

Monthly Market Report

July 2025



The commercial forestry sector remains in good heart with very good domestic sawmill demand and export sales to China and India chugging along. Prices have remained flat to very slightly up in Export logs which is positive for this time of year.

In Canterbury at least, we have high enquiry levels from local Sawmills looking for more log and also wanting some different grades and price levels in the mix. It is excellent to be taking enquiry around pruned log, confirming strong demand in the appearance grade lumber sector. My spies tell me things are quieter in other regions.

China is softening in terms of daily usage, now hovering close to 50,000 cubic metres compared to 60,000 last month. This drop is entirely expected as the summer heatwaves ensure lower productivity and shorter days worked. Inventory has started to increase again, currently sitting at around 4.1m cubic meters, which is not particularly healthy.

For readers who follow my report and review others, I am sometimes asked why, for example, I report inventory at 4.1mill m3 and others will be reporting a much lesser number. The difference is my numbers reflect all softwood logs across all ports. Others sometimes only report Radiata pine and some also exclude minor ports without explanation.

Prices in the wholesale sector in China are weakening, confirming demand across the eastern seaboard is also weak. Movements have been slight thus far, but sufficient to ensure it is unlikely we will see the price of NZ logs landed in China increase in the near term. Most commentary suggests it will be mid/late Q3 (September) before autumn sales will pick up with any positive movements in prices likely to remain on hold until then.

At the same time, the delivery rate of NZ logs to China has also declined, with winter, including heavy rain events impacting productivity. Current log prices are at annualised lower levels also ensuring harvest of forests at some distance from ports remains subdued.

The antics of the illustrious Donald Trump continue to impact trade which again is likely to negatively impact

demand and therefore pricing. It is great to see, despite the stupidities, wood fibre markets internationally are actually quite stable. It is also good to see an increasing number of Americans are realising their election folly which we can only hope leads to Donald's reins continuing to be pulled in.

For the moment CFR prices (cost of log landed in US\$ per m3) for NZ Logs in China are stable to rising slightly. Latest commentary suggests a general movement from US\$110 to \$113/114 per cubic metre A grade basis, with the quality of cargo and percentages of long lengths impacting final negotiations. It is looking like there will be 37 – 40 shipments from NZ in July which is 5 to 6 less than normal.

India is continuing to emerge from a market low point with small price increases being the order of the day. There has also been a crazy seller in this market buying high in NZ, selling low in India. The market generally considers their days to be numbered and none too soon for the rest of us.

Prices in India for the same A grade basis logs sit around the low to mid \$120's per m3, but sea freight rates are also much higher. Bottom line is, both markets are yielding very similar net returns to NZ forest growers at the wharf gate.

Shipping remains in an uncertain space with the recent red sea sinking of a bulk vessel by the Iran backed Houthis rebels making everyone nervous, particularly for ships heading to India. The Houthis say that any Israel-linked ship is a target including US and UK warships, but they have also attacked the ships of many nations with no connection to Israel. For the moment shipping costs are stable but availability for some destinations could become an issue.

As always, please remember the thoroughly important message, "despite the challenges, it remains, as always, fundamentally important, the only way forward for climate, country and the planet, is to get out there and plant more trees"!

Allan Laurie, MNZIF
Laurie Forestry Ltd

South Canterbury Address
22 Shearman Street, Waimate
7924, New Zealand
Phone +64 3 689 8333

Email: admin@laurieforestry.co.nz

Christchurch Address
Unit 3, No 5 Seven Mile Drive, Belfast,
Christchurch 8051, New Zealand
Phone +64 3 359 5000



Laurie Forestry Ltd

www.laurieforestry.co.nz