



## NEWS RELEASE

Media Contact: Nicole Miller

Phone: 503.949.7621

Email: [nicole@wordsoutpr.com](mailto:nicole@wordsoutpr.com)

### Seven Predictions and Trends in 2017 Wood Products Market

*Freres Lumber VP makes bold predictions for 2017*

**LYONS, ORE. 1 MARCH 2017**—Professionals in America's wood products industry are interested to see what 2017 will bring, after a year where log prices increased dramatically and finished wood product prices remained subdued at best. [Freres Lumber Company's](#) Vice President of Sales, [Tyler Freres](#), published his predictions for the 2017 wood products market on the Freres Lumber Co. blog at [www.frereslumber.com/2017/02/wood\\_products\\_market](http://www.frereslumber.com/2017/02/wood_products_market). He offers a summarized version of the article:

- 1. Substantial Increase in Demand:** Housing starts are projected to be up 11 percent in 2017 and by another 11 percent in 2018. Wood products producers rarely take third-party forecasts as gospel, but, if true, there should be a substantial increase in demand in 2017. Increased industrial and commercial uses for veneer-based panels, as well as substitution of plywood for oriented strand board (OSB), could lead to much brighter plywood panel markets this year.
- 2. Decreased Panel Supply:** A major provider in the Pacific Northwest wood products market closed early this year. OMAK Forest Products [recently shut down all operations](#), which has taken a significant producer of sheathing and panels off the market.
- 3. Market Turbulence with Trade:** The [Canada-U.S. softwood lumber dispute](#), one of the largest and most enduring trade disputes between both nations, enters unknowns after the [Softwood Lumber Agreement](#) expired in 2015. With a new administration in the White House, there is buzz about potential import tariffs, which could increase uncertainty in wood products markets and affect the volume of panels entering the U.S.
- 4. Wood Product Commodities Challenged:** U.S. commodity wood products will continue to be adversely affected by increased imports due to the strong U.S. dollar, but will North American demand be enough to overcome downward price pressure? U.S. companies have tried to compete head-to-head against cheap imports but it has proven too painful. "I think we will see additional product development in 2017 as U.S. companies try to realize the highest value out of expensive resources," says Freres.
- 5. Conflict Over Resources:** Oregon's [Elliott Forest debate](#) is an indication of potential future conflicts regarding the responsible use of our nation's resources. While the Governor's plan called for assuming more state debt to buy part of the forest, would issuing \$100 million in bonds really solve the problem? The State Land Board just ruled 2-1 to proceed with the sale for \$220 million, because the state has a legal responsibility to generate revenue for the state's school children.

Linn County is pursuing a [class action lawsuit](#) against the state of Oregon alleging breach of contract for failing to maximize the long-term benefit to timber counties. They estimate that the value of foregone timber harvest is around \$1.4 billion. "Can the state afford to pay the counties back for the lost revenue resulting from lack of timber harvests?" Freres posed.

- 6. Restrictive Legislation Hampers Oregon Manufacturers:** Manufacturers have suffered greatly at the hands of the Oregon legislature. Minimum wage and paid-sick leave have left

employers scrambling to put in place policy that meet the letter and spirit of the laws while also trying to maintain a manufacturing environment.

Predictive scheduling, under the guise of providing predictability, will rob employers and employees of opportunity for overtime and the flexibility to compete during the rigors of an unpredictable marketplace. New overtime rules limit opportunity for our employees to earn a higher paycheck, and limit the company's ability to compete globally.

- 7. Promising Opportunities with Mass Timber:** Mass Timber Construction has the potential to revitalize the wood products industry. Freres Lumber is excited to be part of this promising movement by developing its own proprietary mass timber panel, the [Mass Plywood Panel](#), or MPP. "By the end of 2017, we intend to have a new production facility completed that can produce veneer-based panels 12 ft. wide by 48 ft. long by up to 24 inches thick. There is not a producer in the world that can produce a panel like what we are envisioning. We have high hopes that we have developed an advanced engineered wood product that can compete globally and realize the full potential of our local renewable resources," says Freres.

To read the entire article, visit [www.frereslumber.com/2017/02/wood\\_products\\_market](http://www.frereslumber.com/2017/02/wood_products_market). For more information on Freres Lumber Company, visit [www.frereslumber.com](http://www.frereslumber.com) or call 503-859-2121.

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### **About Freres Lumber Company**

Freres Lumber was established in 1922 by T.G Freres on the North Fork of Oregon's Santiam River. Over the last ninety years, and three generations of family management, the company has evolved from a small sawmill to one of Oregon's premier wood products manufacturing companies. The company now operates six plants, including a small log veneer plant, large log veneer plant, veneer drying facility, studmill, plywood plant and cogeneration facility. Freres is committed to maintaining modern manufacturing facilities, producing high-quality wood products, and providing family wage jobs to the local area. For more information, visit [www.frereslumber.com](http://www.frereslumber.com) or call 503-859-2121.