HMR Import Newsletter™

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CURRENT TRENDS

Section 301 tariffs of 25% took effect July 22 on US imports of many Brazilian products, though most Chapter 44 items are exempt.

US imports of hardwoods from Asia/Oceania were **off 28% year-over-year through June** to an annualized pace of 24.9 MMBF.

Lead Story:

Demand for Tropical Hardwood Cools as US-Iran War Keeps Ocean and Inland Freight Rates High

By Ben Stanley

The statement that the conflict between the United States and Iran has been the most disruptive geopolitical event in 2026 is not going to take anyone by surprise.

Since the US and Israel began their military campaign against the Middle Eastern nation in late February, oil shocks from the resulting closure of the Strait of Hormuz have been felt in almost every corner of the global economy. US and Canadian markets for imported tropical and temperate hardwoods are no exceptions.

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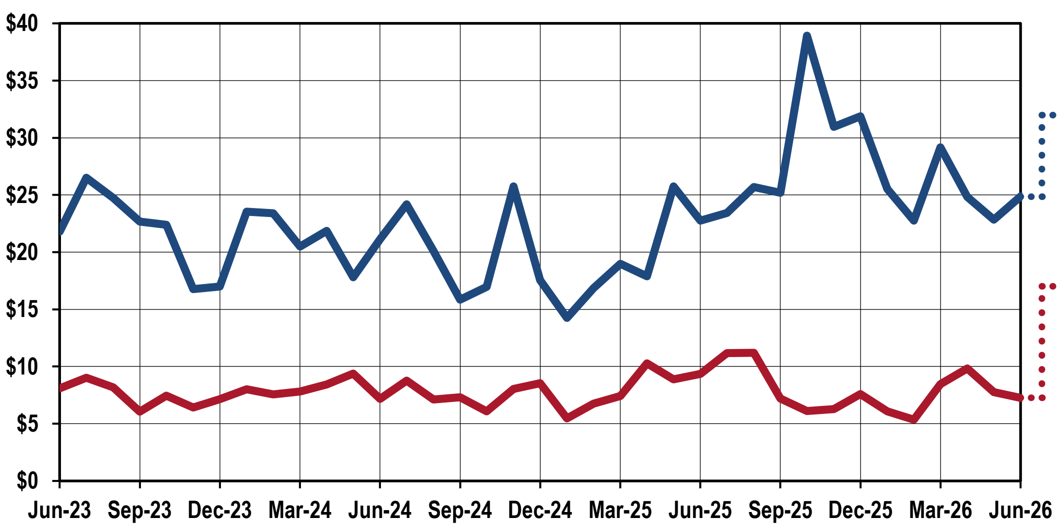
US Imports of Hardwood Lumber and Decking from Brazil
Click Here

Monthly US Import Values of Tropical and Temperate Hardwood Lumber from non-Canadian Sources

Million US Dollars



Tropical Value +29% YTD 2026 vs. 2025

Temperate Value -7% YTD 2026 vs. 2025

Source: US International Trade Commission
Graph: HMR

Leading Tropical Species	– Board Feet – Jun-25	Jun-26	Chg %	– Board Feet – YTD 2025	YTD 2026	Chg %
Ipé	588,519	788,506	+34%	2,115,110	4,864,923	+130%
Sapele	1,141,448	977,052	-14%	6,060,605	4,725,526	-22%
Keruing	1,030,862	789,777	-23%	4,076,418	3,647,210	-11%
Genuine Mahogany	183,886	443,190	+141%	2,835,824	2,467,205	-13%
African Mahogany	219,477	259,304	+18%	1,563,029	1,942,241	+24%
Meranti	251,678	236,848	-6%	1,718,104	1,735,052	+1%
Balsa	348,705	156,769	-55%	2,074,012	1,506,254	-27%
Spanish Cedar	54,234	79,656	+47%	1,078,317	577,079	-46%
Teak	160,582	93,214	-42%	1,018,999	499,119	-51%
Jatoba	3,390	88,553	+2513%	120,331	380,483	+216%
Iroko	12,711	45,336	+257%	199,986	281,761	+41%
Virola	236,425	0	-100%	841,045	194,055	-77%
Andiroba/Padauk	20,338	8,474	-58%	114,399	69,911	-39%
Aniegre	0	0	--	5,932	13,982	+136%
Tropical Total*	6,460,154	6,147,887	-5%	38,962,181	37,236,451	-4%

Leading Temperate Species	– Board Feet – Jun-25	Jun-26	Chg %	– Board Feet – YTD 2025	YTD 2026	Chg %
Beech	2,351,111	1,758,355	-25%	12,216,966	11,263,217	-8%
White Oak	1,546,929	2,009,185	+30%	4,475,967	11,256,862	+151%
Baltic/Russian Birch	181,767	158,464	-13%	1,603,281	644,871	-60%
Poplar	87,706	69,487	-21%	232,611	642,329	+176%
Ash	44,065	455,054	+933%	189,818	585,553	+208%
Birch (Other)	457,172	73,300	-84%	1,521,083	381,330	-75%
Temperate Total*	7,332,976	6,938,935	-5%	38,709,232	42,294,158	+9%

Leading Countries	– Board Feet – Jun-25	Jun-26	Chg %	– Board Feet – YTD 2025	YTD 2026	Chg %
Brazil	3,025,218	2,373,991	-22%	14,791,791	15,514,623	+5%
Germany	2,451,105	2,019,354	-18%	12,363,566	11,572,094	-6%
France	1,207,121	1,334,655	+11%	3,037,929	8,984,135	+196%
Uruguay	653,769	779,608	+19%	4,436,139	7,746,083	+75%
Malaysia	1,124,924	1,005,016	-11%	4,968,306	5,223,797	+5%
Cameroon	878,754	1,100,773	+25%	4,681,461	4,429,360	-5%
China	489,797	788,082	+61%	3,243,424	3,259,524	0%
Indonesia	1,054,166	519,033	-51%	8,151,988	2,784,556	-66%
Congo (ROC)	639,363	189,818	-70%	3,595,942	1,784,624	-50%
Congo (DROC)	139,397	253,373	+82%	1,361,348	1,700,308	+25%
World Total*	13,793,130	13,086,822	-5%	77,671,413	79,530,609	+2%

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

Market Commentary cont'd

"So much is tied to the conflict in the Persian Gulf right now," one importer told HMR/Fastmarkets. "There is some serious pain we are all having to negotiate."

Given the breakdown in peace negotiations between the combatants last month, and continued missile and drone strikes from both sides, there appears little likelihood that the conflict, which President Donald Trump initially predicted would be over within two months, will end any time soon.

Increased inland and ocean freight costs and resulting inflation have been the main domestic impacts of the on-again, off-again war. Diesel prices in the US have trended back up since peace negotiations broke off. The annual inflation rate edged down to 3.4% in July, from 3.5% in June, but it may be in for another bump over the next few months, as surging diesel prices make their presence felt across the economy again.

The upshot is American consumers are feeling the pinch, impacting their ability to spend on projects that use hardwoods, whether domestic or imported. Conversations with contacts and lower reported prices for several species confirm this reality. "It's obvious, but people are only going to spend money if they can," a trusted contact said.

US imports of hardwood lumber from non-Canadian sources reached 79.5 million board feet (MMBF) during the first six months of 2026, which is 2% higher than

continue

Sel&Btr (Net)

Spanish Cedar (African stock)		
4/4	4225	(3850-4520)
5/4	4250	(3875-4550)
6/4	4300	(3900-4580)
8/4	4340	(3900-4600)

Jatoba		
4/4	4100	(3750-**4400**)
5/4	4230	(3850-**4500**)
8/4	4500	(4050-**4750**)

African Mahogany (Cameroon/Ghana stock)		
4/4	3830	(3620-**4100**)
5/4	3850	(3640-**4120**)
6/4	3870	(3660-**4140**)
8/4	3890	(3680-**4150**)

Genuine Mahogany (South/Central American stock)			
4/4	**7000**	+50	(6500-7300)
5/4	**7100**	+50	(6650-7425)
6/4	**7140**	+50	(6690-7565)
8/4	**7175**	+50	(6725-7650)

Sel&Btr (Net)

Sapele			
4/4	**3790**	-50	**(3555-4025)**
5/4	**3815**	-50	**(3580-4050)**
6/4	**3840**	-50	**(3625-4055)**
8/4	**3865**	-50	**(3640-4100)**

Sipo/Utile			
4/4	**4175**	-25	**(3975-4450)**
5/4	**4205**	-25	**(4005-4450)**
6/4	**4235**	-25	**(4015-4460)**
8/4	**4270**	-25	**(4025-4490)**

Ipé Decking ($ per linear foot)		
1x6	5.11	(4.65-5.64)
5/4x6	6.69	(6.05-7.29)

» 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

during the same period in 2025. The latest USITC trade data show that June imports were down 5% from the same month last year.

Tropical Hardwood Lumber Demand

Tropical hardwoods have typically been more immune to economic headwinds than North American hardwoods because they are more likely to be used in projects for affluent homeowners and consumers.

While inflation is well below levels seen in 2021 and 2022, it is certainly not tame and has had a serious impact on household budgets this year. Many wealthy Americans and Canadians have not reduced spending in the current economic environment. However, many others are postponing projects involving tropical hardwoods.

Conversations with tropical hardwood importers and distributors this month reveal cooling markets, with most price movement in a downward direction. Outside of Genuine Mahogany, demand for tropical hardwoods is down almost across the board.

Tropical Hardwood Lumber Supply

While contacts indicate inventories of tropical hardwood lumber in the US and Canada are adequate to support current demand, ocean shipping disruptions and increased freight rates continue to frustrate importers. The overall sentiment from importers is there is little they can do about this. Still, most are confident that the healthy stocks already on hand will hold them in good stead for the coming months.

One importer said shipments are particularly slow out of West Africa right now. He explained that the timing of deliveries seems to be a moving target, as delays at origin ports often approach or exceed 45 days. Another importer, who buys from a mill in Ghana, said his supplier's operation flooded and that it took a month to get it back up

"Widespread flooding in West Africa has impacted a large number of sawmills..."

and running. He said there has been major damage to roads, bridges, and rail networks across West Affrica, which will take time to fix.

Further slowing in receipts from Africa seems likely given the flooding this summer.

Decking Markets

Through the first half of 2026, more Ipé (4.9 MMBF) arrived in the US than any other tropical hardwood species. Despite this, trade data show that in June, it was the third-most imported tropical species, behind Sapele and Keruing. The summer market for Ipé had already been set, with landed inventories of the species able to accommodate any and all summer decking projects homeowners were interested in embarking on.

On the supply end, Ipé log availability remains low, with post-CITES permitted log cutting sizes and other regulations slowing down movement. Reported prices did not change the listings or ranges for 1x6 or 5/4x6 Ipé decking this month.

The likes of Cumaru and Garapa were not mentioned much by contacts this month, though chatter about thermally modified decking products continues in earnest.

Species Trends

Spanish Cedar

While demand is seen as stable, the volume of Spanish Cedar arriving in the US was down 46% on the year through June. June's monthly number was up from May, but the Spanish Cedar market appears to have little energy. Despite tighter supply, reported prices for African Spanish Cedar

Market Commentary cont'd

are steady. The listings and ranges stand in this edition.

One contact said Spanish Cedar from Central America is moving a little better, but customers are looking for stock that is 10 to 12-feet or longer.

(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

Shipments of Jatoba into the US have been climbing, albeit from very low levels. USITC figures show relatively high receipts of almost 90,000 board feet in June. Demand for Jatoba has gained a bit more traction in 2026, with some contacts indicating thicker stock are performing better of late.

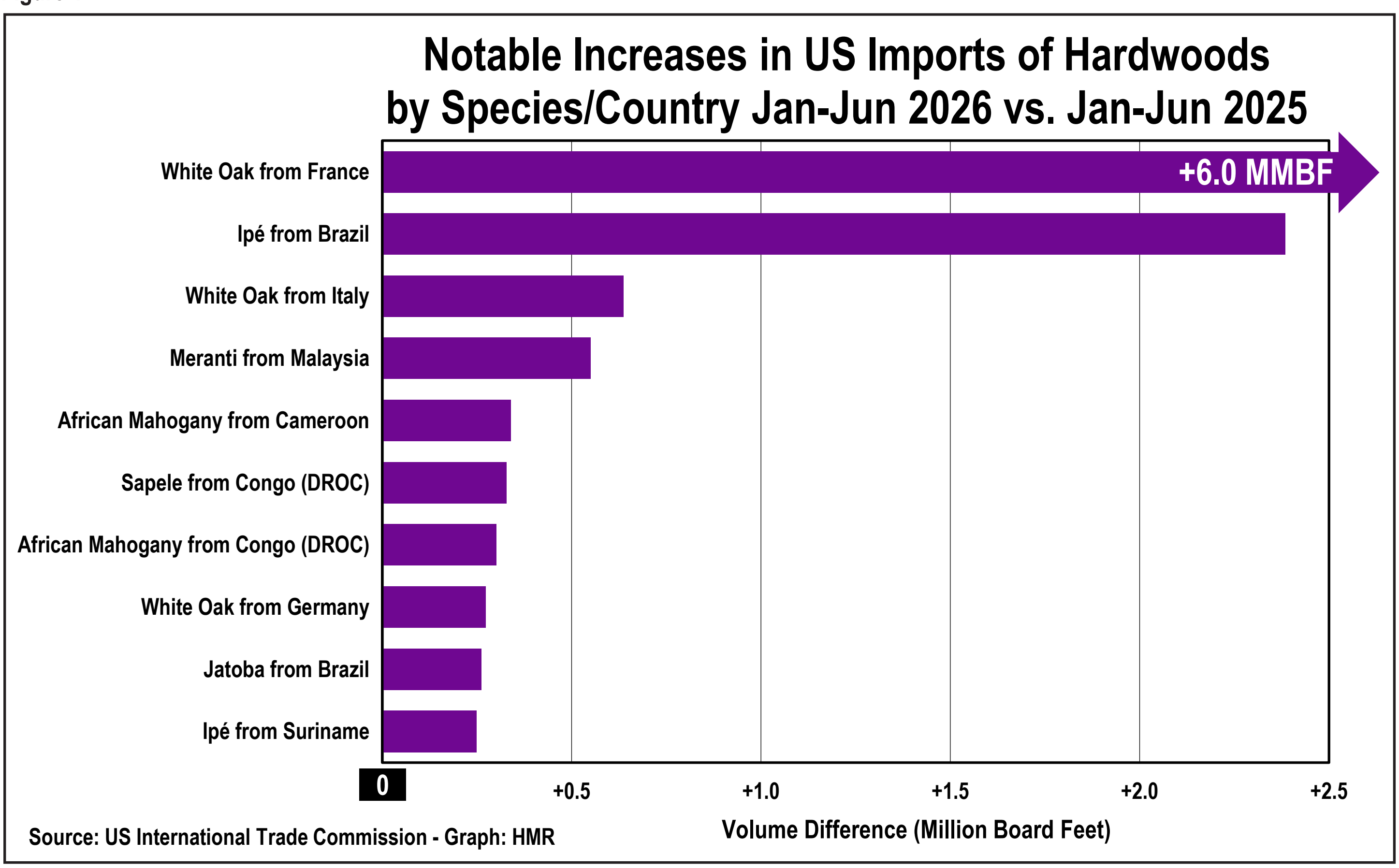
Despite this, reported prices show that the availability of the species has nudged ahead of the market's appetite for it. As a result, the upper ends of the ranges for all thicknesses decline this month.

African Mahogany

Widespread flooding in West Africa has impacted a large number of sawmills that cut African Mahogany, potentially presenting supply issues later in 2026. Yet availability of the species is not an issue right now. Both June imports and year-to-date arrivals were higher this year than last, and US and Canadian importers have healthy inventories.

continue

Figure 1



Market Commentary cont'd

Demand for African Mahogany is generally slow. The market for musical instruments is quiet, and contacts say other sectors are not showing much momentum either. Reported prices this month drive reductions to the upper ends of the ranges for all thicknesses.

Genuine Mahogany

Movement of Genuine Mahogany has been slow for most importers so far in 2026, but there are signs the needle might finally be moving. Arrivals into the US were up 141% in June relative to June 2025, and stateside demand appears to be firming. “Genuine Mahogany has been picking up steam over the last two months,” one importer said.

“Interest in European Oak is robust and growing, driven almost entirely by its popularity in flooring for high-end residential projects in urban areas.”

On the price front, one contact mentioned prices for the species at the mill have fallen but added that higher ocean freight “will eat that up.” Increased demand comes through in observed prices this month, with increases to the listings for all thicknesses, 4/4 through 8/4.

Sapele

The rollercoaster year for Sapele imports continues. Arrivals into the US were down in June and for the year to date. In the US, demand is known to be decent. One importer noted he was oversold on thicker stock, with 12/4 and 16/4 Sapele moving at a better pace. “Sapele is still leading the sales in quartersawn [too],” he added.

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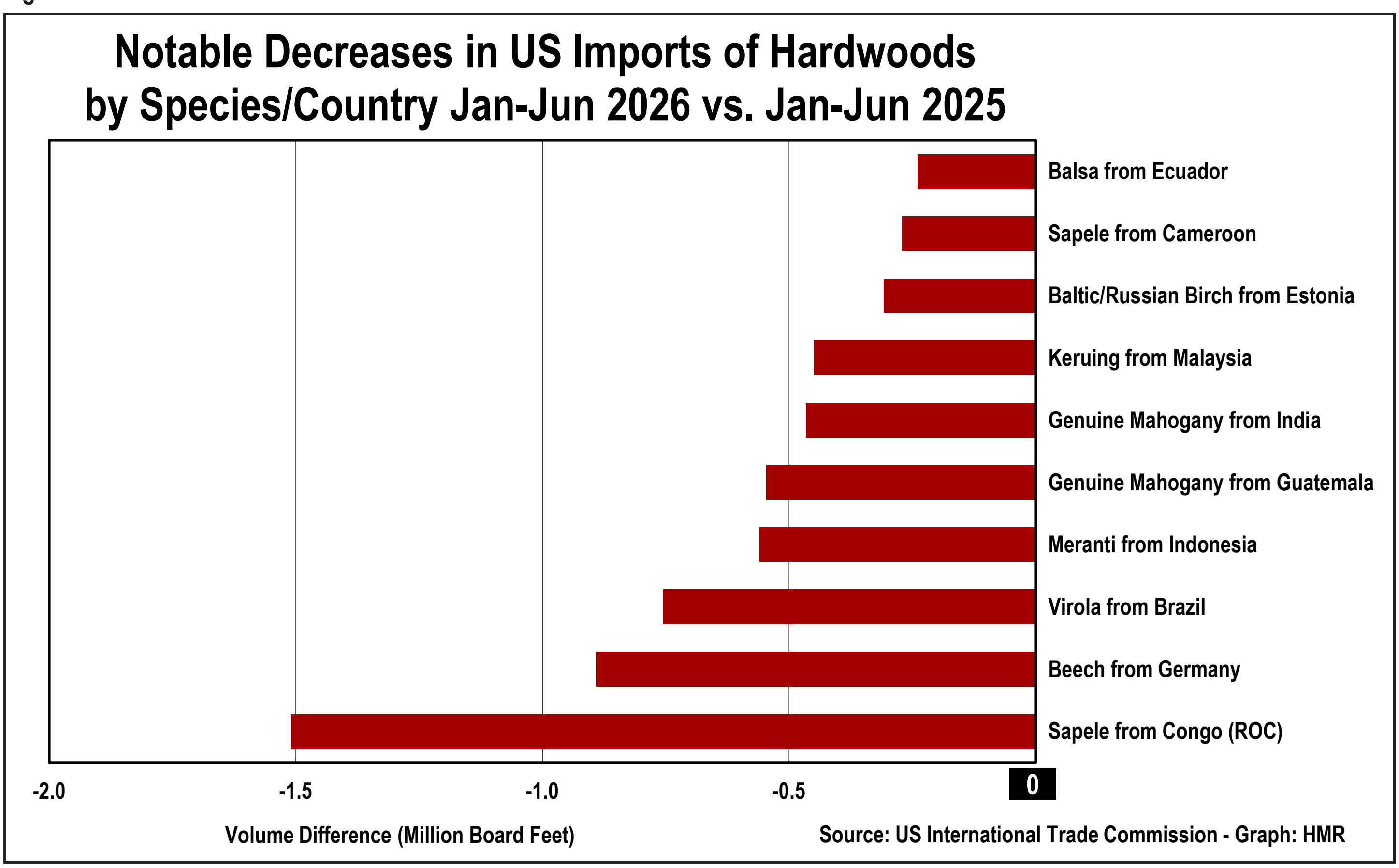
Figure 2



Market Commentary cont'd

Despite decent demand and some inventory attrition, 4/4 through 8/4 Sapele is still relatively abundant, leading to drops in all the listings and ranges in this issue.

Sipo/Utile
Interest in Sipo/Utile is low, and it is not a species that many importers talk about with a great deal of excitement. "Utile is moving along about the same as it has been," said one source that has established customers. "Quartersawn is preferred over flatsawn. Prices have remained the same, which surprises me."

Stateside inventories are known to be high enough to sustain any surge in demand, though comments from importers suggest that is unlikely. Notwithstanding steady prices for the aforementioned contact, most observed prices reflect limited demand and necessitate decreases to all listings and ranges.

Other Tropical Species
Iroko imports into the US were relatively high in June, though importers continue to mention stain issues. "If you had Iroko that wasn't stained, you will have moved it by now," one said.

Arrivals of Teak are down and not generating significant interest anyway. One contact said Padauk had been moving in greater volumes, while Lacewood is attracting little attention.

Temperate Species
US imports of Beech—the vast majority of which derive from Europe—were down 8% on the year through June. The cabinet sector, one of the primary markets for European Beech, has been slow.

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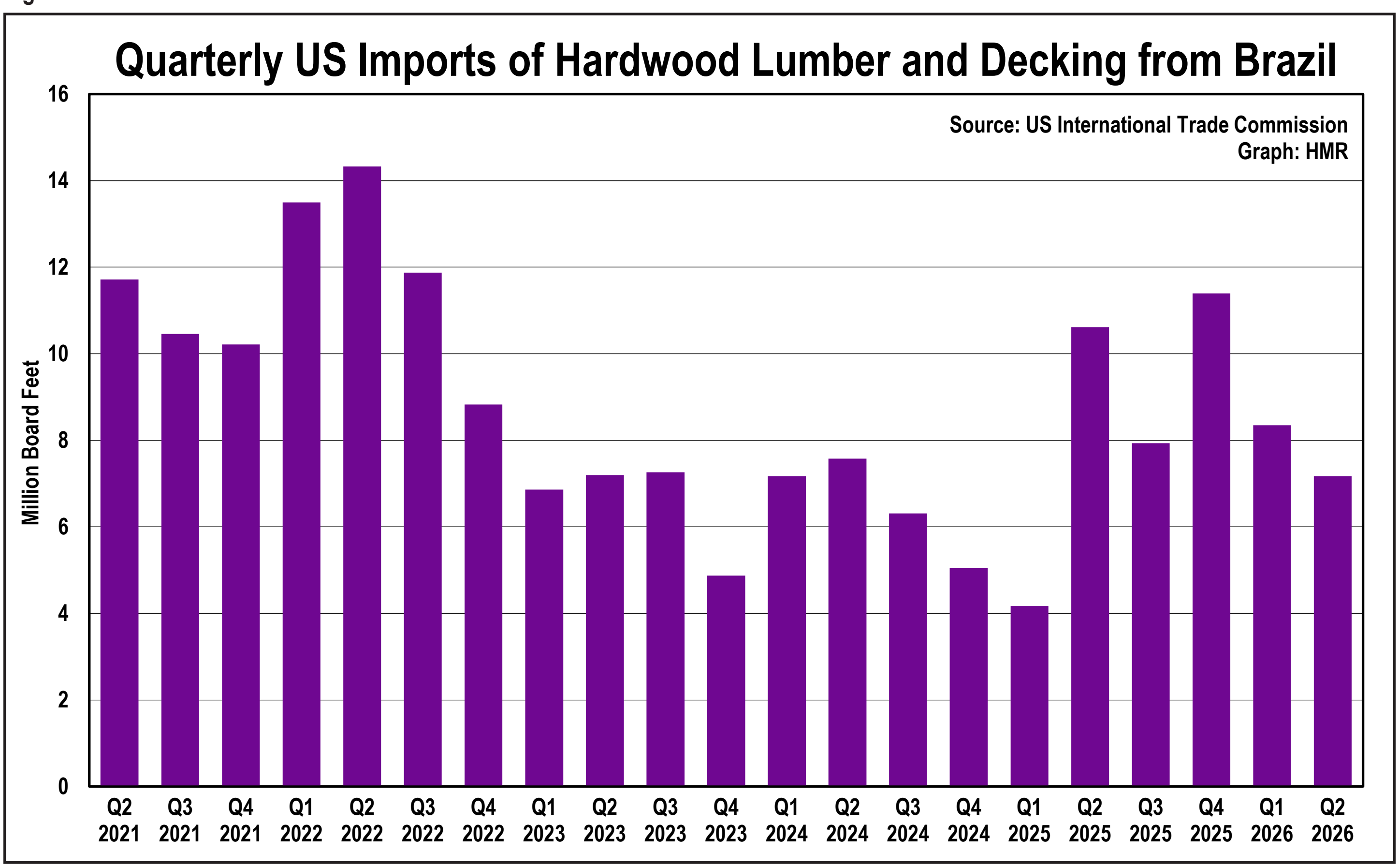
Figure 3



Market Commentary cont'd

Interest in European Oak is robust and growing, driven almost entirely by its popularity in flooring for high-end residential projects in urban areas.

Trade Data

According to USITC data, 6.2 MMBF of tropical hardwoods were imported into the United States in June, a figure that was down 5% from June 2025. Overall year-to-date figures for 2026 show that volume is down 4% compared to last year.

The continued high volumes of Ipé and the downturn of Sapele heading into the US are the big takeaways from the June data. Almost 4.9 MMBF of Ipé have arrived so far in 2026, a 130% increase over the same period in 2025. Sapele imports were 14% lower this June than last, at 977,052 board feet, and the year-to-date volume of 4.7 MMBF was down 22% from last year.

Genuine Mahogany enjoyed a bumper June, with a 141% increase in imports over June 2025, though total volume was still down 13% on the year. Jatoba imports also spiked compared to last June and are much higher, overall, in 2026. Keruing, Balsa, and Teak imports were all down in June.

Overall, the US imported just over 13 MMBF of hardwood lumber from non-Canadian sources in June, a 5% drop from the same month last year.

Brazil (2.4 MMBF) and Germany (2 MMBF) remained the two largest non-Canadian suppliers of hardwoods to the US in June, though imports did fall from both compared to the same month in 2025. In contrast, receipts from France (1.3 MMBF) were up 11% from the same month last year.

For imports of temperate species, the main takeaway is the big quantity of White Oak imported into the US (2 MMBF in June). Arriving largely from France and Germany, it is favored in many high-end residential projects. At 11.3 MMBF, European Oak is now neck-and-neck with Beech in terms of the most imported temperate species into the US in 2026. Though the numbers remain relatively small (0.5 MMBF), a surge of Ash shipments from Poland was notable in June.

“US imports of hardwood plywood totalled $108.8 million in June, a 29% increase from May. The June figure is comfortably the highest total in 2026 and the largest since last October. ”

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

Hardwood Plywood Imports

The standout stories in the recently released USITC trade data for hardwood plywood coming into the United States were the resurgences of Indonesia and Russia, in what was the biggest month of imports since the anti-dumping duties were enacted last year.

US imports of hardwood plywood totalled $108.8 million in June, a 29% increase from May. The June figure is comfortably the highest total in 2026 and the largest since last October. The following month, the Department of Commerce hit several Asian suppliers with anti-dumping and countervailing duties. June’s imports were still down 11% compared with those in June 2025.

Indonesia had become the largest foreign supplier of hardwood plywood to the US over recent years. Then, along with Vietnam and China—the latter of which now ships very little to the US due to steep duties—Indonesia was hit with duties. The value of imports from Indonesia fell to as low as $5.6 million in March, a major drop from its yearly high of $47.3 million in July 2025. However, recovery was well underway in June, when Indonesia more than tripled its May total to finish at $28 million.

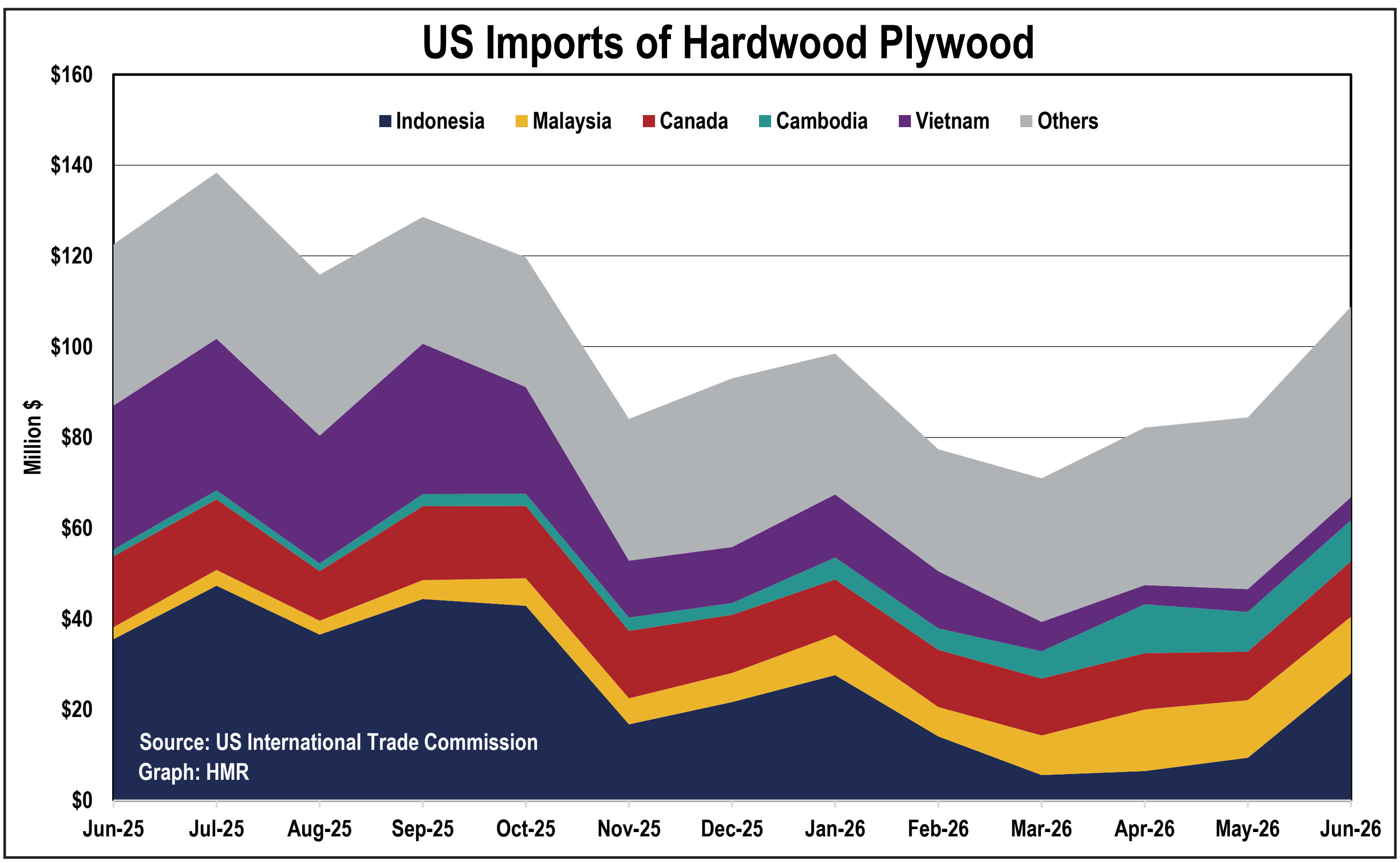
Market Commentary cont'd

With $11.1 million in June shipments to the US, Russia registered its highest monthly total since October 2023. Prior to its invasion of Ukraine in early 2022, Russia was one of the largest hardwood plywood suppliers to the US, but trade sanctions and embargos have since curtailed shipments.

Hardwood plywood imports from Canada stayed relatively steady ($12.2 million) in June. Canadian exporters to the US faced major disruption with the Trump Administration's proposed Section 338 tariffs, but these were called off at the last minute in mid-August.

Of the second-tier nations, imports from Spain ($6.8 million), Ecuador ($6.3 million), and Thailand ($5.5 million) all stayed relatively steady. It is noteworthy that Thailand, long a minor player, has now overtaken Vietnam ($5.1 million) in hardwood plywood shipments to the US. Prior to the introduction of anti-dumping duties last year, Vietnam was the second-largest supplier of hardwood plywood into the US by value.

Figure 4



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