



April 2024

Demand levels over the past few months for both lumber and panels have been moderate at best. In spite of this, the mills had been able to continue to push prices moderately higher until just recently. Most spruce and yellow pine dimensional have begun giving back ground in the past couple weeks. The strength of these markets have been driven more by speculation and limited production than actual demand. Given the time of year, many buyers are leery of getting caught short on inventory in the event the market takes off. Even though most aren't in actual need of additional stock, we continue to shore up stock levels to guard against getting caught on the wrong side of the market. As we're now in mid-April and demand still hasn't ramped up, buyers have jumped to the sidelines causing prices to reverse. The OSB mills continue to retain more control over their market through cutting production. 7/16" has risen over \$4 per sheet since early February simply because there is little wood to buy. Not wanting to get caught without inventory, buyers have fought over what wood they could find in spite of not really needing the stock. That house of cards has finally given way, which only means OSB prices have stopped rising. Whether we will see prices go down remains to be seen. Overall levels still remain higher than they were at the beginning of the year. Most builders and suppliers are sticking to their optimistic projections for 2024 despite the sluggish start to the year. In relation to the most recent year of pre-COVID normalcy, pricing is still considerably higher.

Supply and availability of building materials in general continue to improve. Lead times for most products are creeping down regardless of manufacturers attempts to portray shortages. Although hiring and retaining quality people remains a challenge throughout the supply chain, real production capacity has caught up to demand needs. If manufacturers' inventory levels continue to rise, we could see some price relief in various product categories as they start to vie for market share. It's been years since we've experienced anything close to those conditions.