



U.S. HARDWOOD MARKET ANALYSIS & STRATEGIC OUTLOOK FOR 2026

1.0 Executive Summary

As the U.S. hardwood industry looks toward 2026, it faces a strategic landscape defined by a significant and widening disconnect between nascent demand signals and the constrained realities of production. The market is entering a period of pronounced tension, where the capacity of the supply chain to respond to a potential rebound in consumption will be the central challenge. This analysis provides a data-driven outlook on the global, national, and operational factors that will shape the industry's performance, risk profile, and strategic opportunities in the coming year.

The core conflict for 2026 stems from the opposing trajectories of end-user markets and primary production. On the demand side, leading indicators are pointing toward stabilization and growth. Projections for early 2026 show homeowner remodeling spending is expected to reach a record high of \$524 billion, while November 2025 new housing starts were estimated to have recovered to a seasonally adjusted annual rate of 1,408,000—an 8.7% increase over the prior year. Yet, these positive signals are emerging against a backdrop of severe supply-side contraction. In November 2025, Eastern U.S. hardwood sawmill production fell by 14.3% from the previous month, and reports from several states indicate that logging crews have been reduced to working just two or three days per week.

This growing gap between a firming demand floor and a weakened production base defines the primary challenge for 2026. The industry's ability to ramp up harvesting and milling operations in response to a demand rebound is far from certain. The following analysis will dissect the international trade environment, the domestic economic backdrop, and the operational realities within the forestry sector to provide a comprehensive strategic outlook for the year ahead.

2.0 Global Context: Trade & Regulation

The U.S. hardwood industry operates within a complex and dynamic global environment where international trade agreements and regulations can act as significant headwinds or tailwinds. These external forces directly influence market access, pricing power, and the competitive landscape for American exports. The outlook for 2026 is shaped by a convergence of last-minute regulatory delays, persistent trade uncertainties, and entrenched domestic protectionist measures.

2.1 The European Union Deforestation Regulation (EUDR)

In a significant development for U.S. exporters, the European Union has formally postponed the implementation of its landmark Deforestation Regulation (EUDR). The new compliance deadlines are now set for December 30, 2026, for large operators and June 30, 2027, for smaller operators.

Crucially, the postponement is coupled with an agreement for a 'simplification review' of the compliance framework, scheduled for completion by April 30, 2026. This period provides a critical window of opportunity for the U.S. industry to adapt and for organizations like the American Hardwood Export Council (AHEC) to lobby for favorable adjustments, such as a proposed tweak to geolocation language. For the near term, this delay acts as a welcome



tailwind, reducing immediate compliance pressure and allowing for a more measured and strategic approach to a complex regulatory challenge. This delay provides a critical window for the U.S. industry to lobby for favorable adjustments and leverage unique compliance advantages, a strategic opportunity that will be detailed further in Section 7.2.

2.2 U.S.-China Trade Relations

Trade relations with China, a critical export market, remain a source of significant uncertainty. Despite ongoing discussions and frameworks, a formalized, comprehensive trade deal "still seems some way away." This lack of a formal agreement continues to act as a persistent headwind for the industry.

The resulting ambiguity stifles long-term planning and creates volatility in demand. While specific pockets of strength exist—notably for species like Cherry and high-demand Walnut, particularly for logs—the absence of a stable, overarching trade pact limits broader market growth and exposes exporters to unpredictable shifts in policy and market access.

2.3 Section 232 Tariffs and Market Implications

The Section 232 tariffs on imported goods continue to serve as a critical defense mechanism for the domestic wood products sector, preventing a flood of subsidized foreign competition. However, the decision to pause the escalation of these measures reveals a tacit acknowledgment of current domestic supply limits.

On December 31, 2025, the Administration issued a proclamation delaying the scheduled tariff increase on imported kitchen cabinets and bathroom vanities. Originally set to double to 50% on January 1, 2026, the rate hike has been postponed until January 1, 2027. While officially cited as a window for "productive negotiations," market analysis suggests two operational drivers behind this cap:

1. **The Ramp-Up Gap:** With U.S. hardwood production down 29% since 2022, the domestic industry lacks the immediate surge capacity to replace foreign volume overnight. According to logistics analysis by Freight Right, domestic producers would struggle to scale up quickly enough to meet the gap left by a sharp reduction in imports, particularly given current forestry and labor constraints.
2. **Inflationary Guardrails:** Implementing a 50% duty before domestic mills could refill the pipeline would have likely triggered immediate shortages. Coface Economic Research warned in late 2025 that without a synchronized ramp-up in domestic sawing, aggressive tariff hikes would simply "put upward pressure on wood prices" for the housing sector rather than immediately stimulating local production.

Strategic Implication: This delay converts the tariff policy from a "shock" weapon into a "stabilizer." It protects the current market share for American manufacturers via the existing 25% duty without breaking the supply chain, giving U.S. mills a 12-month runway to rebuild the "woods capacity" required to service a larger share of the market in 2027.

2.4 The Burden of Uncertainty: Managing in a Fluid Policy Environment

While the specific delays to the EUDR and Section 232 tariffs provide temporary operational relief, the manner in which these decisions were reached presents a distinct and ongoing



challenge. The industry is currently operating in an environment of "11th-hour governance," where critical trade policies are negotiated, threatened, and modified days—or even hours—before implementation.

This dynamic creates a profound "uncertainty tax" on decision-making:

- **Inventory & Liquidity Strain:** For lending institutions and operations managers, this volatility complicates risk assessment. Manufacturers who built "just-in-case" inventory to hedge against a January 1st tariff hike are now holding capital-intensive stock in a status-quo market. Conversely, those who liquidated inventory to avoid compliance risks may now find themselves under-supplied during a reprieve window.
- **Strategic Fatigue:** The constant cycle of preparation and reprieve risks creating "compliance fatigue," where organizations may hesitate to prepare for future deadlines (such as the new Dec 2026 and Jan 2027 dates) under the assumption that another last-minute delay will occur.

For 2026, the strategic imperative is not just compliance, but agility. Successful firms will be those that build flexible supply chains capable of pivoting between protectionist and open-trade environments without incurring prohibitive switching costs. The delay of these regulations does not remove the risk; it merely defers it, extending the timeline in which volatility must be actively managed.

2.5 The Investment Trap: CAPEX Paralysis & Structural Risk

While tariffs capture the headlines, a critical structural risk has emerged in the domestic manufacturing environment: a "CAPEX fatigue" that threatens the long-term recovery of the supply chain. Data from late 2025 reveals a distinct hesitancy among industrial operators to commit to the multi-year capital expenditures required to modernize domestic capacity, driven by policy oscillation and market uncertainty.

- **The "Wait-and-See" Contraction:** According to the U.S. Census Bureau's October 2025 advance report, new orders for non-defense capital goods (excluding aircraft)—a core proxy for business investment plans—fell by 4.4% to \$89.8 billion. This contraction aligns with Federal Reserve data showing that the industrial production index for business equipment stagnated throughout Q4 2025, registering a reading of 94.9 (Index 2017=100) in November, virtually unchanged from mid-year levels.
- **Small Business Retrenchment:** The hesitancy is even more acute among the small-to-mid-sized operators that form the backbone of the hardwood sector. The NFIB Small Business Optimism Index for November 2025 reported that only 20% of owners plan capital outlays in the next six months—a figure the NFIB characterizes as "historically weak".
- **The Growth Gap:** The National Association of Manufacturers (NAM) Q4 2025 Outlook Survey highlights a stark divergence in investment confidence. While large manufacturers forecast a 7.9% increase in capital spending, small and medium-sized firms—those most typical in the wood products industry—predict growth of just 1.4% over the next 12 months. Given current inflation rates, this represents a real-term freeze in capacity expansion.



- **Long-Term Implication:** This "investment gap" acts as a structural throttle on 2026 recovery. Even as demand signals from housing and remodeling turn positive, the lack of significant capital deployment in 2025 means the physical infrastructure needed to ramp up production—new saws, automated graders, and logging fleets—is not being installed, locking in a supply deficit that cannot be quickly reversed.

3.0 National Economic Backdrop: The Demand Floor

The domestic housing and remodeling sectors serve as the fundamental demand drivers for the U.S. hardwood industry. The health of these markets establishes a "demand floor" that dictates consumption levels for everything from structural components and flooring to cabinetry and millwork. Analysis of the latest economic indicators reveals that this domestic engine, after a period of uncertainty, appears to be stabilizing and accelerating into 2026.

Key data points from late 2025 provide a clear, positive signal for the year ahead, contrasting with weaker data from earlier in the year:

- **Remodeling Activity (LIRA):** According to the Leading Indicator of Remodeling Activity (LIRA) from the Joint Center for Housing Studies of Harvard University, year-over-year spending for home improvements is projected to rise by 2.4% in early 2026, reaching a record \$524 billion. This indicates a strong and stable demand base from the repair and remodeling sector.
- **New Housing Starts (Dodge Construction Network):** Independent estimates from the Dodge Construction Network project that privately-owned housing starts for November 2025 reached a seasonally adjusted annual rate of 1,408,000 units. This represents an 8.7% increase over the November 2024 rate, pointing toward a clear acceleration in new construction activity.
- **Contradictory Signals (U.S. Census Bureau, via HMR):** To provide a complete picture of the market's trajectory, it is worth noting that older data from August 2025 showed year-over-year declines in single-family starts (-12.4%) and permits (-15.9%). However, even this report included a bright spot, with new home sales increasing by 17.9% year-over-year, hinting at the recovery that would become more apparent in later data.

Based on the most recent and forward-looking indicators from LIRA and Dodge, the analytical conclusion is that the domestic demand floor is firming. The combination of record-high remodeling expenditures and a recovering new construction market provides a positive and accelerating demand signal for the hardwood industry heading into 2026.

With demand appearing to strengthen, the critical question becomes: what is the reality of the supply side of the equation?

4.0 The Hardwood Forestry Industry: The Supply Reality

The hardwood industry's ability to capitalize on firming demand is dictated by the operational reality on the ground. Production volumes, logging activity, and species-specific pricing dynamics reveal a supply chain that has been significantly constrained through late 2025.



In November 2025, Eastern U.S. hardwood sawmill production fell a sharp 14.3% from October, dropping to an annualized rate of 3.86 billion board feet. While November had fewer working days, the more alarming trend is the multi-year trajectory. According to the Hardwood Federation, U.S. hardwood lumber production has declined by 29% between 2022 and 2025. This is not merely a pause in production; it represents a fundamental contraction of the industry's base.

4.1 Structural Consolidation: The Permanent Loss of Infrastructure

The "word of mouth" regarding mill closures reflects a verifiable shift in the industry's footprint. We are witnessing a transition from cyclical curtailment (temporary shutdowns) to structural consolidation (permanent exit).

- **Verified Hardwood Closures:** Major players have reduced their hardwood footprint. For example, in September 2025, Roseburg Forest Products announced the permanent closure of its hardwood plant in Oregon, laying off over 100 employees. This mirrors a broader trend where mid-sized, family-owned hardwood mills—unable to sustain operations through the margin compression of 2024–2025—are liquidating assets rather than idling them.
- **The "One Mill a Week" Metric:** Data from industry advocacy groups suggests the attrition rate reached critical levels in late 2025. The Hardwood Federation estimates that the industry lost nearly **40,000 jobs** (a 10% reduction) over the last three years.
- **Collateral Damage from Softwood:** The permanent closure of major softwood mills, such as West Fraser's Augusta, GA facility (November 2025) and Domtar's Glenwood, AR sawmill (October 2025), exacerbates the hardwood crisis. These facilities supported vast networks of loggers and trucking fleets. When a large pine mill closes, the local logging infrastructure often collapses with it, leaving remaining hardwood mills without the "woods capacity" to harvest timber even if they have orders to fill.

4.2 The Logger Crisis: A Broken Chain

The constraint on the sawmill is driven by a critical breakdown in the woods. While reports from the Hardwood Market Report indicate that logging crews in several states have been restricted to working just two or three days a week, the root cause is often misunderstood as solely a hardwood demand issue.

In reality, the eastern timber supply chain operates as a "Mixed Forest Economy," where the financial viability of harvesting high-value hardwoods is inextricably linked to the volume of softwood species growing alongside them.

- **The "Keystone" Function of Softwood:** In major timber baskets, forests are rarely monocultures; they are mixed inventories of hardwood and softwood species. According to the Maine Forest Products Council's 2024 Economic Report, Eastern White Pine (EWP) often acts as the "financial stabilizer" for logging crews. A logger cannot profitably harvest a site for Oak or Maple alone if they cannot also move the Pine growing next to it. The pine provides the necessary "truckload volume" required to justify the high cost of moving heavy equipment onto a job site.



- **Cash Flow Reliance:** Recent market data illustrates the critical financial role of this species. As detailed in the Maine Forest Products Council analysis, EWP sawlogs provided essential cash flow for landowners and loggers in 2024, averaging \$208 per MBF. Without this baseline revenue, the economics of the harvest fail.
- **Equipment & Loss of Expertise:** Unlike a sawmill that can be mothballed, a logging business often cannot survive a prolonged shutdown. When cash flow dries up, equipment is auctioned, and skilled operators move on to different regions or other industries. Once this "woods capacity" is lost, it is historically slow to return.
- **Collateral Damage and the Contraction Loop:** This interdependency creates a dangerous vulnerability. When major softwood facilities close—such as the permanent closures of West Fraser’s Augusta, GA facility and Domtar’s Glenwood, AR sawmill in late 2025—the local logging infrastructure loses the volume base required to stay in business.

Consequently, when the "pine market" stagnates, the "woods capacity" available for hardwoods contracts. As evidenced by the regional price disparities noted in the Penn State Extension Timber Market Report, the health of the logging corps is now hyper-local. Even if demand for hardwood cabinetry rises, the logging infrastructure may be unavailable because the "keystone" pine volume that subsidizes the harvest is missing. This creates a "contraction loop" where the hardwood sector is starved of logs not because of a lack of its own demand, but because the mixed-forest economics no longer support the mobilization of logging crews.

4.3 Market Mosaic: Winners, Losers and Geography of Value

The industry is currently defined by a bifurcated reality. Analysis from the Hardwood Market Report in late 2025 highlights a market that is not moving in unison. There is pronounced strength in high-grade, thick stock, and export-driven specialty items (specifically White Oak and Walnut), contrasted against profound weakness in low-grade commodity material like flooring oak and pallet cants.





However, this is no longer just a story of "favored species." New data suggests that value is increasingly determined by proximity to active manufacturing.

The Geographic Value Gap Eastern White Pine (EWP) serves as the clearest indicator of this trend, demonstrating how local infrastructure dictates asset value. While often treated as a uniform commodity, pricing data reveals massive variances based on location. According to the Penn State Extension *Pennsylvania Timber Market Report* for the third quarter of 2025, EWP stumpage prices in Southeast Pennsylvania averaged \$269 per MBF, supported by a dense network of secondary manufacturers and millwork shops.

In stark contrast, the same report indicates that EWP in Northwest Pennsylvania averaged just \$58 per MBF—a nearly 80% devaluation driven purely by the comparative lack of local processing capacity.

Strategic Implication This disparity mirrors the broader hardwood trends. The value of timber is now directly tethered to the health of the local supply chain. For downstream buyers, this means that "national" price indices are becoming less relevant than regional availability. A manufacturer located in a region with healthy milling infrastructure may secure consistent material at competitive rates, while one located in a "processing desert" faces the choice of exorbitant transportation premiums or supply insecurity.

4.4 Industrial Demand: The Hidden Stabilizer

While the spotlight often falls on grade lumber for cabinetry and flooring, the industrial low-grade market—specifically railroad ties and crane mats—serves as the silent stabilizer of the hardwood ecosystem. This sector absorbs the "center of the log," providing the essential cash flow that keeps logging crews operational when high-grade quotas are restricted.

- **Railroad Ties (The Baseline):** The rail sector remains a steady consumer, anchoring the low-grade market. According to the Railway Tie Association, North American railroads require over 20 million wood ties annually to maintain their networks. Despite broader economic volatility, the Association of American Railroads reported in its *October 2025 Rail Industry Overview* that year-to-date rail carloads (through September 2025) increased by 2.1% compared to the previous year. For sawmills, this provides a consistent, non-cyclical outlet for Red Oak and mixed hardwood cants.
- **Board Road & Crane Mats (The Wildcard):** A potentially explosive tightening factor is the rising demand for "board road" (access mats) driven by the energy sector. As renewable energy projects (wind/solar) and utility grid modernization efforts expand into remote terrains, forecasting from Verified Market Research indicates the market for crane mats is projected to grow at a CAGR of roughly 4.9% through 2031.
- **The Tightening Effect:** This industrial demand creates a competitive floor for low-grade fiber. If a surge in infrastructure spending or energy exploration coincides with a recovering pallet market, these sectors will compete for the same limited pool of low-grade timber. This could rapidly pivot the market from "oversupply" to "shortage," squeezing pallet manufacturers and industrial users who have grown accustomed to depressed pricing.



5.0 Impact on Downstream Manufacturers

The supply-side data translates directly into operational and strategic challenges for secondary manufacturers, including producers of flooring, cabinetry, pallets, and millwork. The viability of these businesses is critically linked to the consistency and availability of sawmill output.

As the industry heads into 2026, the central question is whether the supply chain has a sufficient buffer to support the projected return in demand. The evidence of a constrained supply chain is clear, with significant production declines and reduced logger activity pointing to a system under stress.

However, a key counterpoint suggests some level of preparedness. According to industry reports, "Sawmills... have managed to expand log decks, easing concerns about potential lumber shortages in late fall and early 2026." This buildup of log inventory at the mill provides some buffer, but its sufficiency remains in question when analyzed by sector:

- **Flooring:** Inventories in the unfinished Oak flooring sector are described as "not excessive." This suggests there is a very limited buffer to absorb a sudden surge in demand from the housing and remodeling markets, creating a high potential for shortages and price spikes.
- **Cabinetry:** With the Section 232 tariff hike delayed until 2027, the "demand shock" initially feared for Q1 2026 has been averted. However, the existing 25% tariff continues to shield domestic manufacturers from full foreign competition. Consequently, demand for domestic hardwoods like Hard and Soft Maple will remain firm, driven by organic growth in the remodeling sector rather than a sudden regulatory exclusion of imports. The challenge here is not a spike, but a mismatch: even steady demand may outpace the availability of specific high-grade lumber items given the current production cuts.
- **Pallets & Industrial:** Pallets are a linchpin of the national economy, forming the base of more than 93–95% of unitized loads moving through the supply chain (White & Hamner, 2005). The currently depressed market for low-grade lumber could quickly become a bottleneck if broader economic activity accelerates. With infrastructure projects already securing a baseline of this material, any surge in pallet demand will encounter a tighter, more competitive market than historical data suggests, adding friction to national goods movement.

These dynamics force a critical reassessment of inventory strategy for all downstream manufacturers. The data points toward significant potential for price volatility in key grades and species, driven by supply scarcity rather than tariff-induced panic. In this environment, traditional "just-in-time" inventory models carry substantial risk. The prudent strategic response for 2026 will be a shift toward more resilient "just-in-case" inventory management to hedge against market instability.

6.0 Impact on Rural Communities

Moving beyond board feet and market prices, the state of the hardwood industry has a direct and tangible human impact on the rural communities that form its backbone. Production statistics are not abstract figures; they are direct indicators of rural economic health, community stability, and



individual livelihoods. The downturn in late 2025 is being felt acutely in towns and counties across the nation's hardwood-producing regions.

The data points translate into stark real-world consequences. While railroad ties and crane mats provide a baseline pulse that keeps some crews operational, "14.3% drop in production" is not just a statistic; it represents shifts deleted and gates locked. With major facilities like West Fraser's Augusta mill and Roseburg's Oregon plant confirming permanent closures in late 2025, this has moved beyond a "looming threat" to a realized economic loss for the counties that rely on these tax bases.

During such downturns, the industry also risks a critical loss of generational knowledge. When skilled workers leave the industry for more stable employment, their expertise is difficult to replace. Programs like the NHLA Inspector Training School, which recently celebrated the graduation of its 210th class, are essential in preserving and transferring this vital expertise. These programs ensure that a pipeline of trained professionals is available to support the industry's eventual recovery and mitigate the long-term damage of a shrinking workforce.

Ultimately, local sawmills are more than just employers; they are often the bedrock of their communities, providing a stable tax base that supports schools, infrastructure, and public services. Production cuts and financial instability directly threaten these local foundations. While the current pain is undeniable, the resilience of these communities is tied to the future opportunities that could revitalize the very industry they depend on.

7.0 2026 Outlook: Innovation & Opportunity

The current market constraints and regulatory challenges, while formidable, should not be viewed as insurmountable obstacles. Instead, they are powerful catalysts for innovation, strategic repositioning, and long-term growth. As the industry navigates the complexities of 2026, several key opportunities are emerging that could redefine its competitive advantage and secure its future.

7.1 The Reshoring Dividend

Sustained global supply chain volatility, coupled with the persistent baseline of U.S. tariffs, creates a powerful and durable incentive for manufacturing to return to the United States. While the White House issued a proclamation in late 2025 delaying the scheduled tariff increase on imported cabinets until 2027, the "uncertainty tax" of relying on foreign supply chains has never been higher.

- **The Protectionist Wall:** The government's commitment to domestic production is even more visible upstream in the raw material markets. In a parallel move to "reshore" lumber supply, the U.S. Department of Commerce finalized significant anti-dumping duties on Canadian softwood lumber. As published in the Federal Register, these duties impose rates as high as 35.53% on major producers like Canfor.
- **Strategic Implication:** This policy landscape fundamentally changes the industrial calculus. For decades, logic prioritized the lowest nominal labor cost; today, that calculus is inverting toward supply chain security. The high duties on Canadian imports effectively "reshore" the demand for appearance-grade wood, benefiting U.S. producers of species like Eastern White Pine by making foreign substitutes prohibitively expensive.



As the broader manufacturing sector seeks to immunize itself against future shocks, the value of proximity to American timber resources grows exponentially. Timber is the foundational input for this renewed industrial activity. This trend is poised to create a stable, long-term demand base for U.S. wood products, insulating the industry from the caprice of international trade politics—provided domestic capacity can recover from its current investment freeze.

7.2 EUDR: From Regulatory Threat to Competitive Advantage

The postponed EU Deforestation Regulation (EUDR) presents a unique opportunity for the U.S. hardwood industry to turn a regulatory threat into a global competitive advantage. While the delay to December 30, 2026, extends the uncertainty, it also provides a crucial window for the American Hardwood Export Council (AHEC) to lobby for its proposed "geolocation language tweak," which would streamline compliance. More importantly, the U.S. is uniquely positioned for compliance through its USDA-funded American Hardwood Assured (AHA) platform.

This platform has already undergone a successful legal assessment, confirming its alignment with EU legal frameworks. With data showing that 98% of U.S. hardwood-producing counties are already rated as having a negligible deforestation risk, the American industry is primed to lead the world in transparent, verifiable, and sustainable sourcing. If the regulation is pragmatically adjusted, the U.S. could set the global standard for compliance, turning a potential barrier into a powerful marketing tool.

7.3 The Sustainability Advantage and Domestic Innovation

At its core, the American hardwood industry's greatest strength is the resource itself. Forward-looking initiatives, such as the development of Thermally Modified Wood and the establishment of Structural Grade Hardwood standards, demonstrate a sector committed to innovation and expanding the applications for its products. These efforts are creating new markets and enhancing the value proposition of American hardwoods.

Despite cyclical headwinds and global uncertainty, the foundational truth remains: timber is the only truly renewable industrial resource. The American hardwood industry provides essential products for housing and commerce, supports vital jobs in rural communities, and offers a sustainable, carbon-sequestering solution to global industrial needs. By embracing innovation and leveraging its inherent sustainability, the industry is well-positioned not just to navigate the challenges of 2026, but to thrive in the decades to come.

8.0 Investing in Resilience: An American Advantage

The survival of the hardwood sector through the structural stress tests of 2025 is a testament to its resilience, but the industry that emerges in 2026 is fundamentally different. It is leaner, more consolidated, and operating on a tighter margin of error, with wood product manufacturing capacity utilization hovering near 69%. While production metrics and price indices tell the quantitative story of the past year—marked by the lowest annualized production volumes since 1960—they do not capture the qualitative reality: the hardwood forestry complex is an economic engine that cannot be idled without profound downstream consequences.

The resilience demonstrated in 2025 extends far beyond the sawmill gate. This industry serves as the economic bedrock for thousands of rural communities, generating a multiplier effect that sustains tangential businesses ranging from heavy logistics and equipment manufacturing to



regional service economies and household incomes. When a saw blade turns, it powers a vast network of interdependency—supporting the municipal tax bases that fund local schools, the logistics hubs that keep national supply chains fluid, and the stewardship of private lands that benefits the public good. As we pivot to 2026, the challenges of a constrained supply chain and a shifting regulatory landscape demand a unified response.

The era of siloed operation is over. When a foreign trading bloc is able to enact policy that forces the closure of a generationally held family mill even before that policy goes into effect, there is something fundamentally wrong. Navigating the year ahead requires a synchronized partnership across the entire spectrum of the industry—from the landowner and the logger to the industrial buyer, the lobbyist, and the legislator. It requires ensuring that policy and regulation, whether at the state capital or in Brussels, are informed by the operational realities of the forest floor. It demands that innovation in manufacturing be matched by innovation in advocacy, ensuring that the intrinsic value of sustainable forestry is recognized as a matter of national economic security.

Manufacturing remains the engine of our communities, and in 2025, that engine held under immense pressure. Having absorbed the loss of nearly 40,000 jobs—a contraction that directly impacted household incomes and local tax bases—the mandate for 2026 is to engage that gear with renewed purpose. By aligning the interests of industrial capacity, government policy, and community vitality, the hardwood sector will not just survive the coming year—it will define it.



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Transparency Statement

This analysis was produced utilizing a multi-model AI workflow (including Gemini 3 Pro, NotebookLM, and ChatGPT 5.2) to aggregate data and stress-test assumptions against primary sources. All conclusions, synthesis, and final evaluations were conducted by the author.