

# Why Are Lumber Prices Soaring?

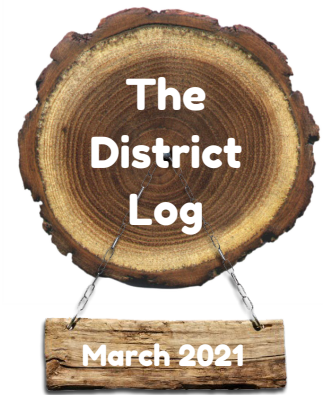
Anyone doing home projects this spring has certainly noticed the price tags on wood products. Everything from plywood to construction grade lumber has had a spike in prices, leaving many people wondering what could be happening behind the scenes. There are many contributing factors to this recent explosion in lumber prices, many of which arise from the current COVID-19 pandemic. The restrictions for stopping the spread of the virus make it difficult for lumber mills to operate with peak production. On top of this, people are unable to work due to the illness spreading through the workplace, and the price of labor and shipping has been increasing from this labor shortage. This shortage of supply, alongside an unexpected increase in demand, has led to the sticker-shock we feel today. This isn't the whole story though, so let's take a deeper dive into the lumber production process.

So to start, we can take a look at lumber mills, where they take raw wood and turn it into goods we can readily use. As the labor shortage from illness and indoor restrictions took place, lumber mills were already looking to limit production. Most producers made a forecast that there would be a recession, and that demand for construction would plummet as a result. As mills prepared for the worst, cutting production by 30% in some cases, demand for wood unexpectedly came back stronger than usual.

Where did all this demand for wood come from? As many of us are now aware, being cooped up at home leads to all sorts of ideas of home improvement. Do-It-Yourself projects are no small part for the demand in treated and untreated wood. Retail stores have had to reckon with this force, and part of this is increasing prices to meet demand. The retail sector isn't all to blame, however, as the current low interest rates on home loans have led to an uptick in home construction. Folks looking to fix up their fence or make a new patio are competing with realty companies for the same lumber, and there is only so much to go around. With Spring and Summer coming up quickly, when construction is busiest, this ongoing battle surely will not let up anytime soon.

This can leave us wondering: Will relief ever come? There is hope, as we are tackling the COVID-19 pandemic and loosening restrictions in the lumber industry. As workers are able to be vaccinated and come back to work safely, production will be able to come back online and increase supply. Loosening tariffs for imported wood, as well as other trade that will increase the lumber supply, should have the effect of lowering prices for lumber buyers. As production ramps up to meet demand, there is a big role that private forest landowners can play to help out.

Now is the time to think about managing your woods! Planning out the future of harvesting trees in a sustainable manner can help you get a fair price for what your woods are worth. If you are unsure where to start, there are resources available to you to make the best decisions for your property. Through the Forestry Assistance Program, landowners in Barry, Allegan, and Ottawa county are eligible for a free on-site review of their forest with District Forester Ben Savoie. This service provides professional advice, referrals to local businesses, and guidance through public programs to make sure you are getting the most benefit from your land. You can set up a site visit with the District Forester by calling 269-908-4134, or send them an email at [ben.savoie@macd.org](mailto:ben.savoie@macd.org).



## This Month by the numbers:

**Site Visits - 12**

**Site Visit Acreage - 224**

**Private Sector Referrals - 6**

**Public Sector Referrals - 8**

**Media Occurrences - 5**

**Open Referrals:**

**70-21-09**

**EQIP contract to implement FMP, looking to clear 3 acre patch of Scotch Pine, 20 acre parcel in Olive Township, Ottawa County.**

