Oregon's Mill Infrastructure

Committee for Family Forestlands

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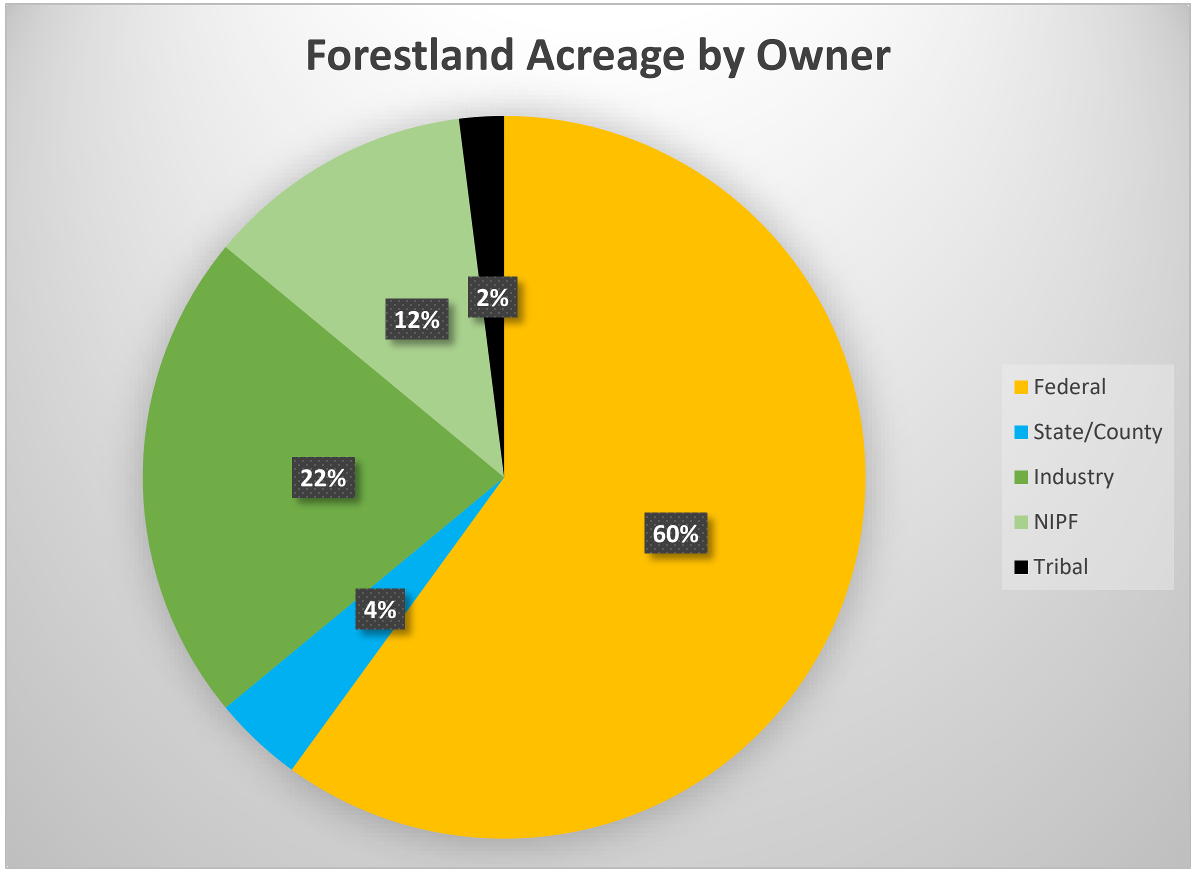
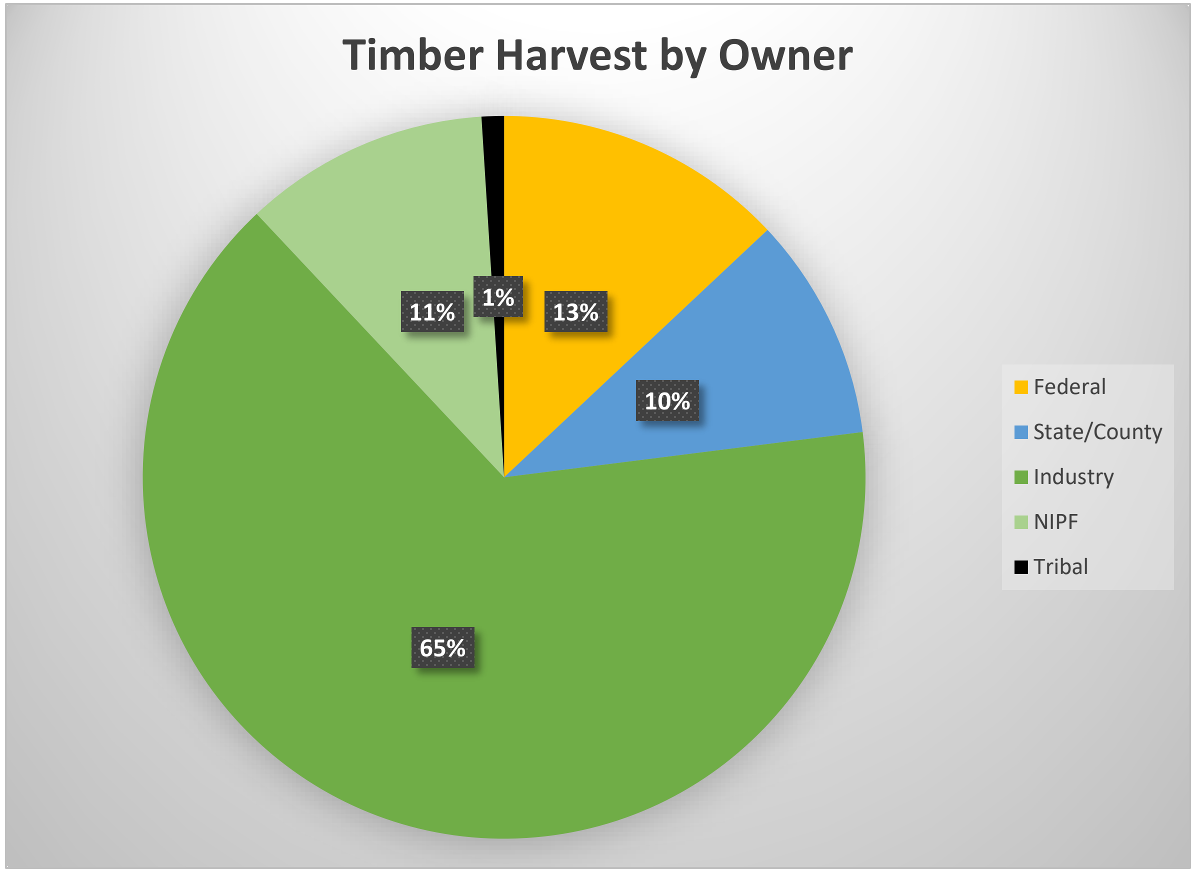
Salem, Oregon
June 25, 2025

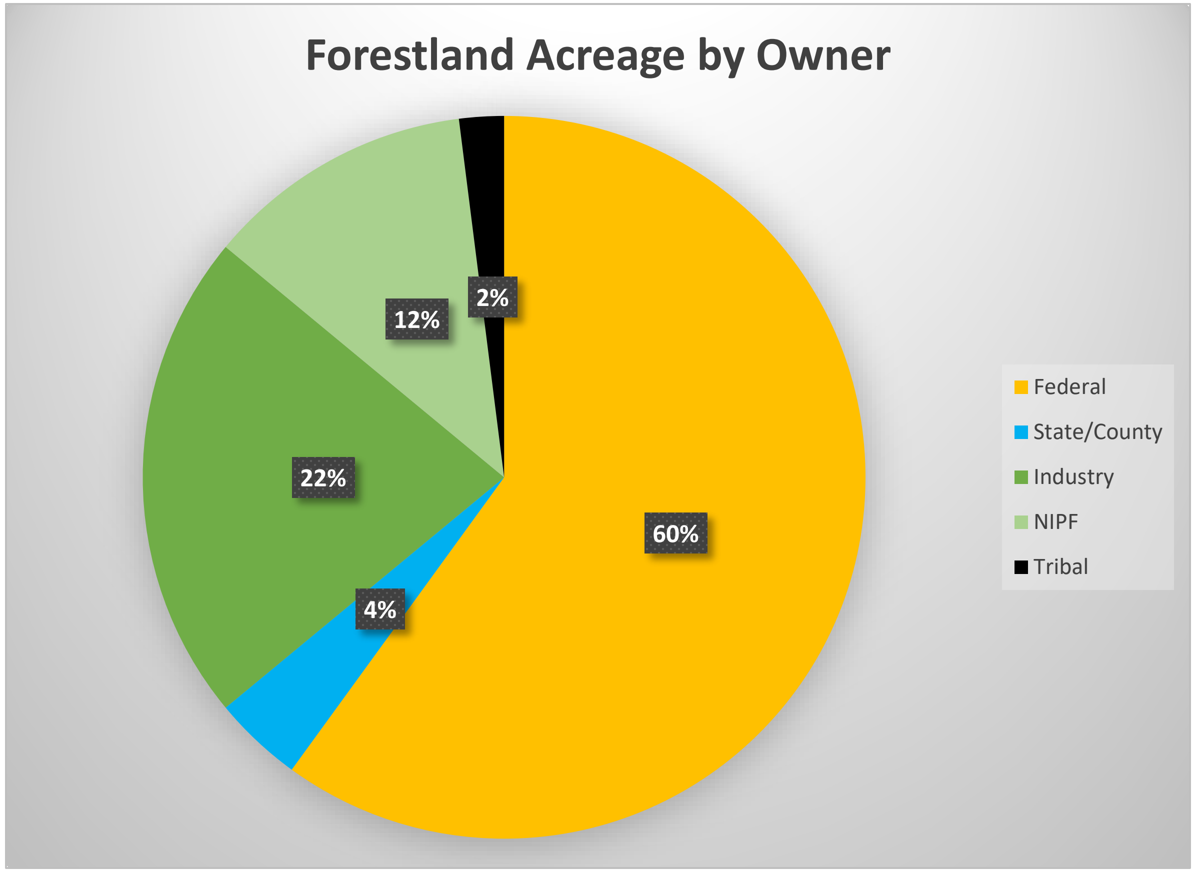
Oregon: 12% forests are SFO ; supplies 11% of harvest

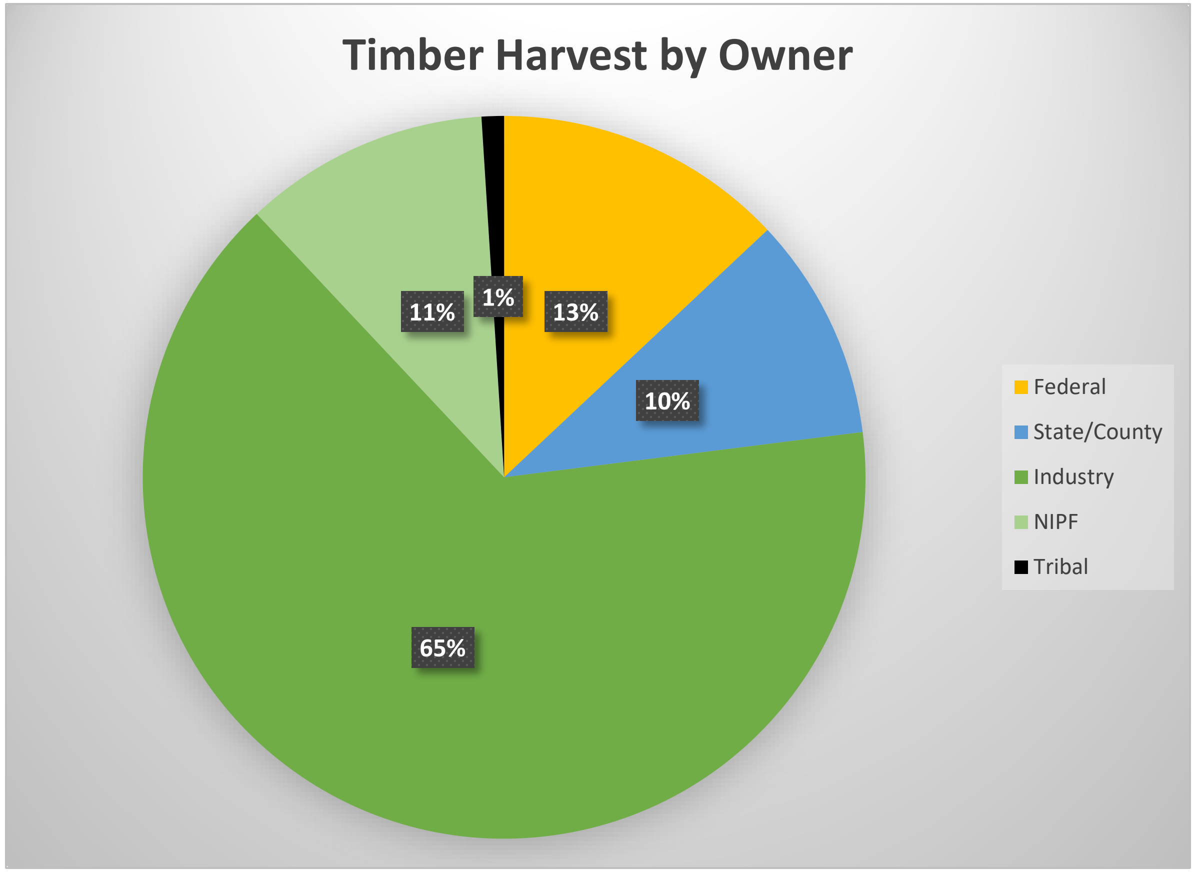




Source: OFRI 2020 statistics

Oregon: 60% of forest is federal; supplies 13% of harvest





Source: OFRI 2020 statistics

Many mills rely on federal and state stumpage sales

- Public timber sale programs annually contribute 800MMBF in Oregon
- Timber sales are sold at competitive public auction
- Sales are for a predetermined period, buyer arranges for logging and delivery
- Active management of public forests improves forest health, expands road access for fire emergencies and reduces wildfire hazard
- Stumpage sales provide logs, local employment, funding for county services and sustainable building products

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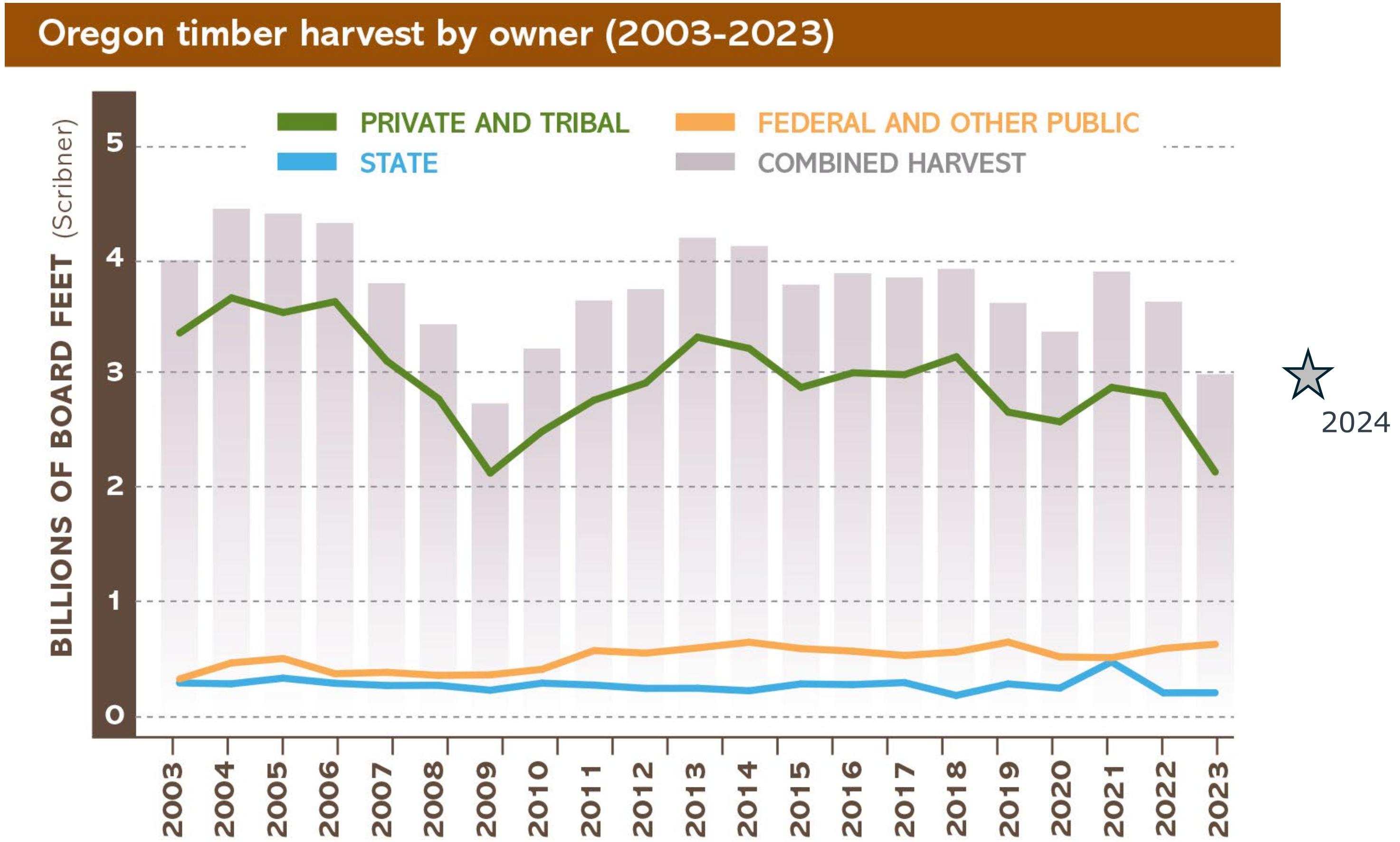
Oregon: ~75% of timber harvest is from private lands

- ~40% of private logs used at mills are harvested and delivered from company owned forest lands
- ~40% of private logs delivered to mills are from industrial timber companies and TIMOS without mill capacity
- Small woodland owners supply the other ~10% of total harvest
- “open market logs” are purchased under sales agreements or purchase orders defining price, species, quality and delivery specifications

Source: U of Montana BBER, WWPA

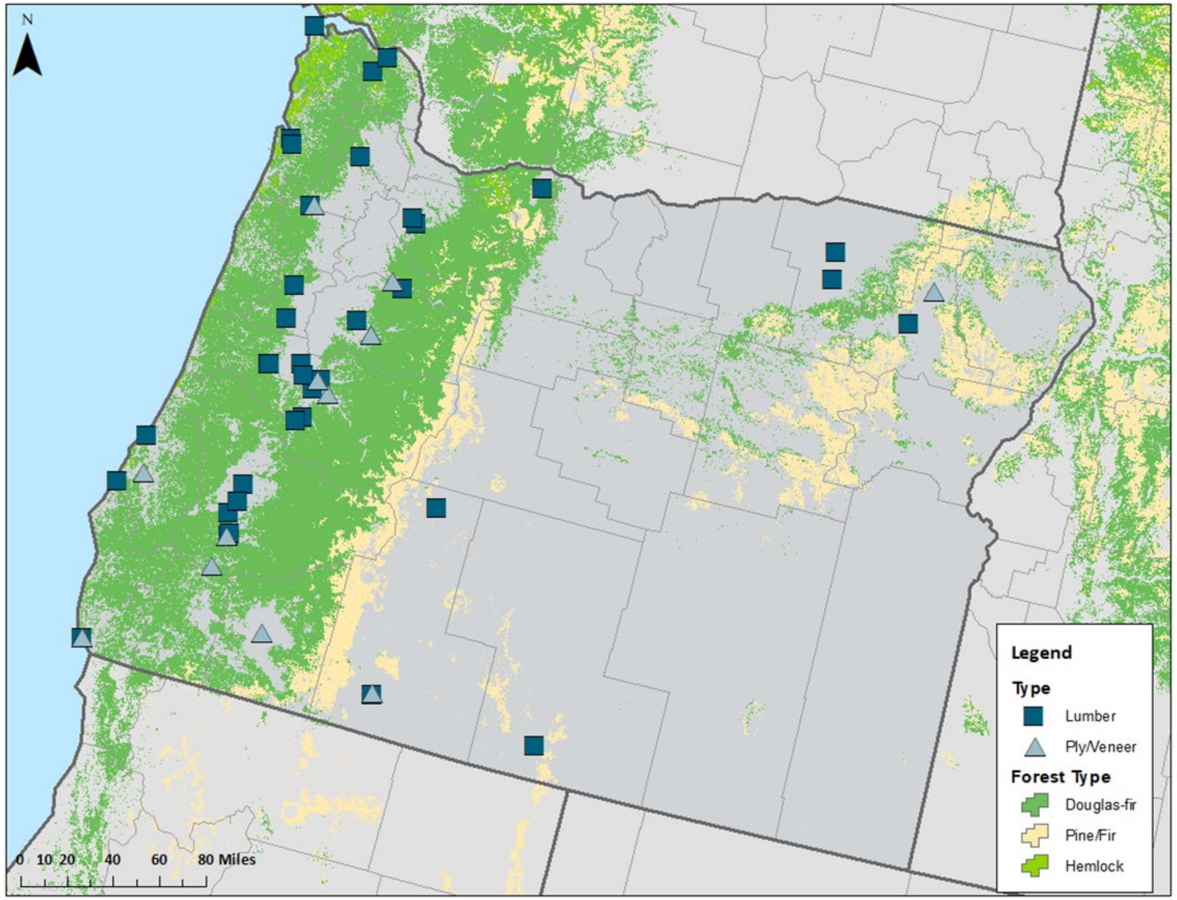
“Tree Farm” sign is a registered trademark

Log supply: Oregon timber harvest near 2008-2010 levels



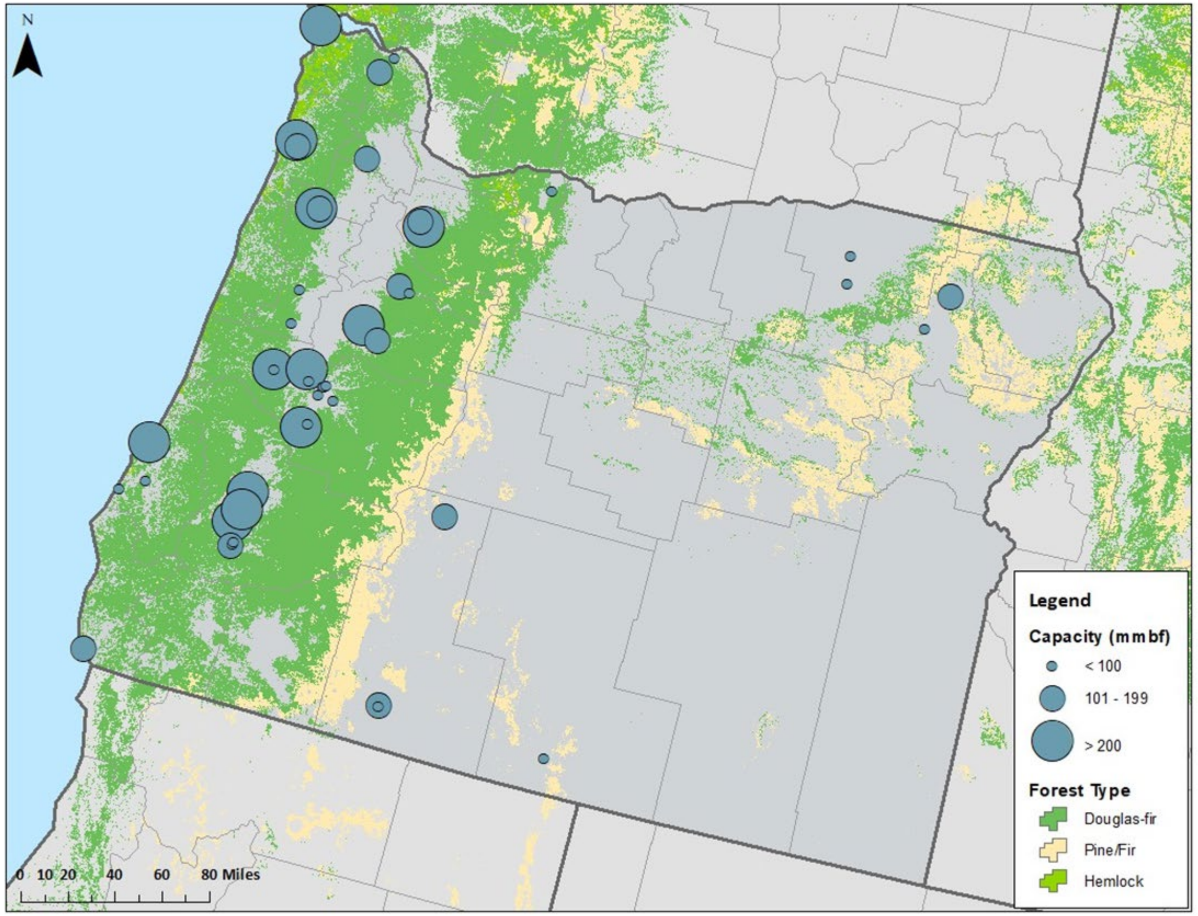
Source: Oregon Forest Resources Institute

Oregon has 50 large scale mills; (10) veneer / ply, (40) lumber

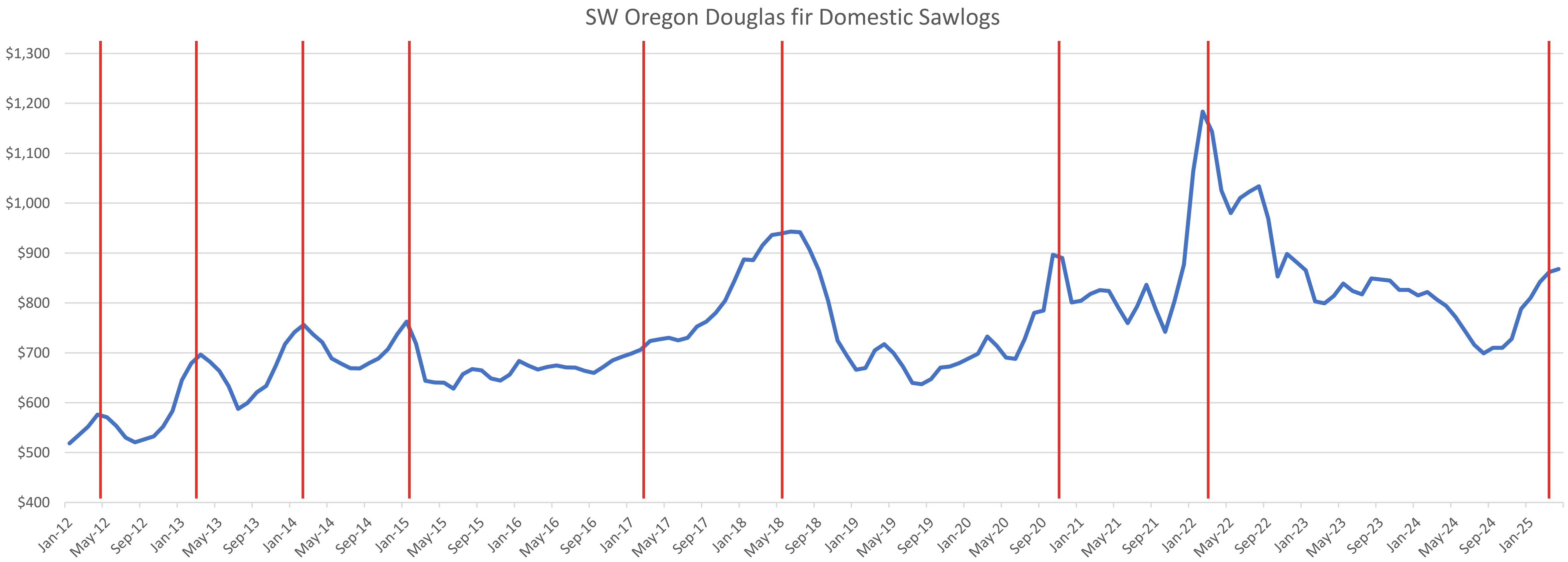


Source: ResourceWise database

Oregon mills have a log capacity of 3.5 BBF (90% westside)



Supply and demand - seasonal influence on log prices



Oregon is the leader in lumber production at 14%

Top softwood lumber-producing states (in millions of board feet)

	2019	2020	2021	2022	2023	2024	% of U.S. total for 2024
Oregon	**5,584**	**5,607**	**5,839**	**5,576**	**5,471**	**5,093**	**14%**
Washington	4,142	4,228	4,365	4,130	3,958	4,054	11%
Alabama	2,961	3,455	3,635	3,709	3,701	3,542	10%
Mississippi	2,438	2,619	2,589	3,030	3,077	3,223	9%
Georgia	2,750	3,289	3,369	3,508	3,430	3,159	9%
TOTAL U.S.	**35,164**	**36,908**	**37,301**	**37,835**	**37,307**	**36,230**	

Oregon is the leading US producer of plywood – 20 % of logs

Top plywood-producing states (in millions of square feet, 3/8" basis)

	2018	2019	2020	2021	2022	2023	% of U.S. total for 2023
Oregon	**2,475**	**2,395**	**2,291**	**2,357**	**2,189**	**2,146**	**28%**
Louisiana	1,258	1,274	1,186	1,213	1,200	1,240	16%
Mississippi	818	834	734	782	710	707	9%
Texas	670	654	679	680	670	606	8%
Washington	610	575	588	547	550	537	7%
TOTAL U.S.	**8,869**	**8,557**	**8,325**	**8,337**	**7,898**	**7,792**	

Source: OFRI and Resource Wise

Douglas fir, an excellent species for engineered wood production

Top 5 engineered wood states (by number of plants) in 2023

	Glulam	CLT & MPP	I-joist	Structural composite lumber	Total plants
Oregon	**7**	**2**	**3**	**6**	**18**
Washington	4	2	2	1	9
Alabama	3	1	2	2	8
Louisiana	-	-	2	3	5
Georgia	1	-	1	2	4
TOTAL U.S.	**35**	**8**	**15**	**19**	**77**

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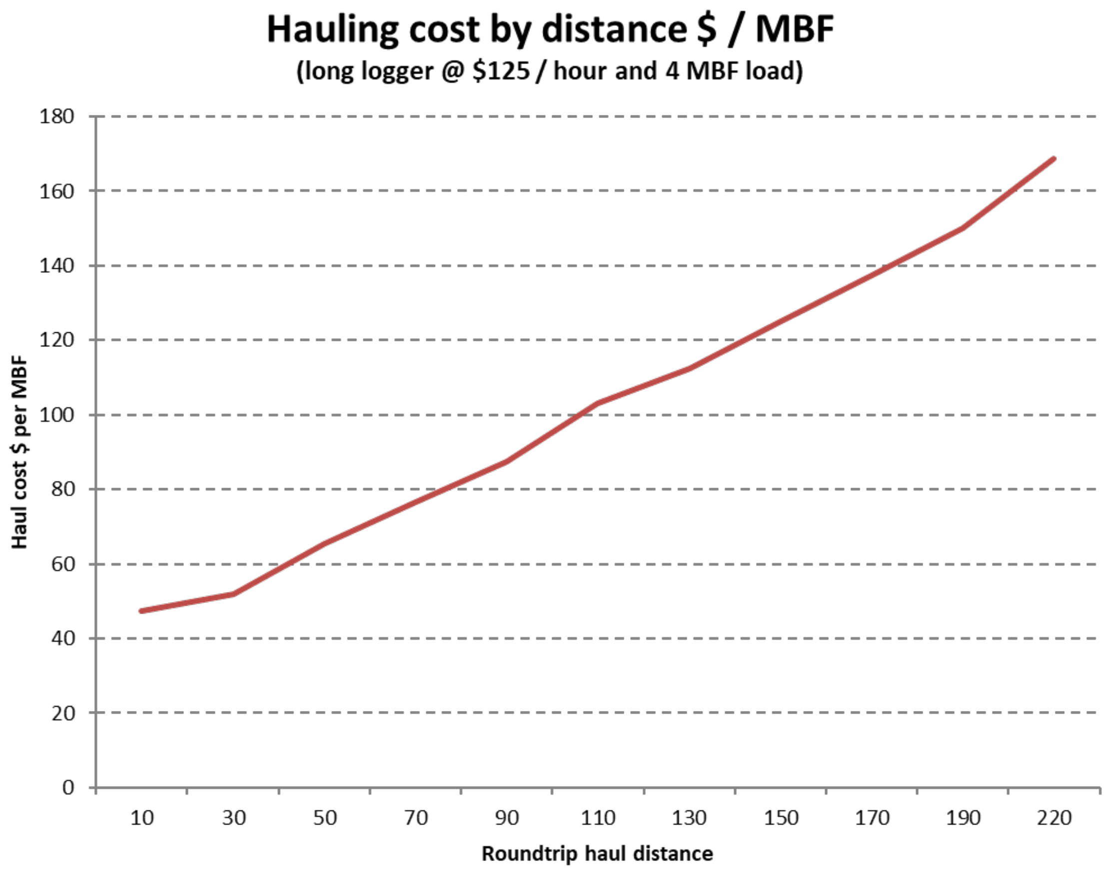
Source: Oregon Forest Resources Institute

Oregon lumber mills are very specialized and buy logs accordingly

- Douglas fir makes up 81% of production (green and kiln dried dimension, studs and timbers)
- Many mills buy logs on a matrix for preferred length and diameter
- Typical high production fir mills use 24” > butt diameter – 8” scale diameter premium prices
- 6-7” SED may be discounted $ 25-50 / MBF
- 4-7” directed to C-N-S for studs and wood chips for paper
- 24”< butts (16” scale diameter) large log mills cutting timbers and specialty products
- Hem / fir is 15% of production, primarily kiln dried dimension and studs
- Pine lumber is a small component, less than 5%, used for paneling, dimension, millwork and boards

Log hauling is expensive: in remote areas cost can exceed value



Conclusions: what does this mean to small woodland owners

- Nationally there is a persistent shortage of affordable housing
- Oregon softwood lumber and plywood plays a vital role in home construction and improvement
- Three-quarters of Oregon’s log supply for mills comes from private forests
- Log price and availability is subject to seasonal harvest constraints
- Public agency stumpage is crucial for timber supply and sustaining forest health
- Statewide timber harvest reductions of 10-20 % are inevitable:
  - Reduction in harvestable land base from Private Forest Accord restrictions
  - Labor day 2020 fires burned over 450,000 private acres of young timber
  - ODF HCP and planned timber sale reductions
  - Federal forests are not meeting timber sale goals
- On the westside there will be more consolidation of production – expect mill closures and fewer mills competing for logs
- Timber harvest policy constraints jeopardize healthy mill, logging and trucking infrastructure
- Reliable and steady timber resource is necessary to encourage long-term capital investment

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Questions and discussion?