Monthly Market Report July 2026

Some much better news this month across both China and India markets. Both are stable in sales prices with a reduction in shipping costs and a favourable US$/KIWI$ FOREX seeing prices at wharf NZ recovering back up to close to where they were in May.

Both markets hold a 'tread with caution' warning, and it is certainly time to be happy with our lot and not push on price or volume. Weather events and the market generally, has seen a lower harvest rate in NZ and that is certainly needed to give both markets a breather.

It is extremely disappointing to see one exporter pushing volume in to India without sales contracts and LC's in place. Those logs are now sitting in bond in Kandla with more on the way. This may yet have a debilitating impact on log prices in what otherwise remains a fragile market at present.

The India Free Trade Agreement is the hot topic at present with NZ Forestry said to be a big winner. I thought readers might be interested to learn more about this increasingly important market for NZ.

There is the usual plethora of misinformation about the opportunities in India. I can assure readers realising any opportunities will not be a cake walk.

One of the largest challenges lies in developing strategic long-term relationships with India companies. The strategic fundamentals include honesty, integrity and a strong desire to see everyone make a profit. In my view, these need to be the three guiding principles.

If I look at the history of the NZ log trade with India to date, I see many examples where the 3 guiding principles on both sides have been sadly lacking. The one thing to know about dealing with the India trade is there are many who want a slice of the action. There are even more who give little or no regard for everyone being sustainably profitable.

Thus, any trade with India, must be approached with great caution and a great deal of research and investigation to ensure the people you are dealing with hold tight to, and believe in, the 3 guiding principles.

The majority of NZ Log trade to date has been via the Port of Kandla. At present and reflecting recent increases in the log trade, this port receives 9 - 10 vessels per month of softwood logs, each on average carrying about 40,000 cubic metres of logs. There are typically 3 from Australia, 3 from Uruguay and 3 – 4 from NZ.

There are also some ongoing deliveries of logs in containers to other ports but this comprises a very small volume by comparison.

Kandla is at the top NW side of India about 130km from the Pakistan border. The city has a population of about 400,000, very close to the same size as Christchurch. The difference is, the population of Christchurch is a reliable number ascertained by Census. The lack of a reliable Census in India means any attempt at population numbers is pretty much a guess.

The Port of Lyttleton can berth 6 to 7 large vessels at any one time. The Port of Kandla has 31 berths with 7 of those just dedicated to oil tankers. There is one berth where log vessels have priority with 3 other berths available depending on first at anchor, first unloaded basis.

At the Port of Lyttleton, the average load rate is about 5,000 m3 per day (24 hours continuous). The discharge rate in Kandla is about 3000 m3 but is very much an average. Ships discharging small Australia or Uruguay logs can be much slower.

Hence, if there is 360,000 m3 of logs in a month discharging at 3,000m3 per day, ships sitting at anchor waiting to discharge are common. The total 5 berths committed to breakbulk cargos include on-going discharge of the likes of Coal, grains and fertilizers.

Sitting at anchor usually results in demurrage, which is a penalty charge on the charterer of the vessel imposed by the ship owner for unloading delays and therefore loss of earning potential.

Some shipments have seen charterers pay in excess of US$1mil for demurrage. Herein lies one of the largest challenges facing Kiwi companies wanting to expand log sales to India. More about this market in future reports.

As always, please remember the thoroughly important message. '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**

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