

IMPACTS OF FEDERAL CHANGES FOREST INDUSTRY UPDATE

House Committee on Agriculture, Food Resiliency &
Forestry

November 14, 2025

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FEDERAL ISSUES



- **Funding**

- USFS (provides 1/3 of Forestry Budget)
 - FY25: Most grants awarded (reduced), still missing 1 key grant \$450K
 - FY26: Funding Levels are still up in the air
 - President's Budget zeroed out USFS Support to States;
 - Congress working on reinstating funding at FY24 levels before shutdown
 - CR: USFS at FY24 levels, \$303 million for State & Private Forestry
- Other Federal Funding: Delays (NBRC, USDA Disaster \$31M for VT)

- **Policy**

- Fix our Forests Act: Bipartisan Legislation to speed up management, fire
- USDA Reorganization: VT has shared concerns about consolidation
- Good Neighbor Authority: USFS asking states to manage federal lands

IMPACTS ON MARKETS



- **Log exports** have picked up a bit recently.
 - For some, loss of the Chinese log market has limited impact, exports shifted to Vietnam/Korea/Malaysia.
 - Vietnam has limited milling capacity, so they are generally only interested "hot" species.
 - Concern that the loss of the Chinese market will outlive the tariffs.
- **Exports to Europe are slow**
 - Europe over-bought in advance of potential tariffs.
- **Imports from Brazil:** The loss of Radiata pine from Brazil has not made a difference for domestic pine producers – logs are coming from New Zealand and Chile now.
- **Steel & aluminum import tariffs** have impacted all levels of the supply chain with increased costs/reduced availability for parts and equipment.

IMPACTS ON MARKETS



- **Canadian consumer demand** is being affected by turmoil in the housing markets.
 - Condos that were selling for \$1500/sq ft in 2022 are now going for \$800/sq ft.
 - Low prices impact new construction as builders can't break ground until existing units sold
- **The US domestic market** continues to be affected by uncertainty and other factors.
 - Overseas demand for US timber has decreased due to tariffs and trade wars
 - Mills downsized/reduced production to prop up prices when domestic demand did not increase
 - Hardwood has become a specialty and high-end market product.
 - Buyers are being pickier, but they are still buying.
 - Relatively low price of lumber plus increasing costs of production (electricity) is a challenge
 - Chance of shortage-driven price increases as trade restrictions ease
 - BUT production levels are low, and mills will struggle to respond to an increase in demand

Big picture takeaways:

- Biggest impact of federal changes is **uncertainty**, which creates a wet blanket for the sector.
- BUT many impacts have been mitigated (or at least softened) as work arounds are found.

OTHER ISSUES



- Upcoming Legislative Session:
 - Reform of Forest Fire / Fire Prevention Statute (Title 10, Chapter 83, Sub-Chapter 4)
 - Wood Products Permitting Report Recommendations
- 2025 Wildland Fire Season and Actions
 - Over 80 fires, FPR Responded to 15, Use of Helicopter in Initial Attack
 - Need more red-carded individuals; funding proposal
- Recent Accomplishments
 - Clean Water Work (VEDA, SLoCAMP, Forest Road Rehabilitation)
 - Private Lands: UVA Standard and Online Portal for Document Submission
 - State Lands: New Planner, Wood Warms, Primitive Camping Rules

Vermont Agency of Natural Resources
Department of Forests, Parks and
Recreation

Division of Forests Strategic Plan

July 1, 2025 - June 30, 2028



THANKS FOR YOUR ATTENTION!