

# Monthly Market Report

## March 2026



The positive news expressed in January and February has certainly turned turkey in March with fuel prices and fuel availability front and centre.

I have attempted to get as recent as possible information on the log trade in to this report at its mid-March. But I must emphasise this is a highly volatile and unpredictable space at present so by the time you see this report, some elements could have changed.

I could spend the next 400 words lambasting the illustrious Donald Trump but frankly the man is not worth the space. Suffice to say he appears hell bent on wrecking the world order and seemingly unstoppable. Let us hope the November US mid-term elections can sort that one out!

The Iran conflagration is destined to have major impacts. Your average vessel taking logs from a South Island Port to China in February and March was at a hire rate of US\$30 - \$33 per JAS cubic metre.

For those not familiar with the acronyms a JAS is a Japanese Agricultural Standard log measure. This is a fall back to the early export days in NZ (1960's) when the majority of log sales were to Japan and the measure has simply stuck.

April South Island to China voyages are currently being quoted at US\$42 - \$45 per JAS with the key driver being quoted as fuel (bunker) increases. A US\$12 per m3 increase equates to about NZ\$20.

This very significant increase could in part be off-set by market price increases and a drop in the FOREX rate. But the potential gains will be well off set with Harvesting and Cartage companies needing to increase their rates to pay for a higher fuel cost. In round numbers the current maths suggests export log sales netted back to the forest owner will see a drop of about NZ\$8 - 15 per JAS m3.

I seriously hope that is not the net result by the time we get to end March, because a drop of that magnitude would see many Forest Owners calling harvest operations to a halt.

The impacts also stretch into our domestic sawmill customers who could run out of logs given reduced harvest activity. The sector wide impacts of the current

prediction are likely the most significant our industry has experience since the Global Asian crisis.

We have been increasing our sales of logs in to containers with demand high and prices currently higher than break bulk equivalent grades. An initial demand of 40 to 50 containers per month has grown 250+ per month with prices currently holding at February levels.

The very significant issue I have with all fuel companies is how can they lift the price of fuel at the pump when the fuel in the tank at the pump was purchased before the Brent Crude increase. If there is 50 days supply of fuel in NZ why then does the fuel cost change immediately at the pump when for the next 50 days the fuel cost to suppliers is at the old price?

The current practice of lifting prices well before supply cost increases is nothing short of gouging by NZ Fuel companies and that requires a please explain.

In China, daily consumption across the China eastern seaboard is a key market indicator. Daily consumption has been ticking along at 50 – 55,000 cubic metres a decrease of 5,000 m3 per day on February levels.

In early March the wholesale prices of lumber in China domestic dropped about RMB20 per m3. But commentators have suggested the China market is ticking along at good levels and all eyes are on NZ to see how supply will play out in April. If supply does drop, and at present that would be worth taking a side bet on, sales prices in China can be expected to increase further.

India is currently in similar shape as all eyes are what happens in China. Demand is strong with modest sales price increases in the mix. But shipping is much more difficult, with some owners refusing charters or playing hard ball on price. Some are quoting the Strait of Hormuz being just a little too close for comfort but otherwise the cost of fuel dominates all negotiations.

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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