

Monthly Market Report

April 2026



April has been a month of some amazing highs and lows. Uncertainty prevails with the forestry sector sitting firmly with food and fibre growers throughout the mighty NZ as we all attempt to grapple with how we manage elevated fuel prices.

As at mid-April, diesel prices are coming off some ridiculous highs as the sentiment driven Brent crude consistently remains below US\$100 per barrel. Nice to see fuel companies only badly gouging us rather than royally gouging as they were March to mid-April.

Another good news story is some reports suggesting some of those closest to the Red one in the White House are concerned he might be mentally challenged. They appear to be slow to learn in that neck of the woods....

The forestry supply chain has had to dig deep in April to ensure as little as possible impact on forest growers. Loggers and truckers look to be the ones digging the hardest, accepting rate increases to do work that do not cover diesel cost increases.

Ultimately the forest owners have the ability to call a stop harvest if their net returns fall below acceptability, so everyone has had to recognise that he/she who owns the wood calls the shots and they need to be kept happy.

In April, domestic log prices have had to lift and for the most part sawmill owners have recognised the need to keep the saw blades turning. We have also seen lifts in log prices in China and India, with customer concerns NZ supply will slow if they do not accept increases.

In NZ, despite the drive to keep going, many harvest operations, particularly those at some distance from ports, have been suspended. This is the direct consequence of the heightened cost of a litre of diesel.

Despite market forces remaining in reasonable alignment, a decrease in total forest harvest is the current order of the day, with a 7 to 10% volume drop compared to March depending on who you talk to. Ultimately that will positively impact the wider market where oversupply would otherwise quickly see selling prices drop.

International shipping continues to be the biggest talking point. Ships use a fuel product called Bunker. In early April we saw Singapore Bunker rates drop from US\$1,200 per tonne to currently about US\$700 per tonne. High charter rates

were being resisted, but the key driver appeared to be market sentiment.

Fortunately for us, the fuel companies put their handkerchiefs back in their pockets and log vessel daily hire rate negotiations swung back to the charterers. A key driver here was for almost 2 weeks, there was one only charter confirmed for a vessel for NZ logs where there is typically 50+ per month. Clearly charterers were collectively put fixing vessels on hold until supply/demand 101 kicked in and rates quickly dropped USD 3 – 4 per m³.

Out of the mire of uncertainty, the one stable element has been log usage in China. Despite the doom and gloom merchants suggesting the China economy experiencing all sorts of problems, daily usage of our wonderful Radiata pine logs has been chugging along at 65,000 m³. This is above expectation resulting in an inventory drop to around 2.7mil m³, down 400K from February.

Most expect consumption rates to drop as the hotter months approach and RMB/USD exchange rates have started to negatively impacted China exporters. On balance, most commentators have suggested CFR rates (the cost of logs landed in China) have reached a high point at/about USD128 per m³ A grade basis. Some are suggesting the market egg is just starting to show some minor cracking at the current levels. This confirms NZ exporters certainly do not want to be pushing higher.

In India market prices have been improving, as at mid-April sitting around USD152 per m³ A grade basis. The major challenge for the India market right now is shipping, with very stiff competition for other bulk cargos and the cost much higher than China voyages.

Some ship owners are resisting log cargos with some stating the Strait of Hormoz is just 1500km from Kandla port entrance where NZ logs all head to. I suspect this is a tool for negotiating rather than any sort of real safety concerns.

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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