

Monthly Market Report

June 2026



My prediction of impending drops in export log prices has regrettably come to pass. Wharf gate sales dropped \$6-10 per m³ in June across NZ ports. This was due to the combination of weaker selling prices and higher shipping costs combining in to an imperfect storm.

The better news is China market fundamentals remain ok with major further price drops unlikely to be in the mix. The price drop in June has seen a rapid slow-down in deliveries to NZ ports and that is what is needed to see any sort of recovery in July.

I had a respondent to my last report suggest we need to “stop China playing with us”. I want to put this one to bed as I have also often heard conspiracy theorists commenting negatively about the supposed China grand domination plan.

I have been directly involved in the China export log market for 30+ years. Let me assure you, there is no grand plan. The important point here is NZ is, by a significant margin, the largest supplier of softwood logs to China, currently hovering around 70 – 80% of all supplies.

A sales price tempering impact is what China traders get for NZ logs sold into the China domestic market. They currently pay NZ exporters US\$124 per m³ A grade shorts basis. The domestic wholesale price is US\$120 per m³, slightly closer negative margin than I reported in May.

In May/June another impact was a large NZ exporter trying to push prices above US\$130 per m³ until vessels were sailing with some volume not contracted or LC's issued against. This very silly history repeating tactic created nervousness amongst buyers who then folded their arms until the prices landed lower. This is a “stupid is as stupid does” NZ plan, not a China plan!

The domestic wholesale price in China is driven by manufacturing and sales – significantly furniture and moulding components to the US. Current manufacturing stats across the Eastern seaboard suggest mild but not concerning weakness.

If there is a grand plan it will be more about what pops up in Donald Trump's head when he wakes up each morning. We see ample evidence of that being a pretty scary place. The imposition of tariffs and propensity for war and the wide-ranging consequences obvious to all except Donald Trump, is what is controlling our collective destinies at present.

There is no grand plan in China to gear prices for NZ logs. If we should shorten supply, prices will lift, but only in so much as China domestic pricing will allow.

The China market is vast with multiple players operating in a highly dynamic market driven by domestic and export sales and the RMB/US\$ exchange rate. And like in NZ, each player is trying to play their own game whilst protecting their own profits, mostly without regard for others.

The softwood log inventory across the Eastern seaboard is sitting around 2.54 million m³ round numbers, down 60,000 m³ on April which regarded as unchanged by the market.

A reason for likely good recovery is daily consumption which continues to sit around 60,000, a pretty good utilisation for mid-summer conditions. There is potential for July inventory to slip below 2mil m³. That will also promulgate recovery.

Exporters continue to turn eyes toward India with solid demand and elevated deliveries not appearing to scare the market in to price drops. NZ Radiata pines logs are favoured by India sawmillers, being much better quality than other supply sources.

There is no question the impending NZ/India Free Trade Agreement is elevating interest with shipments expected to increase as a consequence. But this market is not large so it will not take much for NZ exporters to destroy their own price if too many want a slice of the action.

Current CFR prices are in the late US\$160's per m³ compared to US\$124 for the same grade in China. But shipping costs to India are much higher at around US\$70 compared to mid \$US40's for China fixtures. This then nets back to a better price point currently for India trade.

It is also great to see the NZ domestic sawmilling sector going gang buster – or at least a mild form thereof. Long may that continue!

As always, please remember “It remains 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

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

Email: admin@laurieforestry.co.nz

Christchurch

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



Laurie Forestry Ltd
Harvesting & Marketing, Consultants & Managers