HMR Import Newsletter™

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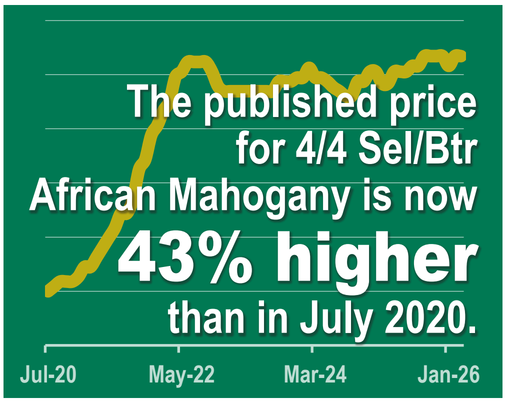
CURRENT TRENDS



Lead Story: "War Risk" Surcharges, Soaring Freight Costs, and Shipping Delays Roil Imported Hardwood Market

By Ben Stanley

Widespread shipping and other logistical disruptions caused by the American/Israeli War on Iran are having major impacts on the movement of foreign hardwoods into the United States and Canada.

Multiple contacts told HMR/Fastmarkets that the conflict, including the consequential closure of the Strait of Hormuz, has led to shipping delays across all markets. Surcharges are being applied "very liberally" by shipping companies. Transshipments have also slowed.

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Imports of Tropical Hardwood Lumber by Source Region

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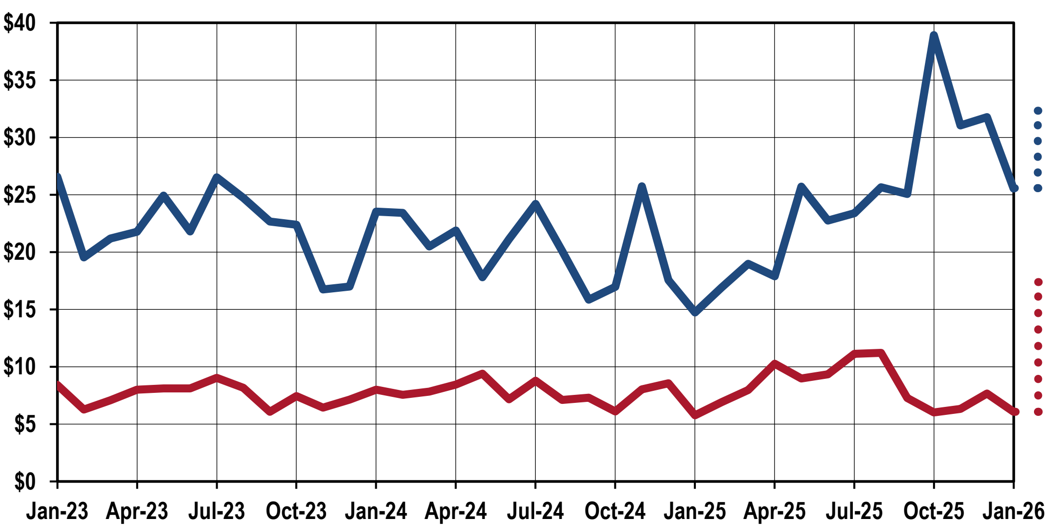
Monthly US Import Values of Tropical and Temperate Hardwood Lumber

FROM NON-CANADIAN SOURCES | Million US Dollars



Tropical Value +18%
2025 vs. 2024

Temperate Value +5%
2025 vs. 2024

Source: US International Trade Commission
Graph: HMR

Leading Tropical Species	– Board Feet – 2024	2025	Chg %	– Board Feet – Jan-25	Jan-26	Chg %
Sapele	12,082,229	12,544,910	+4%	528,354	634,703	+20%
Ipé	10,764,522	9,457,408	-12%	47,454	841,892	+1674%
Keruing	6,224,577	7,877,430	+27%	636,821	802,488	+26%
Genuine Mahogany	6,191,104	5,852,568	-5%	654,193	290,658	-56%
Balsa	2,025,286	3,729,831	+84%	175,836	370,738	+111%
Meranti	2,677,360	3,684,072	+38%	156,345	405,905	+160%
African Mahogany	3,949,308	3,097,671	-22%	194,902	426,666	+119%
Spanish Cedar	2,224,001	2,034,607	-9%	248,712	60,589	-76%
Teak	1,187,631	1,713,443	+44%	93,214	73,300	-21%
Virola	1,715,985	1,571,503	-8%	16,948	16,524	-3%
Iroko	722,832	626,652	-13%	65,674	16,101	-75%
Jatoba	152,108	338,113	+122%	12,287	37,286	+203%
Andiroba/Padauk	250,830	234,730	-6%	55,505	22,880	-59%
Aniegre	22,032	38,557	+75%	0	0	--
Tropical Total*	76,236,341	82,909,192	+9%	5,867,398	6,474,136	+10%

Leading Temperate Species	– Board Feet – 2024	2025	Chg %	– Board Feet – Jan-25	Jan-26	Chg %
Beech	25,047,873	23,142,494	-8%	1,284,235	1,385,499	+8%
White Oak	7,671,512	15,819,687	+106%	480,476	704,613	+47%
Baltic/Russian Birch	6,005,948	2,805,318	-53%	323,707	81,350	-75%
Birch (other)	2,123,161	2,314,249	+9%	174,564	170,751	-2%
Poplar	643,600	669,022	+4%	27,964	24,151	-14%
Red Oak	160,159	649,532	+306%	30,083	0	-100%
Temperate Total*	71,852,741	81,384,296	+13%	4,411,564	5,580,976	+27%

Leading Countries	– Board Feet – 2024	2025	Chg %	– Board Feet – Jan-25	Jan-26	Chg %
Brazil	26,099,920	34,124,798	+31%	619,026	2,947,257	+376%
Germany	25,241,080	23,576,363	-7%	1,246,949	1,407,531	+13%
Uruguay	11,322,535	12,204,679	+8%	400,397	1,702,427	+325%
Indonesia	13,599,923	11,805,553	-13%	2,089,265	638,516	-69%
France	3,163,768	10,586,145	+235%	369,466	558,013	+51%
Malaysia	7,630,837	9,983,219	+31%	677,496	1,165,175	+72%
Cameroon	9,252,337	9,152,767	-1%	569,029	496,576	-13%
China	6,825,807	6,962,238	+2%	994,000	337,265	-66%
Congo (ROC)	7,019,438	6,361,856	-9%	496,576	370,738	-25%
Ecuador	2,093,078	3,511,202	+68%	158,464	339,807	+114%
World Total*	148,089,082	164,293,488	+11%	10,278,962	12,055,112	+17%

*Data in tables exclude Canada
Source: US International Trade Commission

Market Commentary cont'd

"Shipping is crazy right now," commented one importer. "[It] feels a lot like COVID; lots of uncertainty and nobody wants to make any big bets at the moment given all the uncertainty." "We've seen stuff like this happen before," another importer said. "It's the uncertainty that no one likes. This is a war risk surcharge."

Increasing costs and routing changes caused by the war are adding glue to the cogs of already slow ocean transportation. Shipping delays continue out of Brazil, and one contact reported that CITES approvals for lumber from West Africa are still moving slowly. It is common to hear of shipments from Europe taking up to three months. "It's kind of a mess right now," the importer said.

Suppliers in the tropics are also being hurt, as these circumstances compound the challenges many are facing due to lackluster Chinese demand. A trusted importer talked about one African supplier operating at 50% of capacity and having to contend with "lowball" price offers from China. "It's tough for them to stay afloat," he added.

Soaring domestic freight costs caused by the Middle Eastern conflict are leading to headaches for buyers in the US. To try and minimize margin erosion, suppliers are trying to pass on additional freight costs to buyers, though some are collaborating with buyers to share costs more evenly. "Overall, logistics feel less predictable than usual, and that's affecting both planning

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Sel&Btr (Net)

Spanish Cedar (African stock)			
4/4	**4100**	+25	(3800-4320)
5/4	**4125**	+25	(3825-4350)
6/4	**4175**	+25	(3850-4380)
8/4	**4215**	+25	(3875-4400)

Jatoba			
4/4	**3900**	-50	(**3670**-4300)
5/4	**4030**	-50	(**3750**-4450)
8/4	4400		(4000-**4900**)

African Mahogany (Cameroon/Ghana stock)		
4/4	3980	(3670-**4200**)
5/4	4000	(3690-**4220**)
6/4	4020	(3710-**4240**)
8/4	4040	(3730-**4250**)

Genuine Mahogany (South/Central American stock)		
4/4	6950	(6500-**7300**)
5/4	7050	(6650-**7425**)
6/4	7090	(6690-7565)
8/4	7125	(6725-**7650**)

Sel&Btr (Net)

Sapele		
4/4	3890	**(3605-4125)**
5/4	3915	**(3630-4150)**
6/4	3940	**(3675-4155)**
8/4	3965	**(3690-4200)**

Sipo/Utile		
4/4	4200	(4000-**4500**)
5/4	4230	(4030-**4500**)
6/4	4260	(**4040**-4510)
8/4	4295	(**4050**-4540)

Ipé Decking ($ per linear foot)		
1x6	5.16	(4.70-5.69)
5/4x6	6.82	(6.15-7.43)

- All decking is S4S, E4E
- Actual sizes 3/4" x 5-½" & 1" x 5-½"
- Lengths: 30% 8'-10', 40% 12'-14', 30% 16'-20'

Prices are in US dollars per thousand board feet for kiln dried lumber measured after kiln drying ("net tally"), FOB US or Canadian import yard. Prices are presented only as a guide.

Market Commentary cont'd

and costs on our end," another importer said.

Last week, Vincent Clerc, chief executive officer of global shipping giant Maersk, told the BBC that increased shipping costs will flow on to end customers of products. It is the ability of consumers to purchase products with foreign hardwoods that ultimately drives the import market.

Shortly before publication, the Trump Administration said it was looking for "unconditional surrender" from Iran, but this was immediately rejected by Iran's new leadership.

The conflict, and the swirl of trade uncertainty it has unleashed, could come to determine the trajectory of the international hardwood lumber market for some time to come. "There is so much going on," one contact said. "Everyone is in a hold-and-wait pattern right now."

Tropical Hardwood Lumber Demand

Overall demand for tropical hardwood lumber remains flat. Relatively few changes in reported prices are evidence of that. Market participants are dealing with multiple issues, including the stagnant housing market, solid wood's loss of market share to other materials, trade conflicts, and the impacts of war.

For secondary manufacturers, the result has been one of uncertainty. Many are choosing to "wait and see" how markets react to the many challenges they face. Distributors continue to buy, keeping orders flowing.

The increased freight and shipping costs being experienced by importers will eventually be felt by customers, potentially putting a brake on demand as prices rise.

Tropical Hardwood Lumber Supply

Larger importers report solid inventories stateside. Outside of Spanish Cedar and Jatoba, demand is steady across the board. Reported prices have led to more range tweaks than listing changes this month. Several contacts spoke about less variety in import inventories these days, with future reductions in species counts very possible.

"Several contacts spoke about less variety in import inventories these days, with future reductions in species counts very possible."

The Middle Eastern conflict is increasing shipping times and raising costs. CITES approval issues continue in both Brazil and Africa for many market participants.

The cascade of issues led several survey respondents to say that orders booked now may not get to the United States until September at the earliest.

Market Commentary cont'd

Decking Markets

The Ipé market is evenly balanced, though current shipping issues have come around the time buying season starts for summer decking needs. If demand increases noticeably, this may lead to inventory shortages if shipping is disrupted for months.

Reported prices for Ipé decking have been steady for months. There are no changes to the 1x6 and 5/4x6 listings and ranges again this month. Pricing has stabilized out of Brazil for this species. One contact was concerned about Ipé supply and a decking season that could put pressure on inventories. Another importer said Bangkirai (Yellow Balau) prices are up more than 25%, if you can find any.

Species Trends

Spanish Cedar

Most tropical hardwood importers describe demand for Spanish Cedar as flat or fair, though some report slow business. Tightening supply has applied upward pressure on Spanish Cedar prices. All thicknesses saw increases to their listings, though the ranges remained in place for all.

(See page 3 for price listings and prevailing ranges for Spanish Cedar and five other tropical hardwood lumber species as well as for Ipé decking.)

Jatoba

Reported prices for Jatoba, like its demand, continue to slide. This was the third straight month of price decreases for 4/4 and 5/4. The low ends of

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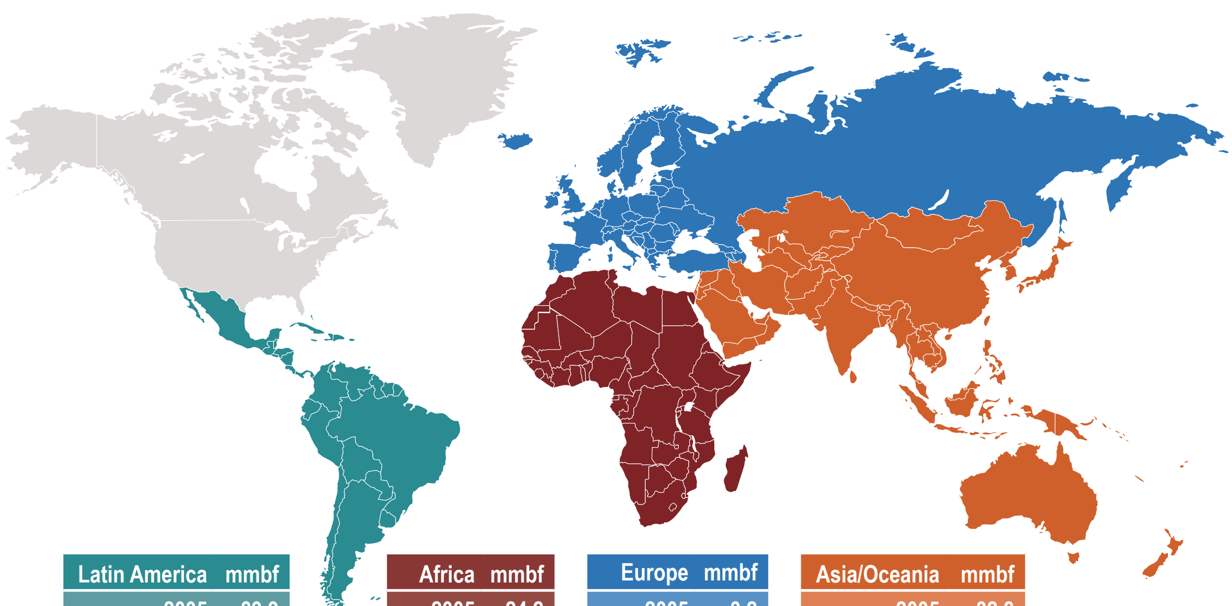
Figure 1

US Imports of Tropical Hardwood Lumber by Source Region



Latin America	mmbf
2005	89.9
2015	51.0
2024	29.0
2025	34.4

Africa	mmbf
2005	24.2
2015	34.4
2024	23.2
2025	23.6

Europe	mmbf
2005	3.2
2015	1.2
2024	1.9
2025	1.5

Asia/Oceania	mmbf
2005	32.8
2015	24.3
2024	22.1
2025	23.5

Source: US International Trade Commission

Graph: HMR

Market Commentary cont'd

the ranges for both of those thicknesses also decline. Meanwhile, higher prices at the top end of the market necessitate an increase to the upper end of the range for 8/4.

African Mahogany
Flatsawn African Mahogany remains popular with American buyers, though the list prices show no movement this month. Some importers have low inventories of thicker African Mahogany. However, reports suggest large volumes have arrived at American ports in the last 45 to 60 days, bolstering overall inventories. The high ends of the ranges for all thicknesses of African Mahogany notch gains.

Genuine Mahogany
The quiet start to 2026 for Genuine Mahogany continues, with several sales contacts experiencing slow demand. None of the published list prices warrant changes in this issue. However,

"Shipments were about 7 MMBF higher from Latin America than from both Africa and Asia/Oceania in 2025—a much smaller gap than the 50 to 60 MMBF spreads of 20 years ago."

the high ends of the 4/4, 5/4, and 8/4 ranges each drop $100.

Sapele
Demand for quartersawn Sapele is quite good, whereas flatsawn stock is drawing comparatively less interest. Like African Mahogany, some importers have low inventories of thicker Sapele, though overall industry-wide inventories are

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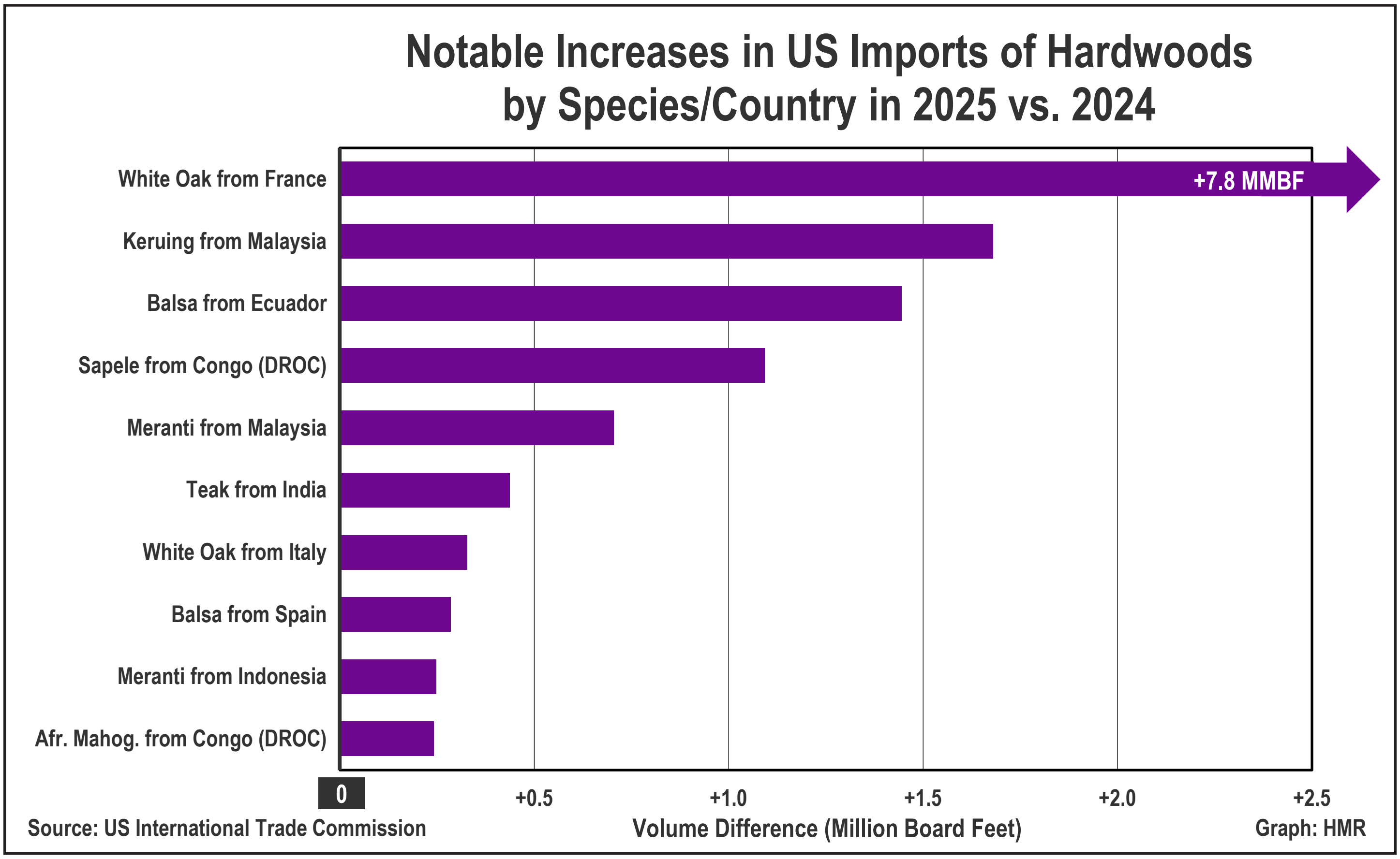
Figure 2



Market Commentary cont'd

sufficient to meet current demand. The lower and upper ends of all the price ranges climb this month, while the listings remain intact.

Sipo/Utile
Quartersawn material continues to receive more interest than flatsawn, but the overall market for Sipo/Utile is relatively slow. Inventories are relatively high in the US. March saw increases to the higher end of the ranges for 4/4 and 5/4 and drops to the lower ends for 6/4 and 8/4.

Other Tropical Species
Demand for Iroko remains “hot”, but importers are finding it is slow arriving at American ports. Interest in Afrormosia has reportedly slowed after it climbed in prior months. One contact mentioned that demand for Wenge and Padauk is fair despite ample supplies. Importers are still having a tough time getting their hands on Zebrawood, Yellowheart, and thick stocks of Purpleheart.

Trade Data

Import data from the USITC system are now available through January 2026, as reflected on the Page 2 tables. Last month’s HMR *Import* Newsletter covered the November data, with both December 2025 and January 2026 data published in the last month.

With 2025 now in the rearview mirror, several interesting year-on-year comparisons can be made. Breaking out tropical hardwood imports by source region reveals that Latin America still holds its place of prominence, with 30.9 million board feet (MMBF) shipped to the US last year (**Figure 1**). That 20% increase over 2024 is a welcome change from the steady decline of the last several

continue

Market Commentary cont'd

decades. For reference, imports from this region in 2005 were 84.7 MMBF, more than two-and-a-half times above the 2025 total.

Imports from Africa and Asia/Oceania held fairly steady in 2025, up 2% and 6% over 2024, respectively. Shipments were about 7 MMBF higher from Latin America than from both Africa and Asia/Oceania in 2025—a much smaller gap than the 50 to 60 MMBF spreads of 20 years ago.

Comparing imports of individual species from specific countries in 2025 versus 2024, some notable increases stand out (**Figure 2**). White Oak shipments from France notched the largest gain, up 7.8 MMBF over 2024, or 280%. Keruing from Malaysia, Balsa from Ecuador, and Sapele from the Democratic Republic of Congo (DROC) all climbed by more than 1.0 MMBF in 2025 over 2024.

Market participants have repeatedly commented on the popularity of European Oak in residential and commercial flooring and several architectural applications. It is also used in high-end furniture and wine barrels.

One emerging factor in French Oak adoption could also be France's efforts on the forest sustainability front. With green regulations incorporated into building codes or incentivized by financial institutions, more architects are turning to species that satisfy these regulations or incentives. In 2021, the Forest Stewardship Council unveiled a new FSC Standard for Metropolitan France that was adopted in 2025. It appears this helped fuel a gain in market share last year.

While all of this partially explains the significant 2025 increase, market participants also suspect-

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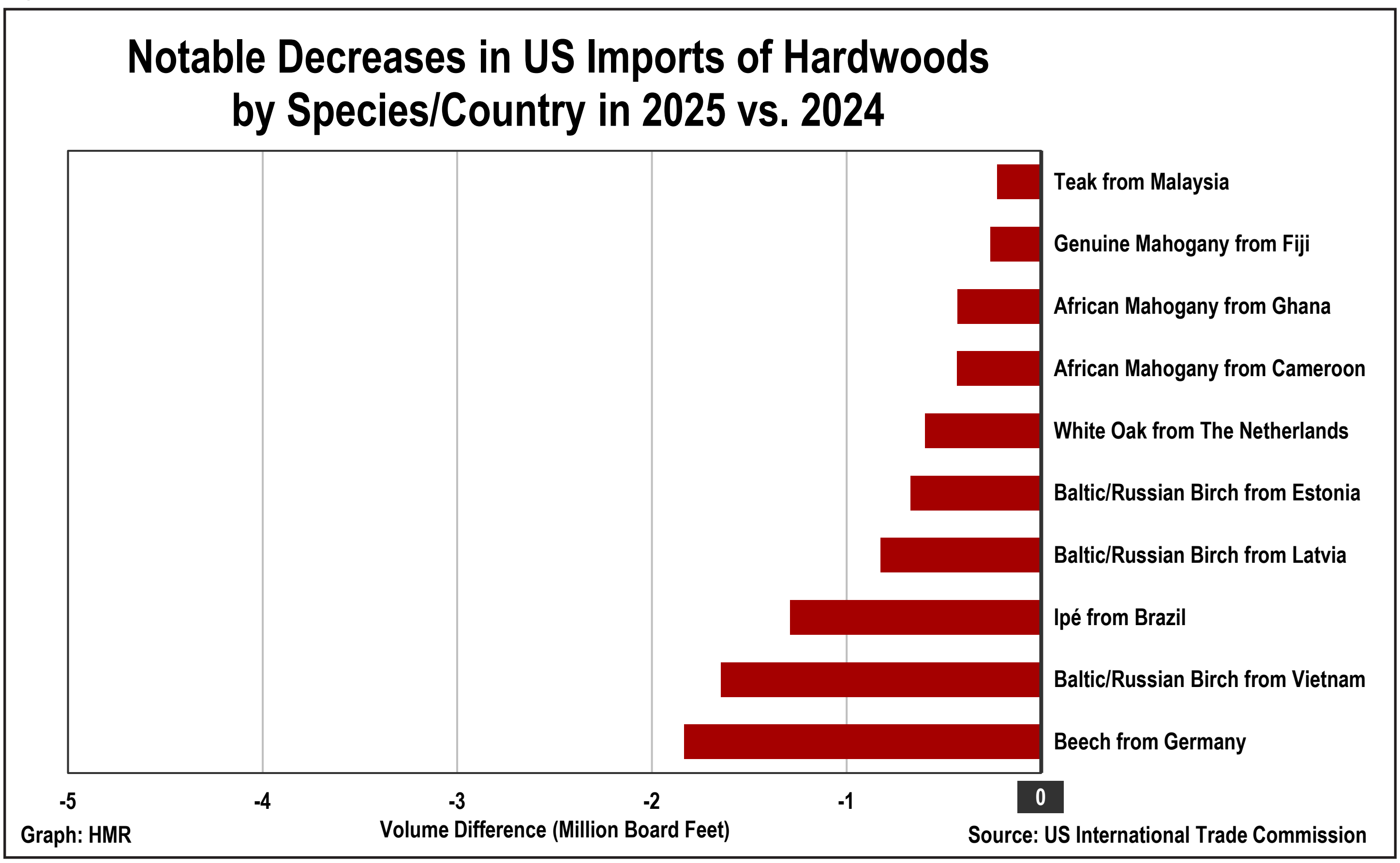
Figure 3



Market Commentary cont'd

ed that transhipment of White Oak from other countries may be incorporated into last year's notable increase from France.

With imports generally up year over year, as demonstrated in the page 2 tables, most decreases were relatively minor, with the low-water mark being a 1.8 MMBF decrease in Beech imports from Germany (**Figure 3**). Ipé from Brazil was an interesting inclusion, coming in with the third largest decrease, down 1.3 MMBF from 2024. This lines up with boots-on-the-ground reports that CITES issues, shipping delays, tariff uncertainty, the race for cheaper decking alternatives, and the rise of thermally modified products all impacted Ipé shipments.

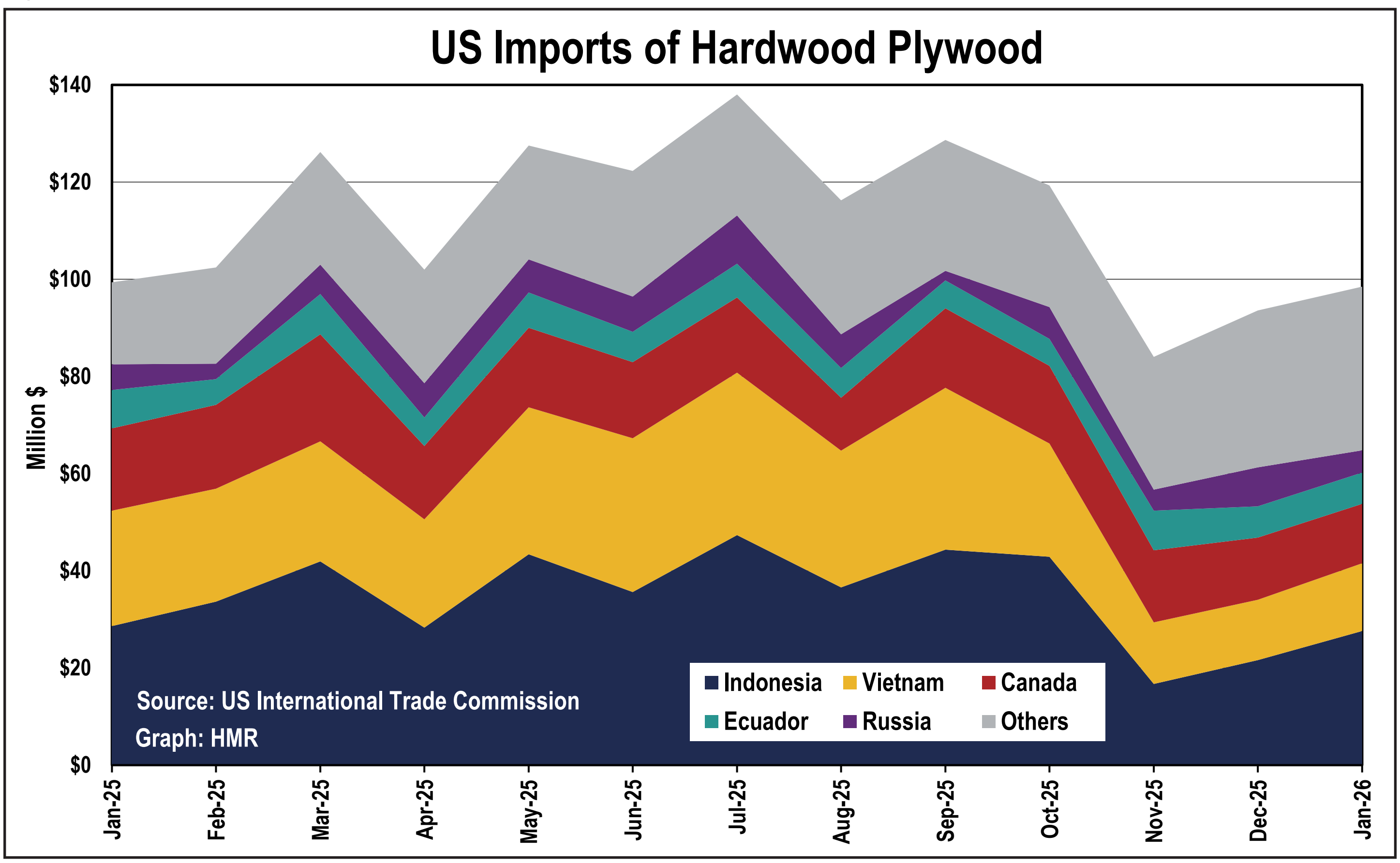
(See tables on US imports of hardwood lumber by species and country on page 2).

Hardwood Plywood Imports

The value of US imports of hardwood plywood totalled $1.36 billion in 2025, up 16% over 2024. The usual sources continued to dominate the import market, with Indonesia accounting for $421.2 million and Vietnam $299.1 million of the total trade. Collectively, these two countries comprised approximately 53% of 2025 imports by value.

Canada, Ecuador, and Russia were once again the next three largest trading partners, collectively accounting for 25% of the total trade. Comparing 2025 to 2024, imports from Indonesia were up 28%, while imports from Vietnam climbed 30%. Canada registered a 14% decline. Imports from Ecuador and Russia increased 3% and 9%, respectively.

Figure 4



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