Monthly Market Report

October 2025

Log markets have remained stable across NZ with that stability being broadly positive for the sector. Indeed, in terms of export log prices, the current levels reflect about the last 2year average and they have been that way for the last 6 months.

At the current levels forest owners are yielding a good return per hectare. Some have suggested there have been times over the last 5 years when prices were much higher. I remind them high prices were historically followed rapidly by low prices with markets using the blunt instrument called price to manipulate supply and demand.

Of our key market in China, it is now very clear the demand for NZ logs has its foundations in a furniture and finishing market rather than the construction sector as it has been in the past. This means our wonderful Radiata pine has been recognised across the China manufacturing sector for its superior qualities in finishing componentry.

In this case componentry talks to products like finger joint lumber, edge glue panels, mouldings, and furniture components. These have been a staple export to the US for some time but are also now being used in bulk by Chinese property owners looking to upgrade and refurbish their apartment rather than buy a new one.

This is all very good news for NZ Forest owners who can rely on that market to keep chugging along. Current daily log consumption rates across the China eastern seaboard are consistently running north of 60,000 m3.

Radiata log inventory has continued falling, as at early October 2.55million m3, down 260,000 m3 on early September levels. The inventory reflects about 40 days of logs in the supply Chain. This is a low number and several years ago could have seen panic buying.

Now the Chaina market is tempered with uncertainty and a subdued sentiment, a reflection historically poor growth numbers and low activity. However, this is very much a watch this space as the Government continue to announce stimulus packages with most commentators suggesting better times ahead.

NZ is now over 80% of all softwood log deliveries to China, totally dominating the market. As I predicted from the outset, the world is finding solutions to President Trump's tariff stupidities. Our radiata pine components are finding all sorts of ways to get from China to the US avoiding high tariff countries whilst ensuring US consumers pay for their leaders foley.

The India Radiata pine log market continues at a pace where daily consumption numbers are not part of what is captured or reported. What we do know is the bonded wood in yards has close to disappeared which means logs are moving out of Kandla port as they are being discharged. This in turn means supply and demand is in balance and the market is generally positive.

The Free Trade Agreement with India is reportedly to hit the headlines in November. Success in achieving a FTA would be very good news for NZ Forest Owners, with the tariff removal on logs very quickly adding two vessels per month to our log trade.

Two vessels per month would mean an annualised increase of close to 1mil cubic metres of logs or about 1500 hectares of mature NZ Radiata pine forests. Whilst this would be very big potatoes, some have suggested we should continue to draw breath whilst we await the FTA success announcement.

Stable prices at the NZ wharf gate are also the consequence of stable shipping rates. Current levels are in the mid to low $US30's per m3 for China voyages. There does not seem to be anything in our near future that would upset that apple cart.

Meanwhile the NZ domestic sawmill scene stable and that again is good news for forest owners. Stable demand, equals stable prices, equals certainty, equals efficiency, equals productivity. Thus, every element across the supply chain should be printing black and for the most part we can say we are at peace with the world. Long may it continue

As always, please remember the thoroughly important message, 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"!

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