



## FALLING LUMBER PRICES READING BETWEEN THE HEADLINES

July 1, 2021

**“Lumber prices plunge 40%...”; “Lumber prices are falling fast...”; “Lumber prices falling dramatically...”** – the headlines are all over the news right now, but what often is lost in translation, is that these headlines refer to softwood lumber, not hardwood.

What many end-users don't realize, is that the softwood and hardwood industries are each unique in their own way, with diverse geographies, harvesting, milling, distribution, manufacturing, and end-use variables.

Softwood lumber prices have fallen to their lowest level since March, after peaking on May 10th. Even so, softwood prices are still 175% over last year.

Pricing for # 1 common Poplar, which is a high-volume specie for Koetter Woodworking, is up 208% and continues to rise weekly. We look forward to the day that reverses course, but at this time we don't foresee a significant correction in the near future. (This is true for many hardwood species, where although some species/grades have seen a slowing of price escalation, prices generally continue to increase week after week and some species continue to see sizable increases.)

Rather than speculate on future costs/prices, some hardwood mills are pricing lumber loads “at time of shipment” – which although not widespread, this is an indication of the ongoing supply strain and resulting cost-escalation that we continue to experience on the hardwood side of the industry.

Koetter Woodworking continues to work with our long-term partner mills to create an efficient, predictable supply chain to ensure the flow of material necessary to keep the finished products we manufacture flowing to you and your customers.

We are well-positioned to support our customer's needs through these challenging times and we sincerely appreciate your business, patience, and understanding as we work together to meet the demands of you and your customers.