

The Alder Lumber Marketplace: Trends & Challenges in Manufacturing

One Perspective In a Market Where Few Have Any Idea of What
Happens Tomorrow, Much Less Next Week or Next Month

Washington Hardwood Commission Symposium

June 5, 2025



SAWMILLING IS NOT A GAME FOR THE UNDERFUNDED

HOURLY
WAGES UP
DRAMATICALLY

PARTS AND
SUPPLIES
UP WELL BEYOND
THE RATE OF
INFLATION

PROPERTY
AND CASUALTY
INSURANCE
UP WELL BEYOND
INFLATION

PROPERTY
TAXES
ARE RUNNING
AWAY

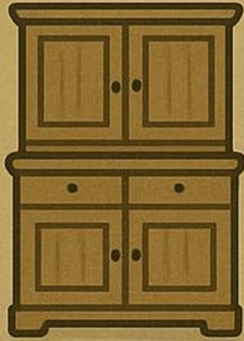
HEAT AND
SUPPLIES UP
WELL BEYOND
THE RATE OF
INFLATION

ADDED
BURDENS
OF STATE
B&O TAXES
ALSO NOW
INCREASING



HARDWOOD LUMBER MARKETS

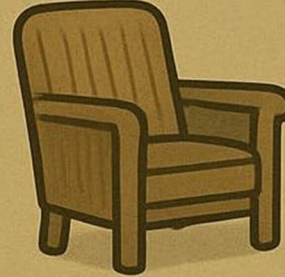
CABINETRY



**INTERIOR
DOORS AND
TRIM**



FURNITURE



DISTRIBUTION



How We Market Alder

Extensive Marketing Efforts



How We Market Alder

- Extensive Marketing Efforts
- Specialized Grades

PRM

SUP

SP4

SP5

SP6

SP7

SP8

SPW

S1F

CBT

CUS

CM2

PRE

PR4

PR5

PR6

PR7

PR8

PRW

RUS

FRA

How We Market Alder

- Extensive Marketing Efforts
- Specialized Grades
- **Width Sorts**

PRM

SUP

SP4

SP5

SP6

SP7

SP8

SPW

S1F

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CUS

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PR4

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PR8

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How We Market Alder

- Extensive Marketing Efforts
- Specialized Grades
- Width Sorts
- Remanufacturing



How We Market Alder

- Extensive Marketing Efforts
- Specialized Grades
- Width Sorts
- Remanufacturing
- Experienced Representatives Making Personal Sales Calls



Microtec CT Log Scanner

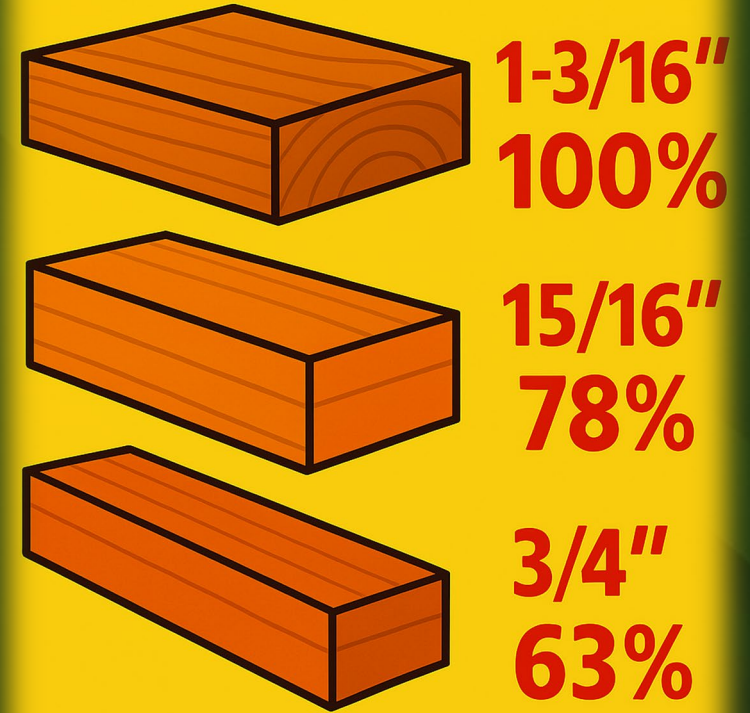
- Game changer on recovery.
- Look for on your tour



Efficiently Using the Resource

- One example of where the industry may head

BOARD THICKNESS



BOARD THICKNESS

**DON'T COUNT
SUSTAINABILITY
EITHER**



**HASN'T
HIT
NORTH
AMERICA**

**IT IS A BIG FOCUS
AT CONSUMER
PREFERENCE
LEVEL IN
EUROPE**

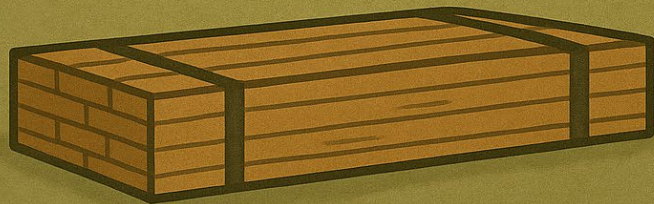


**SOLID WOOD HAS
A GREAT CARBON-
CAPTURE
STORY**



Questions on the Alder Lumber Marketplace

TREE FARMER



Optional Information on Current Alder Markets

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Alder Outlook – Timber

- Prices are likely to stay at the current lower levels for an extended period of time
- Alder harvests dependent on softwood harvests. Need better stud and sheathing markets.



Alder Outlook – Timber

- Need surge in consumer confidence around durable goods purchases
 - lower mortgage rates
 - fewer regulations that constrain builders
 - affordability will continue to be a huge hurdle to home ownership.
- Jump in credit use will be an anchor as spending patterns get adjusted to pay for.
 - Jump is centered around rent, food, travel and entertainment expenses.
 - Resumption of student loan payments will also hold back any recovery.
- Key for Alder is not multi-family, or even starter homes.

Alder Outlook – Lumber

- Cascade and its primary competitor have ample inventories of domestic-oriented and export-oriented lumber which will keep prices very competitive
- Lumber demand will require the same changes noted previously noted in consumer confidence, affordability and credit use to recover significantly.



Alder Outlook – Lumber

- The good thing in Alder lumber is that it is produced at a scale by two primary producers that the mega-manufacturers like.
 - This is where Alder shines with ourselves and NWH being able to ship volume.
- Proximity to markets will also benefit Alder lumber producers when there is a turnaround.