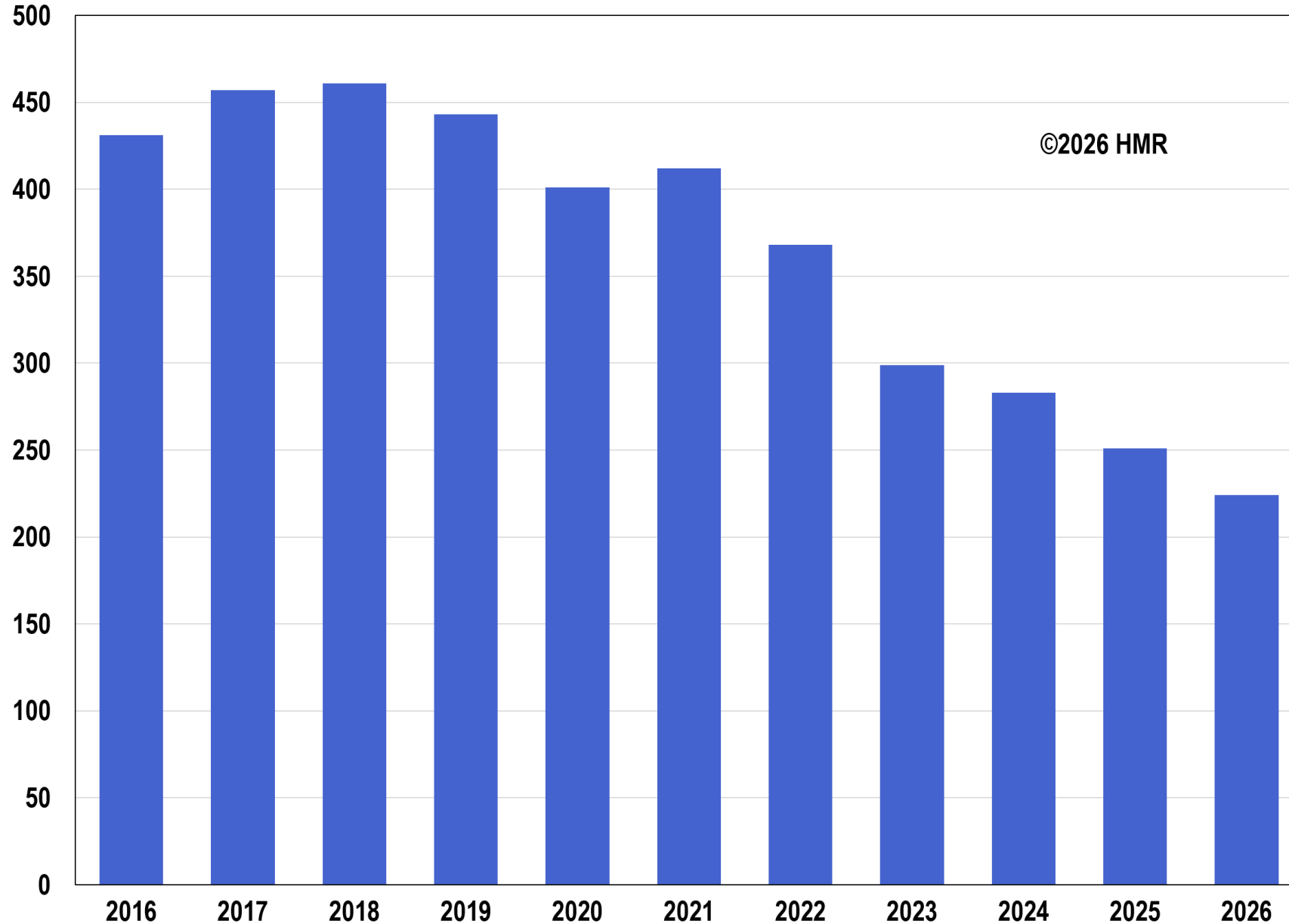
—Cabinet manufacturer

“We are seeing more wood grains coming back and less white paint. Oak is making a comeback as well.”

—Cabinet manufacturer

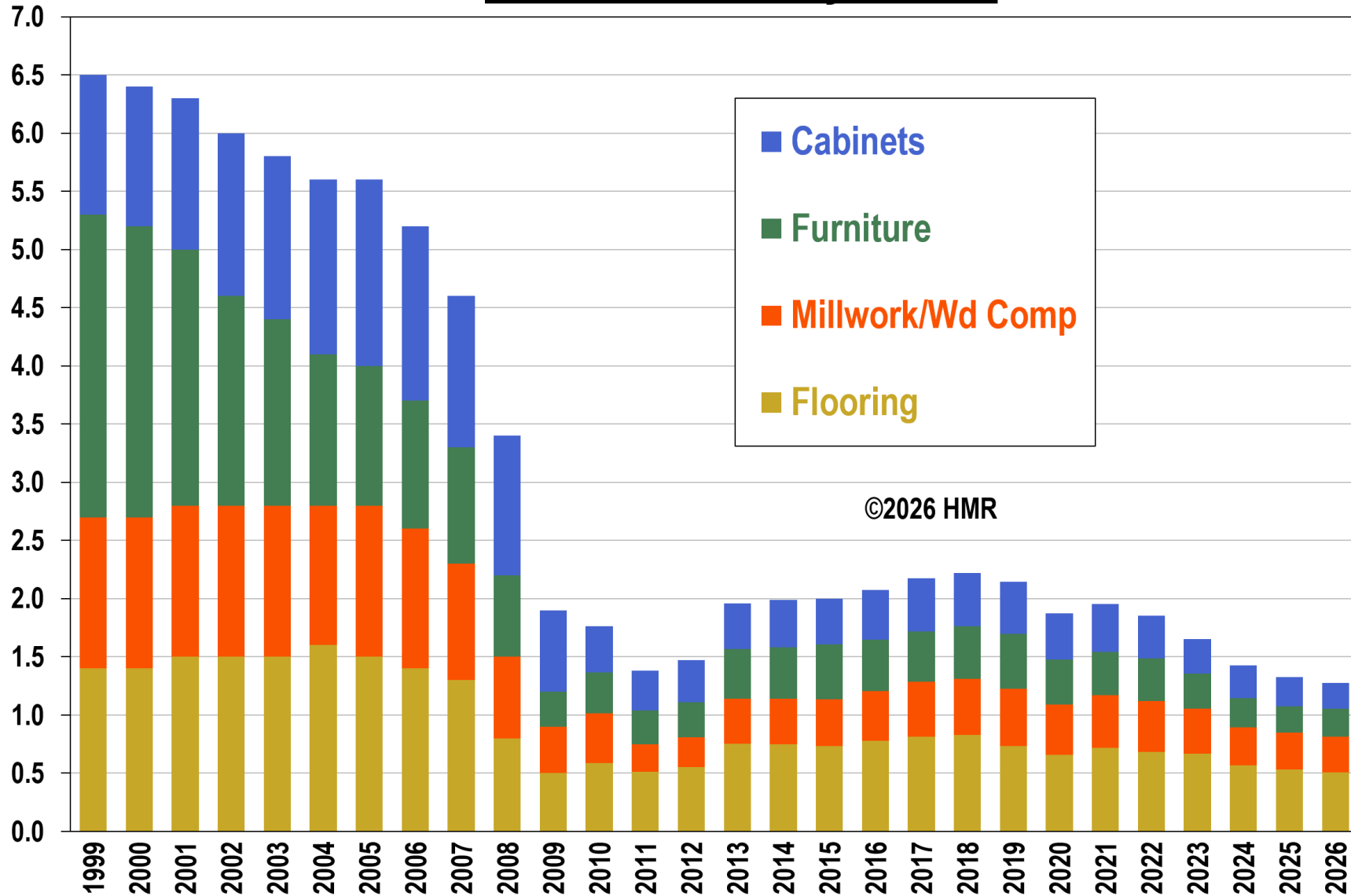
Million Board Feet

Hardwood Consumption by the U.S. Cabinet Industry



Consumption of Hardwood Grade Lumber by Sector

Billion Board Feet



Pallet Industry



“Our cant prices are up due to stronger demand.”

—Sawmill operator

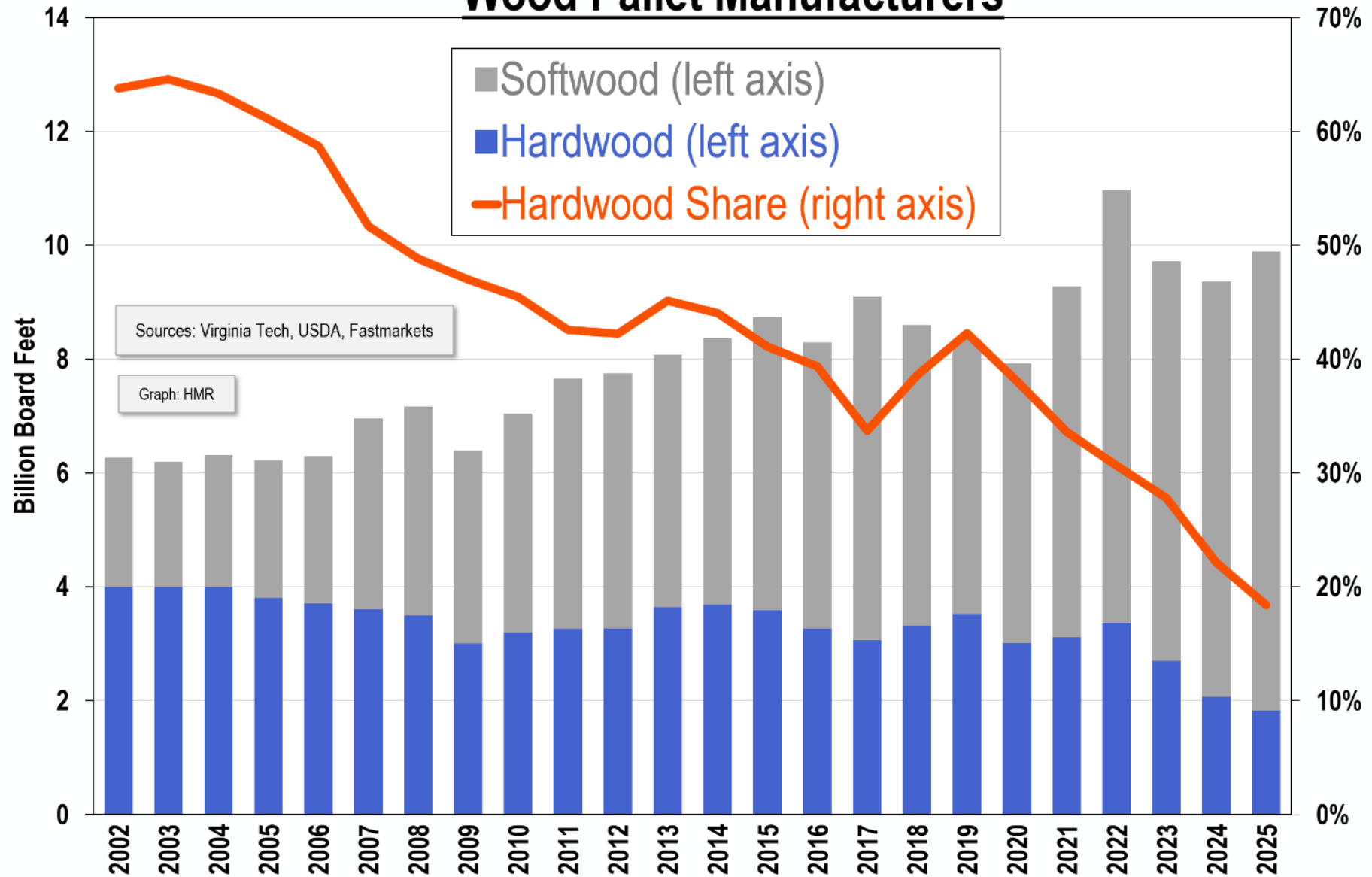
“With the labor rate increase of 40% since COVID, the market is hard for pallet manufacturers... We are producing more pallets for much less revenue.”

—Pallet manufacturer

“The overall pallet market is looking strong, with a modest increase in orders over the last year and a half.”

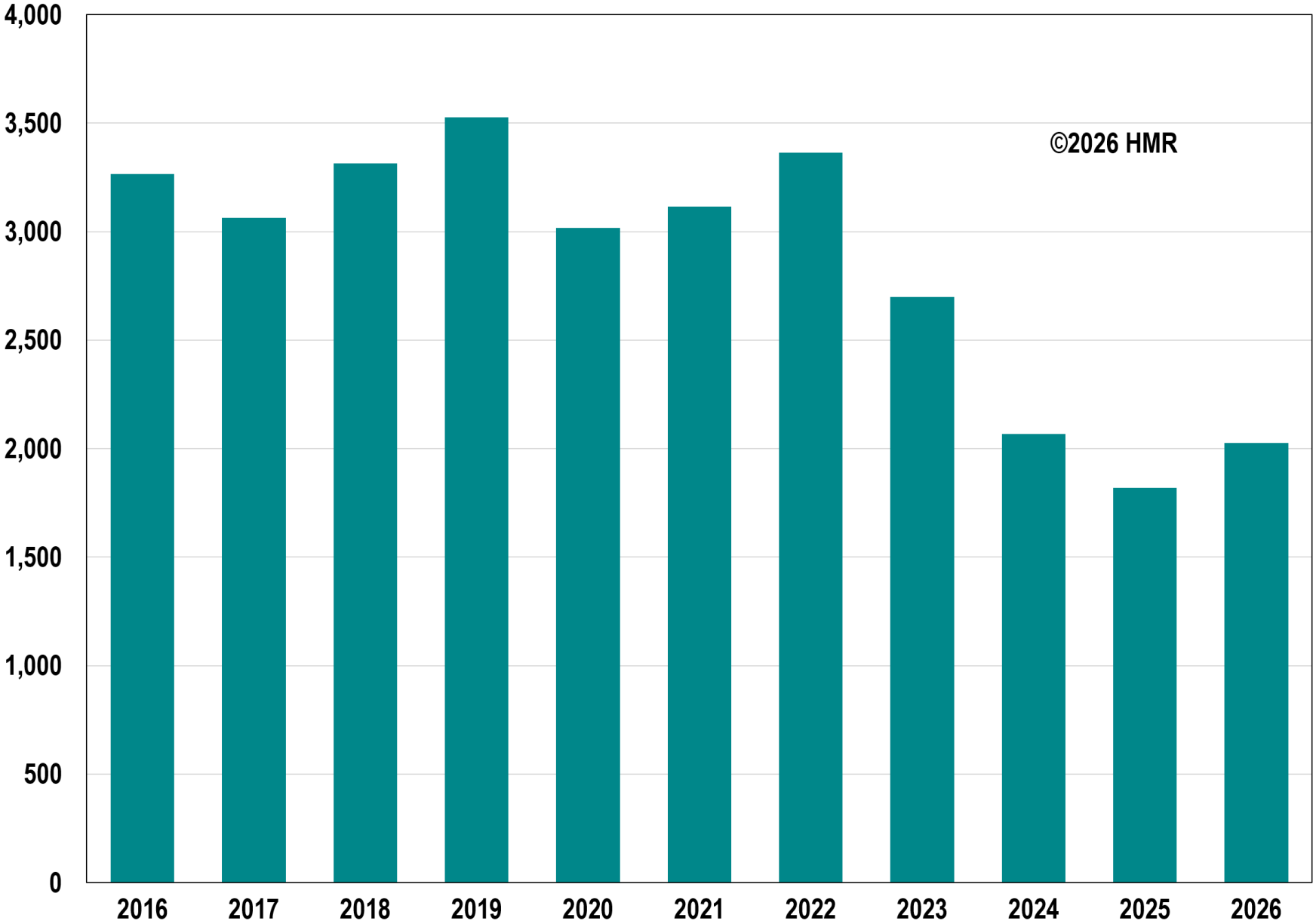
—Pallet manufacturer

US Consumption of Lumber by Wood Pallet Manufacturers



Hardwood Consumption by the U.S. Pallet Industry

Million Board Feet



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Tie Industry



“ We have had a four-week pause in the South. Once the pause is over, it will be business as usual. ”

—Tie treater

“ Business is not bad, but so many ties are being produced, and the big companies still aren't taking them all. I'm getting a lot of phone calls from mills, but I have to tell them the same thing: I can't buy them. ”

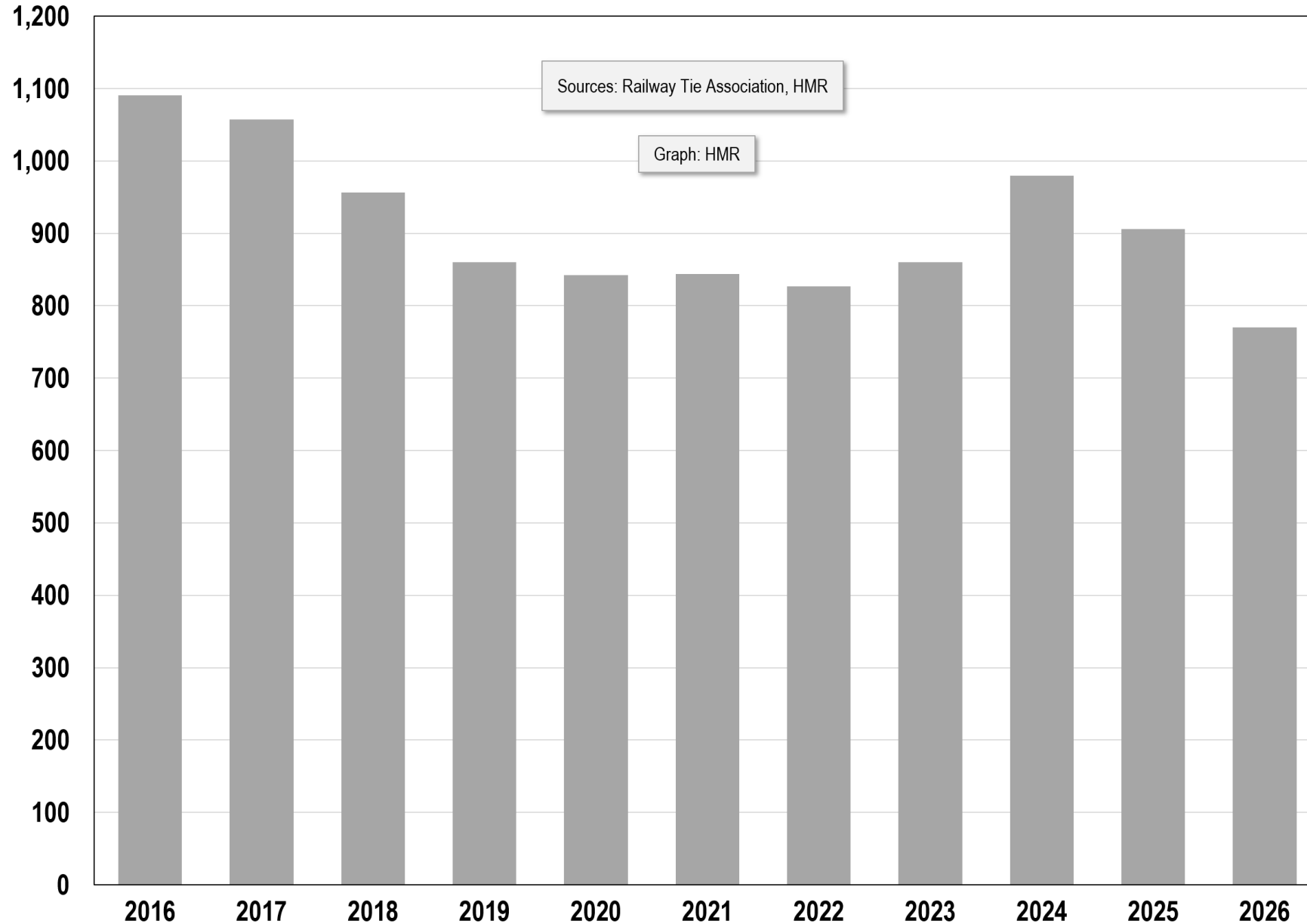
—Tie yard

“ We are currently seeing an abundance of #2A&3A Oak that I assume is in direct relation to the current tie market. ”

—Flooring manufacturer

Million Board Feet

Hardwood Consumption by the U.S. Railroad Industry



Board Road/Mat Industry



“ Lots of board road is needed for data center construction. ”

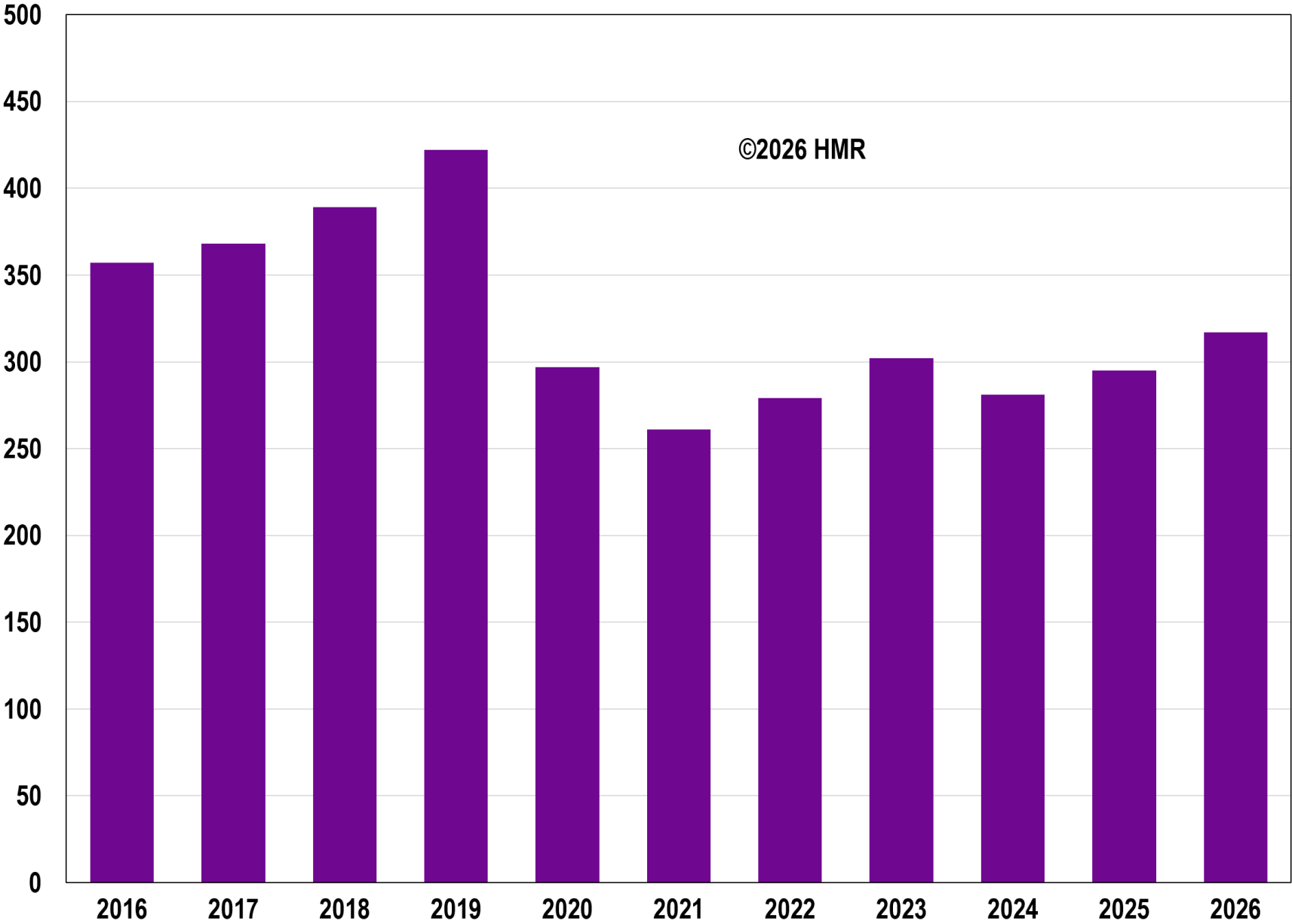
—Sawmill operator

“ Many more sawmills have started to produce mats in the past 18 months. ”

—Mat producer

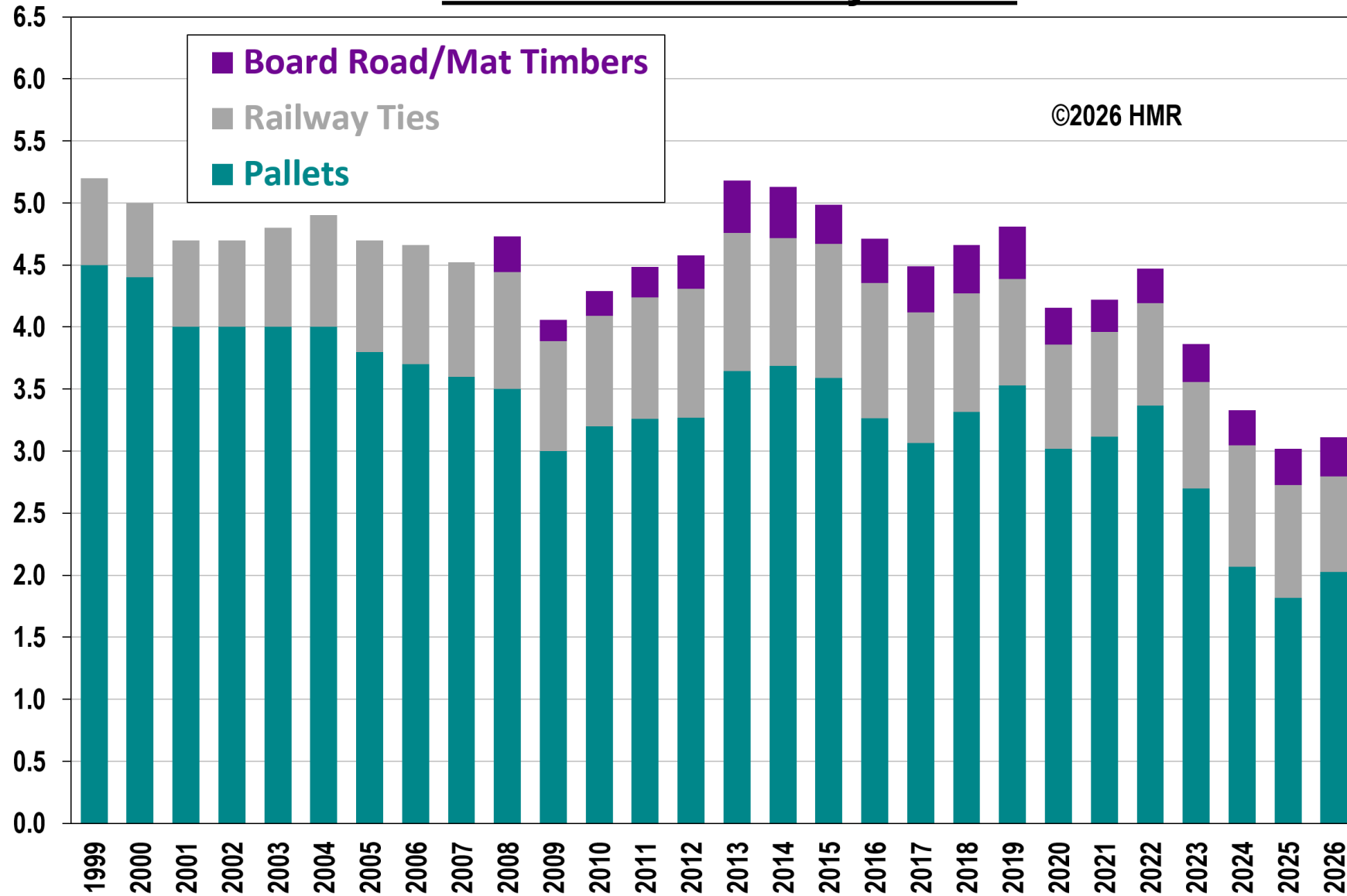
Million Board Feet

Hardwood Consumption by the U.S. Board Road/Mat Sector

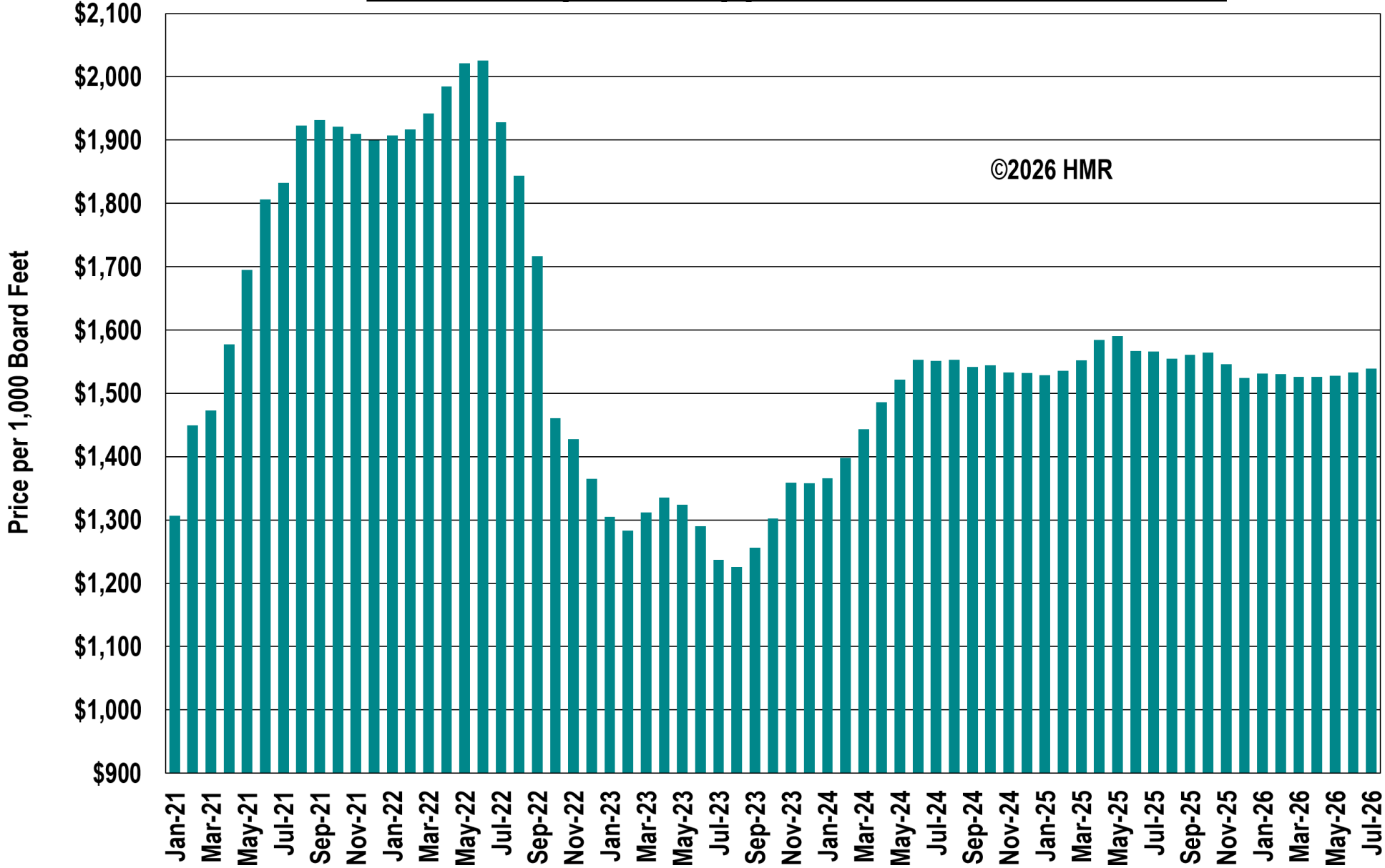


US Consumption of Hardwood Industrial Lumber by Sector

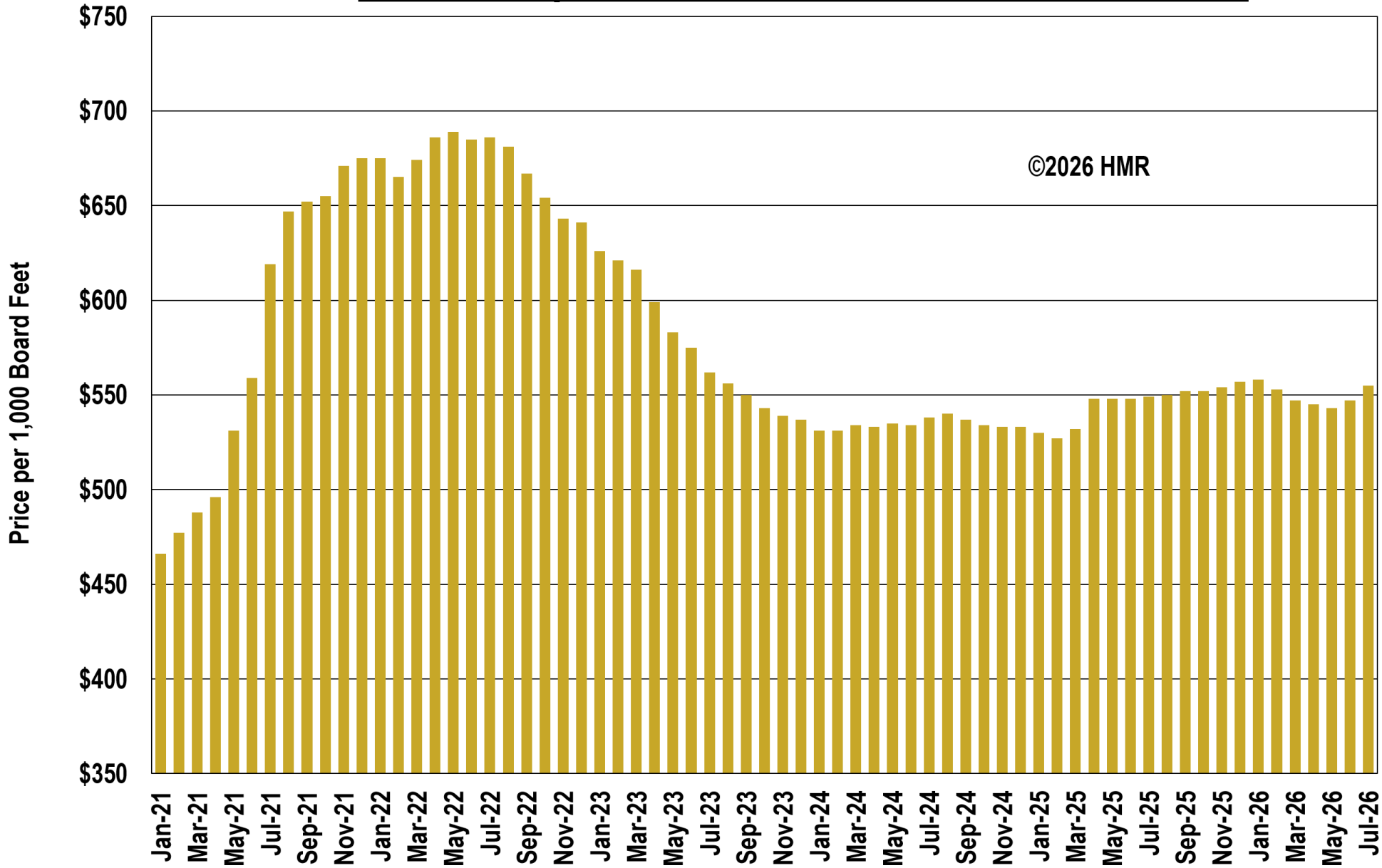
Billion Board Feet



HMR Composite Appalachian KD Price Index

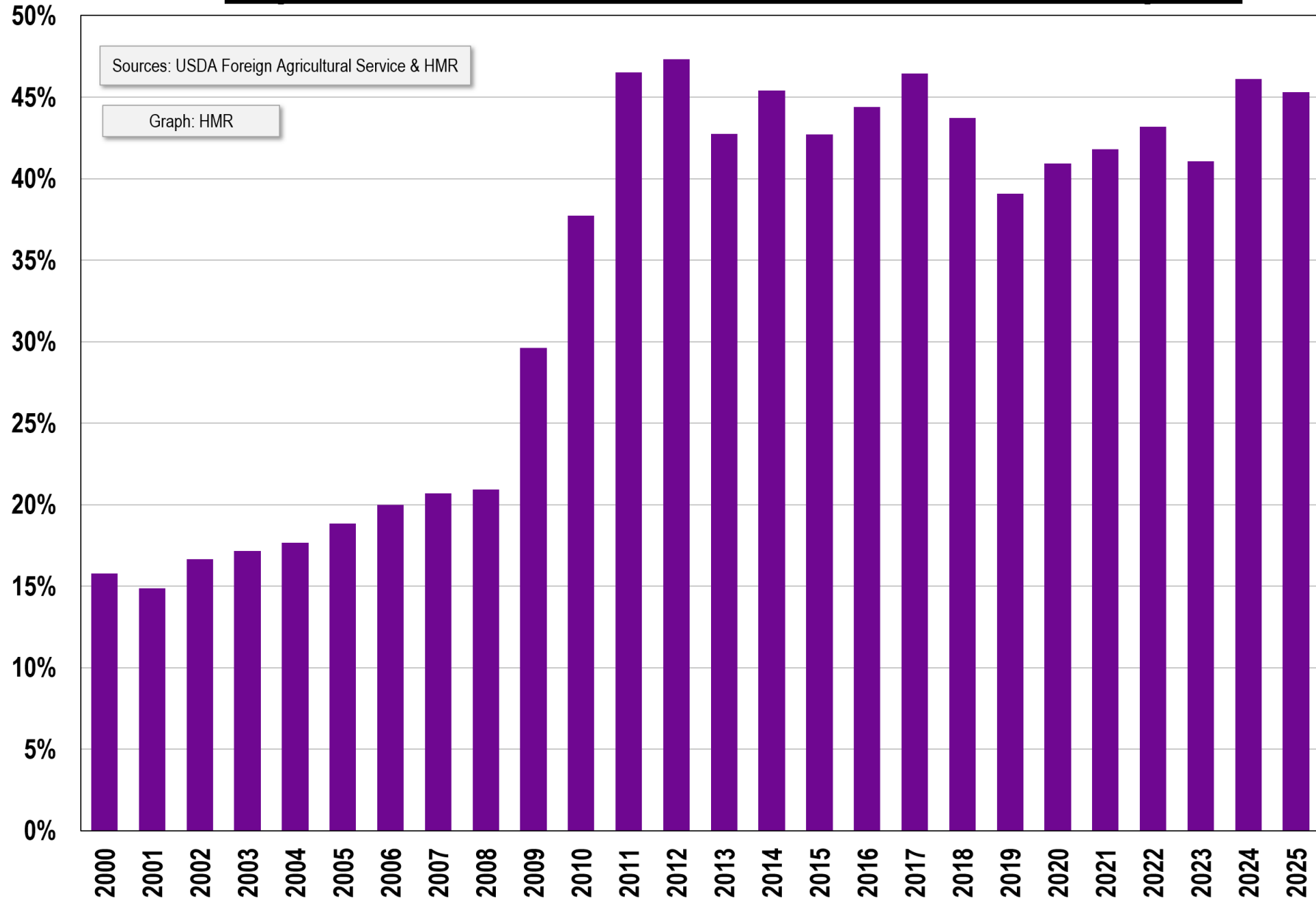


HMR Composite Industrial Lumber Price Index



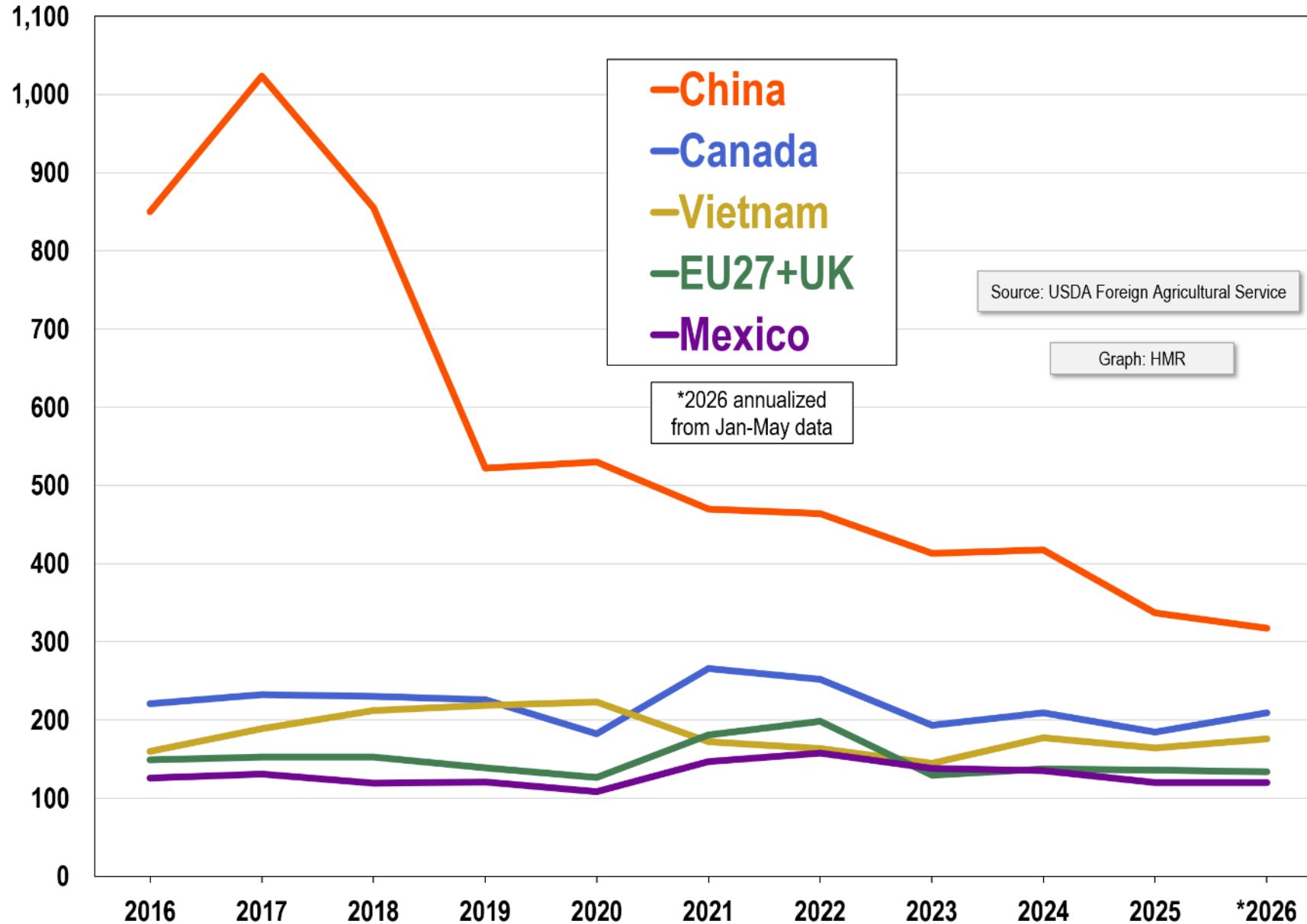


Exports' Share of Total Grade Lumber Consumption



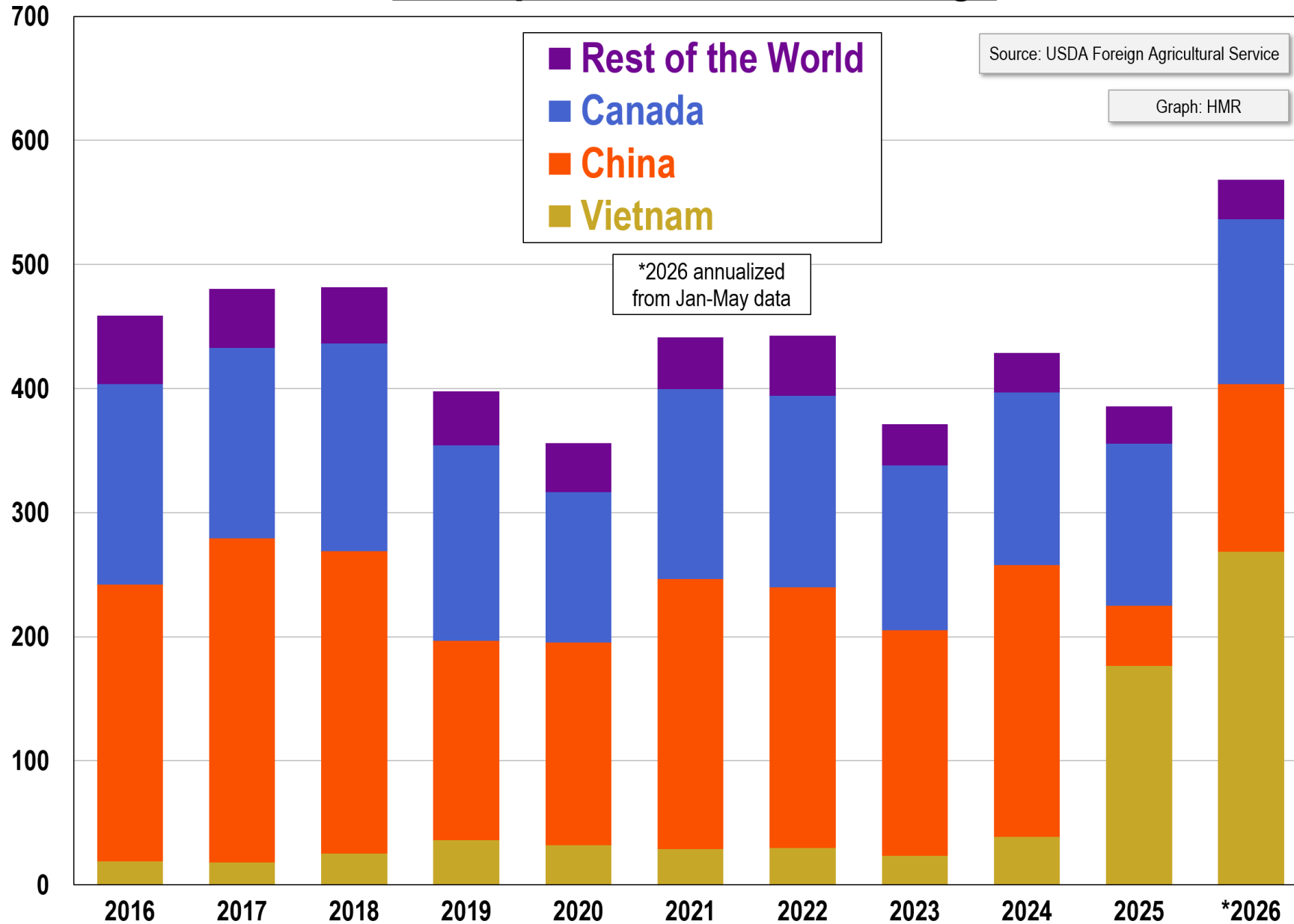
Million Board Feet

US Exports of Hardwood Lumber by Market/Region



Million Board Feet

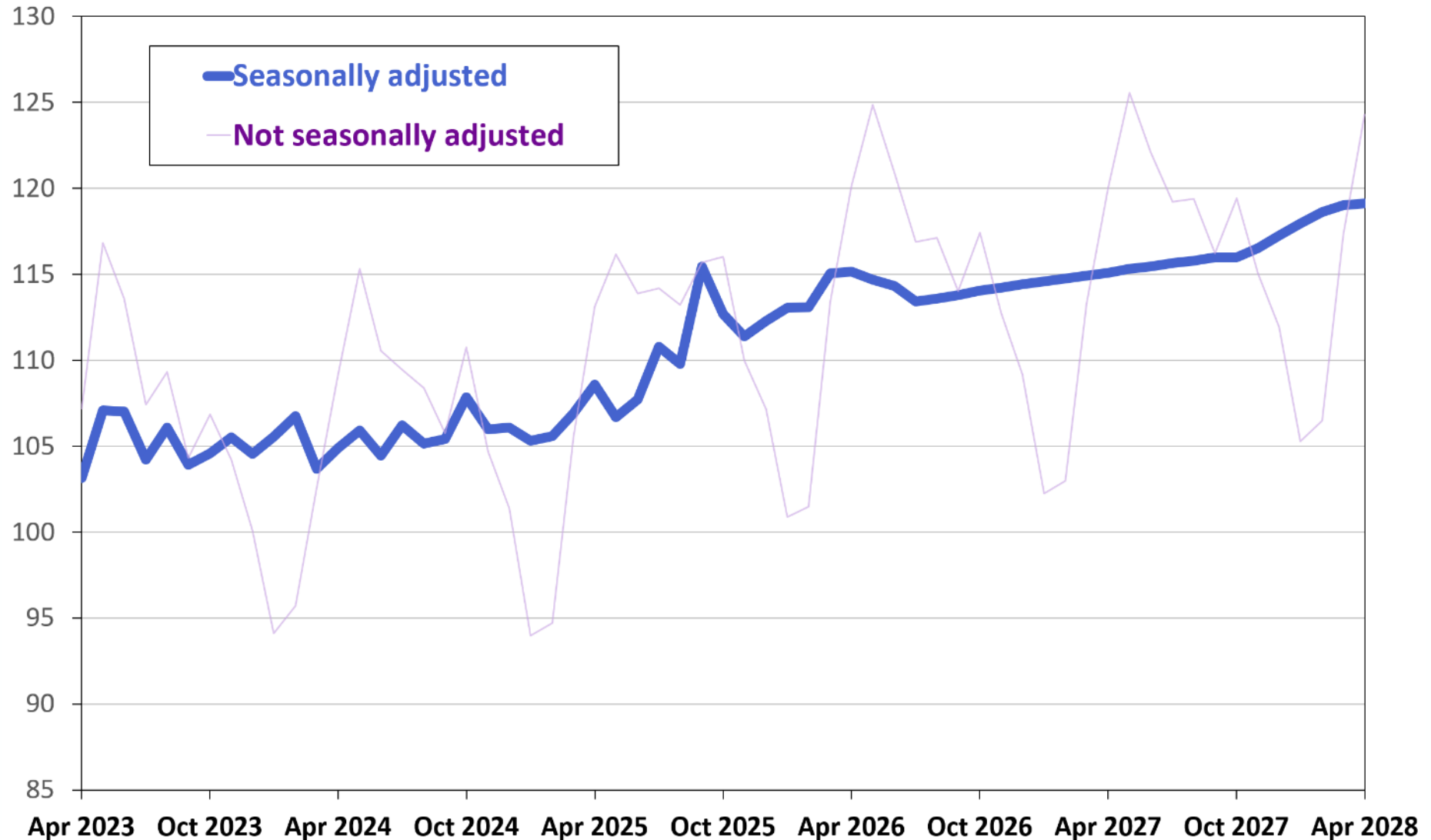
US Exports of Hardwood Logs





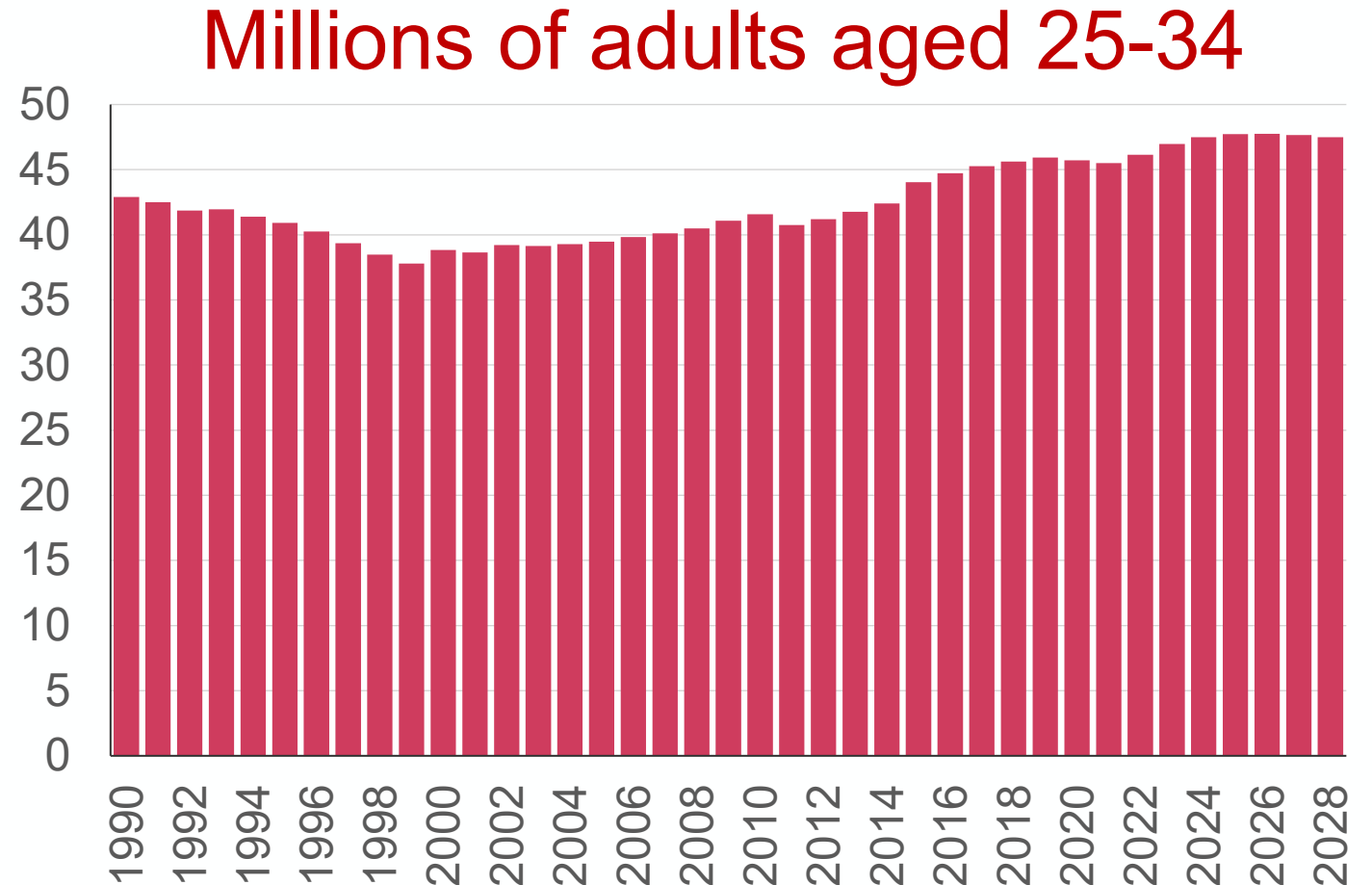
Fastmarkets Repair and Remodeling Index (RRI)

Index level (2019 = 100.0)

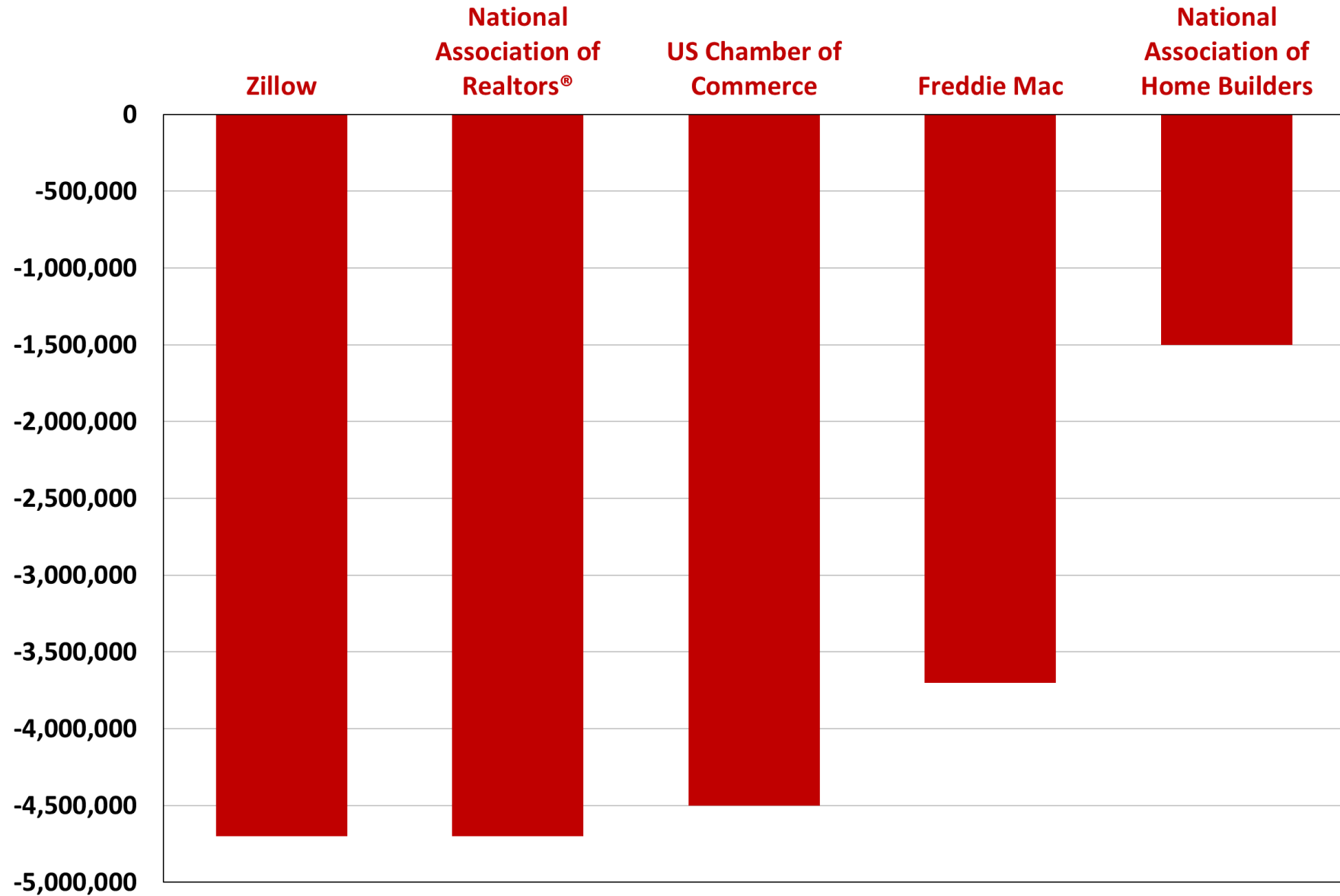


Millennials are in Their Prime Home Buying Years

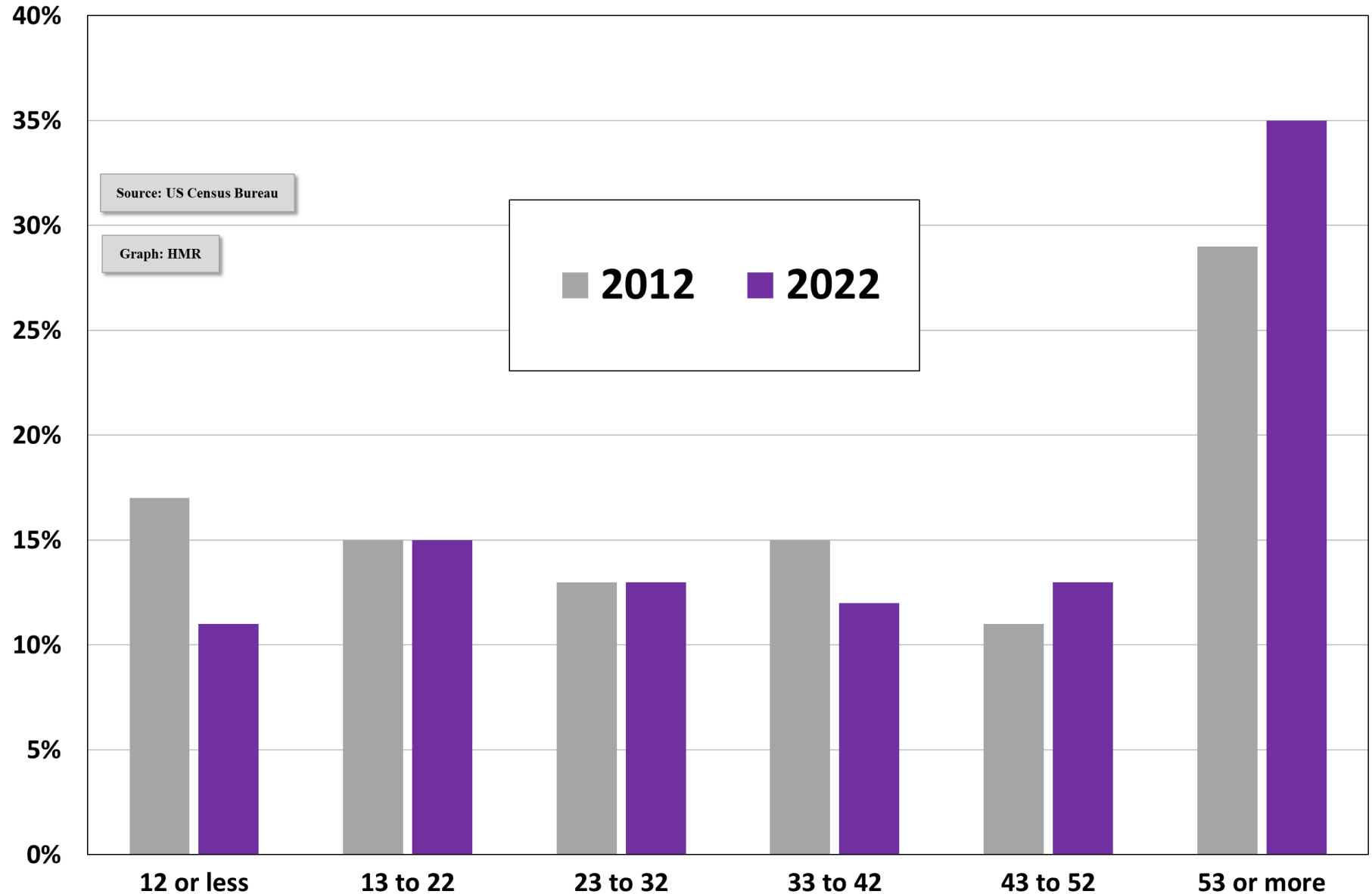
- From 2000 to 2021, the number of 25 to 34-year-olds rose by almost 6.0 million
- The median age of a first-time home buyer is 33
- Demographic tailwinds will drive shelter demand for the medium term



Estimated US Housing Shortage



Age of Owner-Occupied US Housing Stock, 2012 vs. 2022



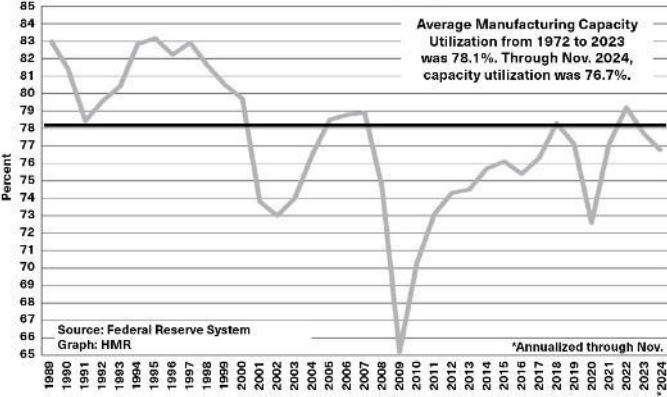


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Hardwood Market Report

Lumber News Since 1922, A Part of Fastmarkets

Annual US Manufacturing Capacity Utilization



Average Manufacturing Capacity Utilization from 1972 to 2023 was 78.1%. Through Nov. 2024, capacity utilization was 76.7%.

Source: Federal Reserve System
Graph: HMR

*Annualized through Nov. 2024

Composite Indices of HMR Prices for Kiln Dried 4/4 #2A&Btr Lumber

Southern - Ash, Red Oak, White Oak, and Poplar

\$1,237
Month Ago

\$1,246
Current

\$1,141
Year Ago

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US Hardwood Export Trends

EUDR Delayed but Trump Tariffs Could Disrupt Business in Other Markets

Once each quarter, HMR Executive® reports extensively on export markets for North American hardwood lumber and logs, with volumes and/or values tied specifically to US exports. In preparing this issue, two topics were front and center in conversations with industry contacts. First is the implementation of tariffs and/or increased tariffs, which was stated by the incoming Trump Administration. If put into place, potential retaliatory actions by trading partners could be disruptive to export business. Second is the EU Deforestation Regulation (EUDR). Both of these topics are discussed in the appropriate sections that follow, which encompass current business trends and statistical analysis of US export data for hardwood lumber, and then logs.

continued page 2

- October real average hourly earnings for all US employees increased 0.1%, over September to \$11.24 and rose 1.4% over October 2023.
- The October US Manufacturing Purchasing Managers' Index fell 0.7% from September to 46.5%. The PMI has been below the growth threshold 23 of the past 24 months, only the March 2024 reading has shown expansion in the economy's manufacturing sector.
- US exports totaled \$267.9B in September. Imports were \$352.3B, leaving a deficit of \$84.4B, up \$13.6B from the revised August number.
- US manufacturing capacity utilization was 76.2% in October, down from the revised September reading of 76.7% and off from the October 2023 rate of 77.4%.
- The US Consumer Price Index (CPI-U) climbed 0.2% in October over September. For the 12 month period ending in October 2024, the CPI rose 2.6%.
- China's October Purchasing Managers' Index was 50.1%, up 0.3% over September, and the first month since April to climb above the static growth threshold.

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HMR DEMAND INDEX (HDI)

	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24
Cabinets	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Residential Flgr.	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Truck Trailer Flgr.	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Upholster. Furniture	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Wood Furniture	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
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Wood Components	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Board Road	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Pallets	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue
Railroad Ties	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue	Blue

Very Slow Slow Fair/Steady Good Strong



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Volume 9
Issue 12
December 2024

Lead Story: Decking Markets in Focus

CURRENT TRENDS

Chinese imports of tropical lumber climbed 12% YTD through September to about 2.4 billion board feet.

US imports of hardwood lumber from Brazil in October were the lowest for any month since February 2009.

Cool temperatures, snowfall, and rain are causing seasonal disruptions in decking installations in the northern tier of the US and much of Canada. These are typical occurrences from late fall through early spring and are expected by importers, distributors, and retailers of tropical hardwood decking.

However, what is atypical at this time of year is a shortage of Ipé decking. The most commonly traded sizes of Ipé decking are 1x6 and 5/4x6. Buyers and sellers indicate 5/4x6 supplies are very low, and 1x6 is even scarcer. Shortages result primarily from the species' elevation to CITES Appendix II status on November 25*.

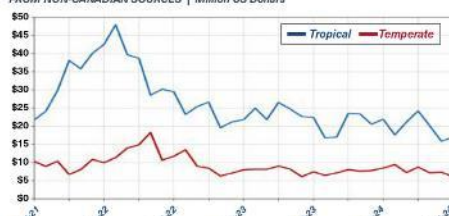
continue

US Imports of Ipé (decking/lumber)

[Click Here](#)

Monthly US Import Values of Tropical and Temperate Hardwood Lumber

FROM NON-CANADIAN SOURCES | Million US Dollars



Tropical Value -12%
Year-over-Year Jan. - Oct. 2024

Temperate Value +1%
Year-over-Year Jan. - Oct. 2024

Source: US International Trade Commission
Graph: HMR

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