

# Weekly Article

5-10-2021

## Sky High Lumber

Hello, my Name is Richard Purdin with OSU Extension, Ag and Natural Resource Educator and Community Development Educator for Adams County. I hope to better inform local producers and the public of the latest news in the world of Agriculture. Where did spring go? This is the question that I have asked myself lately with daytime temps struggling to reach the 60's and nighttime temperatures dancing around the low 40s and upper 30's. The beginning of May has been a classic case of strawberry winter. Looking ahead the forecast looks drier but still below normal temperatures are expected in the 10-day outlook. The cold and wet weather has slowed row crop and specialty crop planting progress, but one thing it has not slowed down is the rise in lumber prices, with a 180% increase in prices of lumber in one year many farmers are putting off building improvements and expansions. I want to share some key points from an article written by Brent Sohngen, *Professor Environmental and Natural Resource Economics*. The full Article can be found at <https://u.osu.edu/aede/2021/05/08/whats-going-on-with-lumber-prices/>

The steady rise in lumber prices and other forestry material has many producers putting off building projects and wondering what the cause of the dramatic increase in price is due to? From 2"x4" boards to treated fence post prices have increased 180% and supplies are limited to nonexistent. The most notable cause of this is the dramatic increase in demand due to pandemic related home building and improvements. So here are a few factors effecting supply and demand of wood products on the local and national level.

1. Home remodeling and construction increased due to more people be quarantined at home during the pandemic.
2. Dramatic rise in steel prices. Wood is a cheaper substitute to steel (even at current prices); this has led to more demand for wood.
3. Supply is tight, this does not mean there is not enough trees but rather it is harder for timber harvesters and processors to keep up.
4. 50% of trees in the U.S. are grown on plantations and most plantation owners are pickier about how many and when to harvest due to the trees are actively growing and can increase in price 8-12% each year of growth.
5. Imported lumber from other countries are largely grown on government-controlled land with cutting restrictions.
6. Other countries are expanding the size of their tree plantations.

7. Get used to the high prices, as the world emerges from the pandemics demand is expected to stay strong and trees don't grow over night!

Some other details to go over:

- USDA FSA will open a sign-up period for CFAP #2 Assistance program for Livestock, row crop, and specialty crop producers effected by the Coronavirus pandemic. Call (937) 544 -2033 for assistance.
- May is Beef Month. Remember to Eat some Beef and then thank the cattle producers who work hard everyday to produce a healthy and safe product for you and your family to consume!
- May 20<sup>th</sup> Duck and Chick pickup for 4-H members at the fairgrounds 4:00 to 5:00 p.m.
- July 15<sup>th</sup> is the set deadline to report acreage planted to spring crops such as corn, soybeans, oats, alfalfa, Tomatoes, Potatoes and more. Contact the FSA Office to report once crops are planted.

From the field

- Soil Temperatures around 60-62 °F
- Winter Wheat Fungicide applications.
- Winter wheat is in growth phase Feeks 9-10 Flag leaf has fully emerged.
- Tall Fescue and Orchard grass is almost fully headed.
- Increased slug presence in cover crop fields and No-till field with heavy weed pressure.
- Alfalfa Weevil increasing in population (early harvest can help slow spread).
- Pastures look to be in excellent condition.
- Small grains are being harvested for forage or silage.