

THE 2026 FOREST REPORT
AN ECONOMIC SNAPSHOT OF OREGON'S FOREST SECTOR



Oregon Forest
Resources Institute

A man wearing a black and neon yellow high-visibility jacket and a black baseball cap with a logo, smiling in front of a large stack of lumber. The text 'OREGON'S FOREST ECONOMY' is overlaid on the bottom half of the image.

OREGON'S FOREST ECONOMY

OREGON'S FOREST-BASED ECONOMY

Forests cover almost 30 million acres in Oregon, nearly half of the state. Humans have benefitted from them since time immemorial, with Indigenous peoples of the region using forest resources for housing, food and clothing.

Today, our forests continue to be a vital natural resource that supplies the raw material for Oregon mills to make a variety of consumer products ranging from lumber and plywood to mass timber. Forests support many local, family-owned businesses across

ABOUT THE REPORT

The Oregon Forest Resources Institute (OFRI) commissioned *The 2026 Forest Report* to provide a snapshot of the forest sector's status and capacity. Key points from *The 2026 Forest Report* are summarized on the following pages. To download the full report, go to [TheForestReport.org](https://www.theforestreport.org).

THE AUTHORS

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OFRI is grateful to the following companies and their employees who agreed to be featured in the photos throughout this report: Freres Engineered Wood, Miami Corporation Management, Patrick Lumber Co. and Timberlab.



the state, powering an entire sector of Oregon's economy.

The 2026 Forest Report synthesizes and interprets the most recent data and research related to forest resources in Oregon, including the forest sector's economic contributions to the state. The report reveals that the sector not only remains a source of jobs for tens of thousands of Oregonians, accounting for about 4% of state employment, but also makes up 4% of Oregon's gross domestic product.

As an update to a similar study published in 2019, *The 2026 Forest Report* acknowledges that much has changed in Oregon and the world since then, examining how events such as the global COVID-19 pandemic and the 2020 Labor Day Fires have impacted Oregon's

forest sector. The sector also continues to be affected by growing threats to forests and timber supply, including wildfires, insect outbreaks and tree diseases.

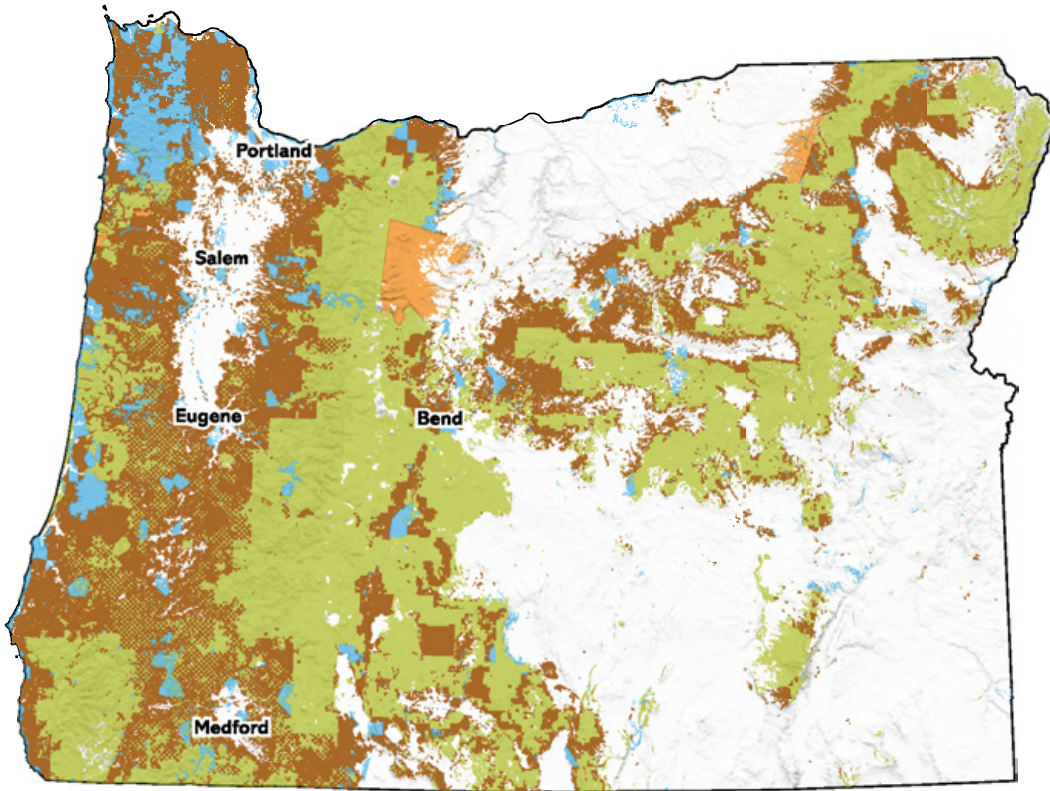
Despite these challenges, forestry has remained a critical part of Oregon's economy for more than a century. Consumer demand remains high for the softwood lumber and other renewable wood products that are made right here in Oregon, including innovative mass timber products that make it possible to build bigger and taller structures with wood.

And growing recognition of the environmental and climate benefits of building with wood sourced from sustainably managed forests also gives Oregon a clear advantage.

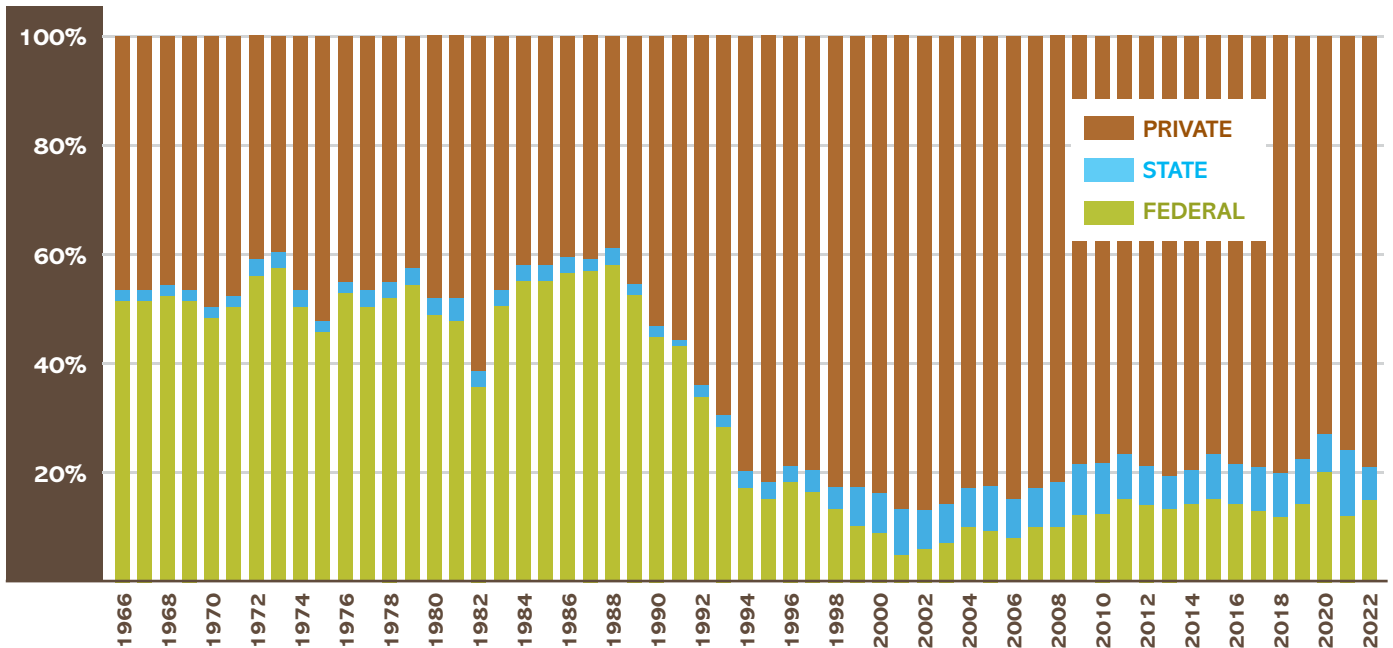
FORESTLAND OWNERSHIP

- FEDERAL (60%)
- PRIVATE (34%)
- STATE (4%)
- TRIBAL (2%)

Oregon encompasses approximately 61.4 million acres, or almost 96,000 square miles, about 29.7 million acres of which are classified as forestland. These forests are owned and managed by a variety of public and private entities, including the federal government, which owns the largest portion of Oregon's forestland; state, county and municipal governments; the timber industry; nonprofits; tribes; individuals; and families.



Proportion of Oregon harvest by landowner (1966-2022)



Timber harvest levels on federal lands in Oregon dropped sharply in the late 1980s and early 1990s, mainly due to changes in federal forest management emphasis following the listing of the northern spotted owl as a threatened species. Since then, timber harvest levels from public and private lands have remained relatively stable, with less than a third of Oregon's timber harvest happening on federal land. Most of the total state harvest now comes from private timberlands.

Mindy Crandall, interim department head and associate professor of forest policy at Oregon State University's College of Forestry, served as the lead author for *The 2026 Forest Report*. We spoke with Crandall to learn more about the report's findings. The following interview has been edited for brevity and style.

What would you say are the key takeaways from *The 2026 Forest Report*?

One of the things we tried to do with this report was to incorporate a lot of history. For some of the data we went back to the 1960s, and I'm always really impressed with how resilient our forest products industry is. It's weathered recessions and supply shocks and continues to innovate and maintain infrastructure in a large part of the state.

I'd say the first key takeaway is that the industry is pretty resilient. We're still here, we're still utilizing trees and we're still utilizing them very wisely and to their best use.

Another key takeaway is the increasing fire risk. That one really stood out to me. I think that's just something that we need to be very aware of — that increasing fire risk to both the landowners who are holding timber and to communities.

The third takeaway is the recent innovations in things like cross-laminated timber (CLT). That really positions Oregon well to be a leader, and I'm excited to see the investments that have been made in the state.

What are some of the differences and similarities between the findings from this report and the one published in 2019?

I would say one of the key similarities is we know consistently that the number of mills and the number of employees running those mills tends to decline over time. That's because we're getting more efficient and have capital investments in mills. So, we have fewer mills, but we're processing a similar amount of timber overall. We tend to harvest a pretty sustainable amount of timber and so that trend continues.

Some of the differences since the 2019 report are due to going through the Covid shock and the 2020 Labor Day Fires. I think that shows the shifts in the future that we don't always predict, and that we need to be ready for.

How have the events since 2019 affected the forest sector?

We're currently seeing a bit of the supply shock that's a result of those 2020 fires. We know that the 2020 fires consumed a lot of timber and some of it was salvaged, but not all of it, and we're going to have a supply impact on that into the long term.

What are some of the biggest challenges the sector currently faces?

Competition from other regions is a big one. Most of our wood is processed within the state, but our wood is used as part of the national softwood lumber supply.

The South is producing more softwood lumber. They have a lot more private lands, so maybe that supply is a little bit more consistent, so that's a challenge.

We want to be a premier lumber producer for the nation, and we are — we're still at the top — but there's increasing capacity in states in the South. We want to maintain our competitiveness. That's key.

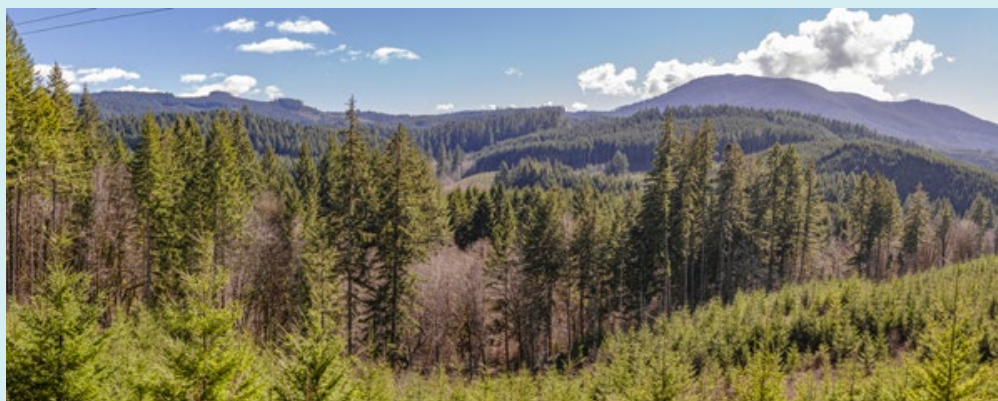
What are the areas of growth, or the bright points, for the sector?

A bright point is that we've maintained our softwood lumber production and dominance. I think that's good. We have a century-plus-old industry that has consistently been a producer of high-quality wood.

I think CLT and other innovative uses of wood are another bright point. That's an exciting opportunity both for the state and for the whole industry. Once people realize the climate impacts of using wood in place of concrete and steel, especially in mid-range, three- to 10-story buildings, that's where we're going to make some real impact.

Q&A

with report author
Mindy Crandall



OREGON'S FOREST PRODUCTS INDUSTRY

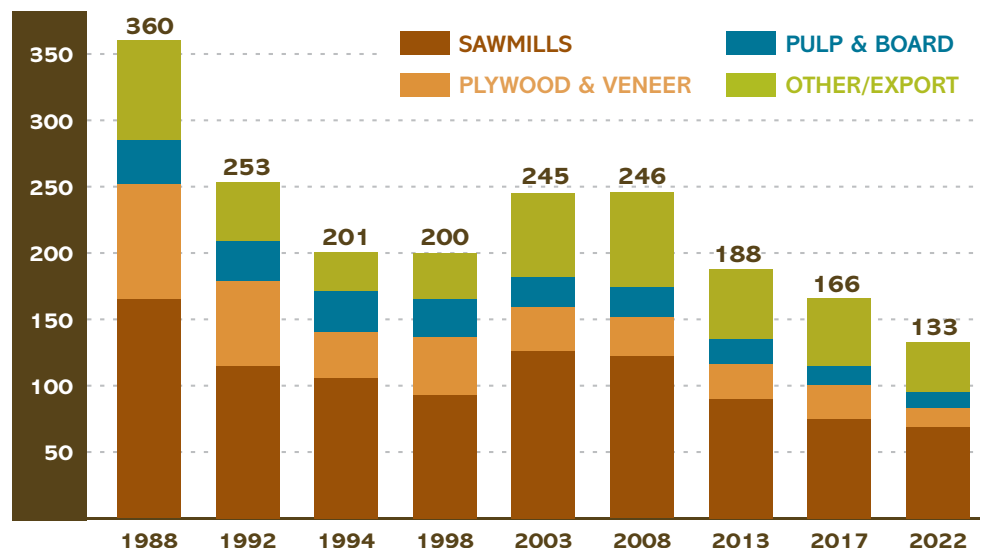
Timber sourced from Oregon's forests is used to make a wide range of products, including lumber, plywood and veneer, pulp and paper, and bioenergy, generating income and employment in many of the state's rural communities.



Although the number of lumber mills in Oregon declined by 58% between 1988 and 2022, and by 45% between 2003 and 2022, this trend does not necessarily indicate a shrinking industry. The reduction can be partly attributed to improvements in mill efficiency, shifts in timber supply and changes in industry concentration.

As it has been for years, Oregon remains the top U.S. producer of softwood lumber and plywood. In 2024, Oregon sawmills produced over 5 billion board feet of lumber, accounting for approximately 14% of total U.S. production.

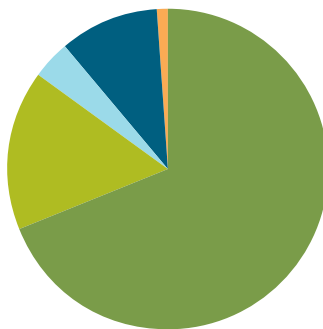
Number of wood processing facilities in Oregon (1988-2022)





How Oregon timber is used (2022)

- 69%** Delivered as sawlogs to sawmills
- 16%** Delivered as veneer logs to veneer and plywood plants
- 4%** Delivered to export facilities
- 10%** Chipped for pulp mills and board plants
- 1%** Delivered as other timber products to various facilities

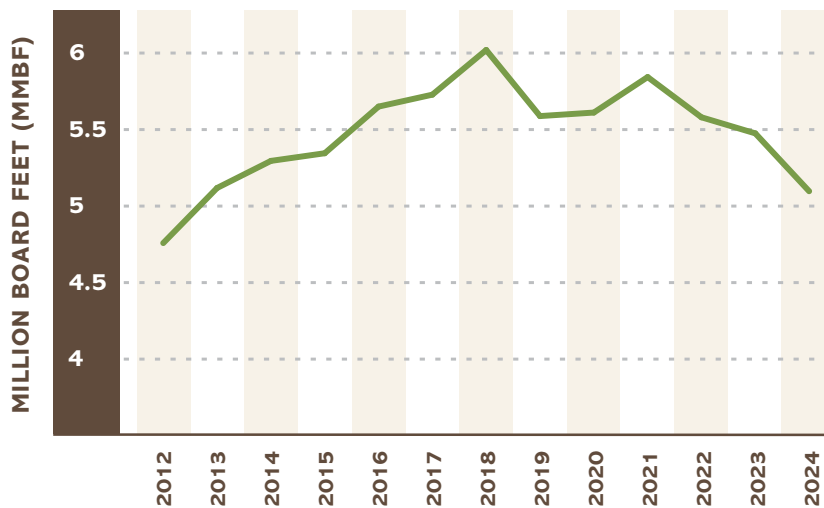


In 2022, Oregon's timber harvest totaled 3.7 billion board feet, a 5% decrease compared to 2017. About 91% of that timber came from counties west of the Cascade Range. Nearly 90% of logs are delivered to sawmills or veneer and plywood plants or are exported. This chart shows the allocation of harvested timber by initial use in 2022.

Increased consumer demand for engineered mass timber products is a promising area of growth for Oregon's forest products industry. In response to the rising number of mass timber construction projects in Oregon and elsewhere in the country, some companies have expanded or are expanding their capacity for manufacturing mass timber products in the state.

A 2025 regional market study by the Pacific Northwest Mass Timber Tech Hub notes that Oregon and Washington are home to more than 20 mass timber companies and that number continues to grow.

Softwood lumber production in Oregon (2012-2024)



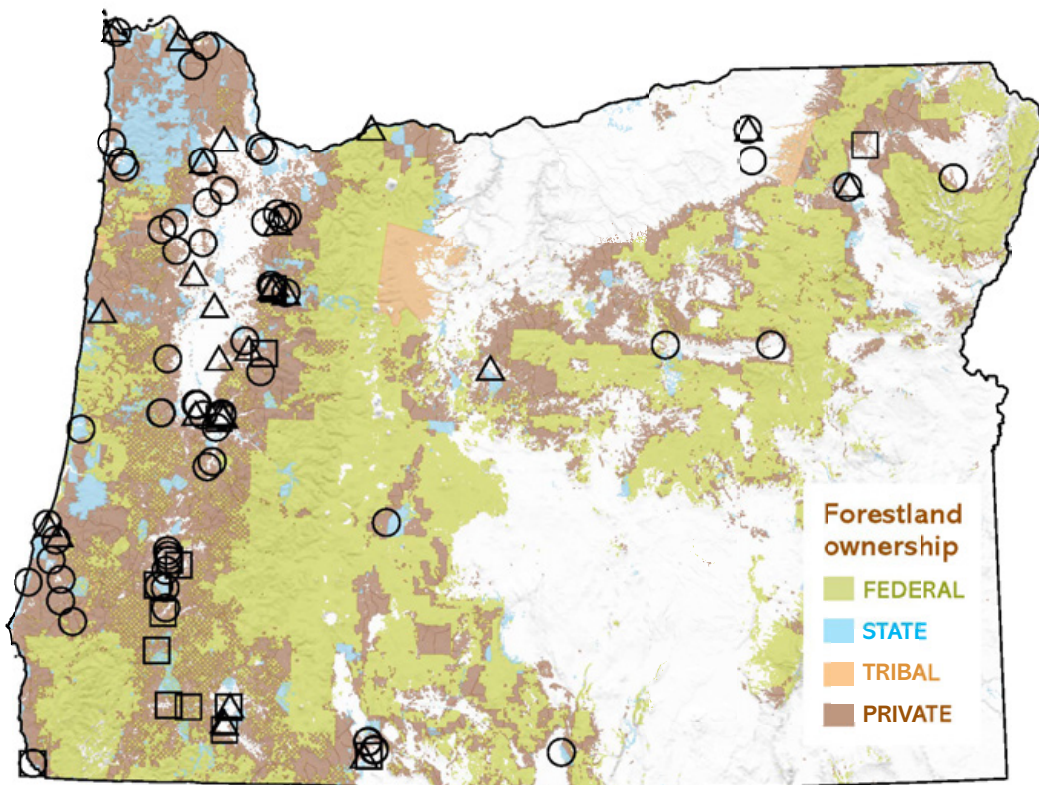
Oregon is consistently the leading producer of softwood lumber in the U.S.

ACTIVE OREGON MILLS (2024)

- LUMBER MILLS
- PLYWOOD MILLS
- △ OTHER MILLS

Mills producing lumber, plywood, pulp and paper, wood chips, and bioenergy are mostly located near privately owned forests in western Oregon, the source of the majority of the state's timber harvest.

Source: Bureau of Business and Economic Research (2024)



Research helps advance Oregon's mass timber industry

Public sector support for mass timber product research and development has helped Oregon forest products companies expand into mass timber manufacturing.

The Oregon Mass Timber Coalition (OMTC), a partnership between Oregon State University, the University of Oregon and four state agencies, is focused on enhancing and expanding Oregon's established mass timber industry. To learn more about OMTC, go to [masstimbercoalition.org](https://www.masstimbercoalition.org).

The TallWood Design Institute (TDI), a partnership between Oregon State University's College of Forestry and College of Engineering and the College of Design at University of Oregon, was established in 2014. It is one of the nation's first interdisciplinary research collaboratives focused exclusively on the advancement of mass timber and other wood products building solutions.

TDI oversees a wide range of testing and applied research, including studying the fire safety and seismic safety of mass timber, led by faculty from both universities in collaboration with public agencies and industry stakeholders. It also provides educational opportunities for a growing mass timber workforce.

To learn more about TDI, go to [tallwoodinstitute.org](https://www.tallwoodinstitute.org).



Photo: Tallwood Design Institute

Since opening its first glue-laminated timber (glulam) fabrication shop in Portland in 2020, Timberlab has rapidly expanded to meet growing demand for its services as a fabricator of custom mass timber construction components.

The employee-owned company, a subsidiary of the national construction firm Swinerton, is headquartered in Portland and has contributed to many prominent mass timber construction projects in Oregon, including the Portland International Airport terminal expansion. It also supports mass timber projects across the country.

In 2024, it acquired American Laminators' two Oregon-based glulam manufacturing facilities in Drain and Swisshome, hiring the mills' existing employees. The same year, the company purchased a shuttered sawmill and a planing mill in Philomath with plans to reopen both mills, which were formerly operated by Interfor, to support its other mass timber manufacturing operations.

In 2025, Timberlab announced it was breaking ground on a new 190,000-square-foot cross-laminated timber (CLT) manufacturing facility in Millersburg that will be one of the largest CLT production sites in the U.S. Slated to open in early 2027, the facility is expected to create about 100 to 150 new manufacturing jobs and produce 100,000 cubic meters of CLT per year.

We spoke with Timberlab President Chris Evans to learn more about the company's commitment to growing its mass timber production capacity in Oregon. The following interview has been edited for brevity and style.

Why did you decide to expand out of Portland, and how did you select the other communities in Oregon where you've expanded your operations?

We looked hard in Portland, but with the land costs, the tax structure, all those things, it just wasn't viable. When we consider where our competitors are located, they're not urban-based manufacturers. So, the economics of it was one of the drivers.

Also, just the opportunity. The Philomath mill became available, and it happened to be 22 miles away from our Millersburg site, and in a great timber basket where everyone is doing wonderful forestry. All those things combined to feel good about those locations supporting one another.

We opted for an acquisition for the glulam (facilities in Drain and Swisshome). Similarly, it was more about the existing infrastructure in place and the existing people in place.

And then we were committed to being in Oregon.

So, it sounds like you didn't look elsewhere?

No, we did. We looked in Washington, in Idaho, we looked in all the places, but I think we're also biased because we're located in Oregon.

We chose Millersburg because the city management there really understands how to work with the manufacturing community. They know how to get development done and make everybody happy in the process. They've been great partners.

The city of Drain has been a great partner as well. In the smaller communities, because there's more of an impact, you get more attention. I think that's another reason we've moved to the smaller towns.

Fundamentally there's a belief of not just lip service but actively supporting our rural communities by reinvesting dollars. We try to put our money where our mouth is, and if we can have an impact on four Oregon communities outside of Portland, I think that's great.

What drew you to the Willamette Valley?

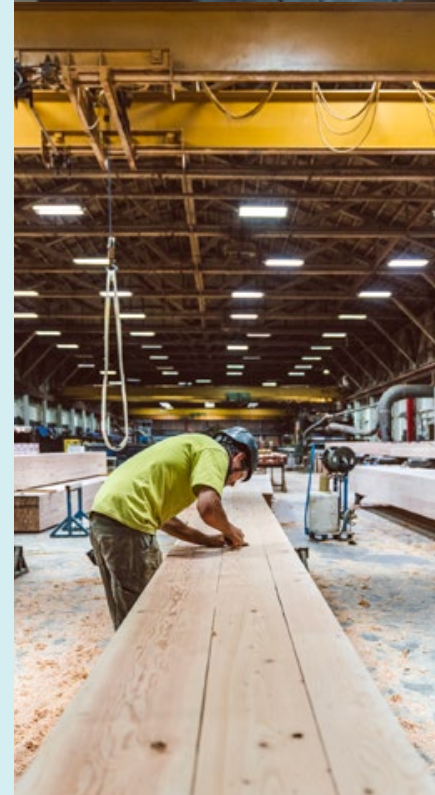
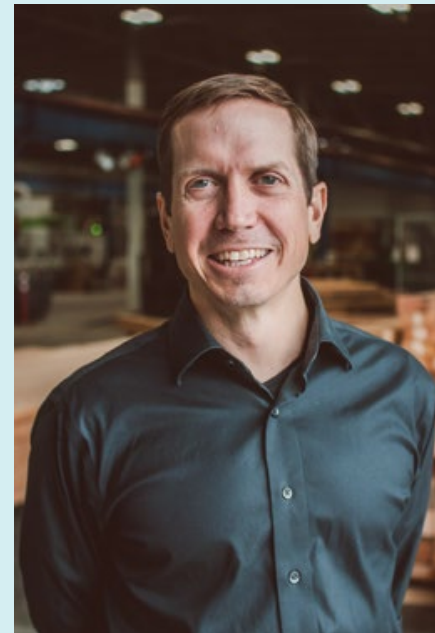
On the I-5 corridor, there's good workforce that already exists. In general, there's also a great history throughout the Willamette Valley of wood products and engineered wood products. With that, there's a lot of know-how out there.

Are your Oregon facilities processing timber from the nearby forests?

Our company focuses a lot on converting buildings from steel and concrete to timber, and that's what we've done very successfully. We've done a really good job of taking a steel building or some other kind of building and finding a way so it can be built with timber. That's true impact to me, because you're taking something that would never have even had a chance to be built with an Oregon-sourced product. Now you have the opportunity to expand the market.

Q&A

with
**Timberlab
President
Chris Evans**



ECONOMIC IMPACT of Oregon's forest sector

In 2023, the forest sector was responsible for generating over **\$28 billion** in output, over **103,000*** jobs and almost **\$13 billion** in Oregon gross domestic product. This translates to **5.2%** of total state output, almost **4%** of state employment and **4.3%** of GDP.



Economic contribution of Oregon's forest sector (2023)

| Primary forest products | Economic contribution | Percent of state total |
|-------------------------|-----------------------|------------------------|
| Output (\$Billion) | \$28.20 | 5.2% |
| State GDP (\$Billion) | \$12.90 | 4.3% |
| Employment (Jobs) | 103,500* | 3.9% |

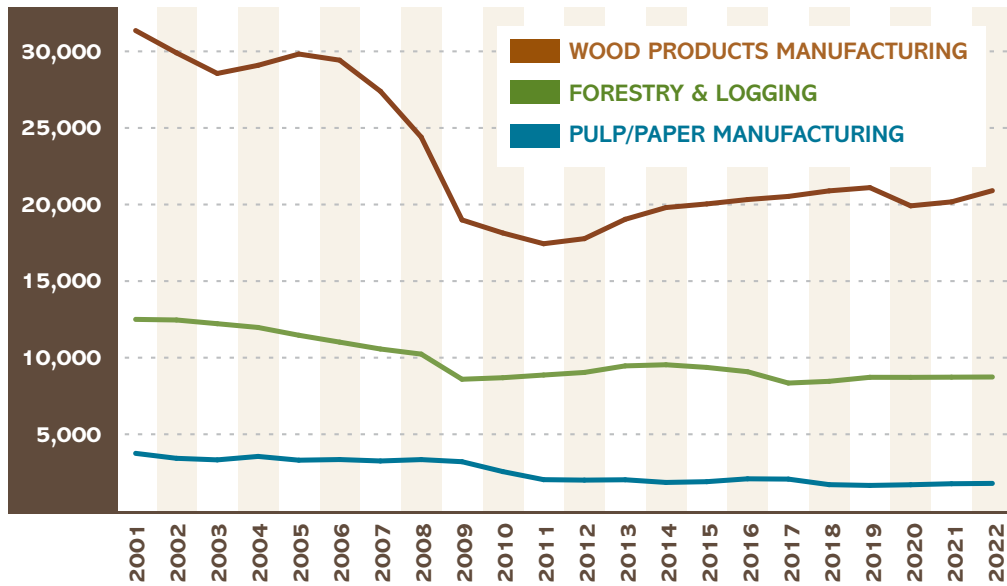
**Note: This jobs estimate counts direct employment by the sector, as well as indirect employment in other industries that are supported by the forest sector and its employees.*

Oregon's forest sector jobs (2023)

| | |
|---|---------------|
| Primary forest products | 19,518 |
| Veneer, plywood and engineered wood | 8,934 |
| Sawmills and wood preservation | 6,444 |
| Paper and pulp manufacturing | 4,140 |
| Secondary forest products | 12,352 |
| Millwork (doors, windows, custom) | 5,512 |
| Wood kitchen cabinets and countertops | 3,653 |
| Wood containers and pallets | 936 |
| Other (manufactured homes, prefabricated wood buildings, furniture, etc.) | 2,251 |
| Forestry management | 7,048 |
| Private company management | 1,150 |
| Federal management (USFS, BLM, etc.) | 4,600 |
| State of Oregon and local government | 982 |
| Forestry and environmental consultants, researchers and academics | 316 |
| Forestry support | 12,581 |
| Logging | 5,736 |
| Machinery manufacturing | 910 |
| Support activities for forestry (nurseries, non-forest products, firefighting, etc.) | 5,935 |
| Distribution, transportation, other | 10,792 |
| Transportation of logs, chips, goods | 5,842 |
| Wood product wholesalers | 2,774 |
| Paper product wholesalers | 796 |
| All other identified forestry sector firms (biomass, electric power, airport operations, marine cargo handling, etc.) | 1,380 |
| TOTAL | 62,291 |

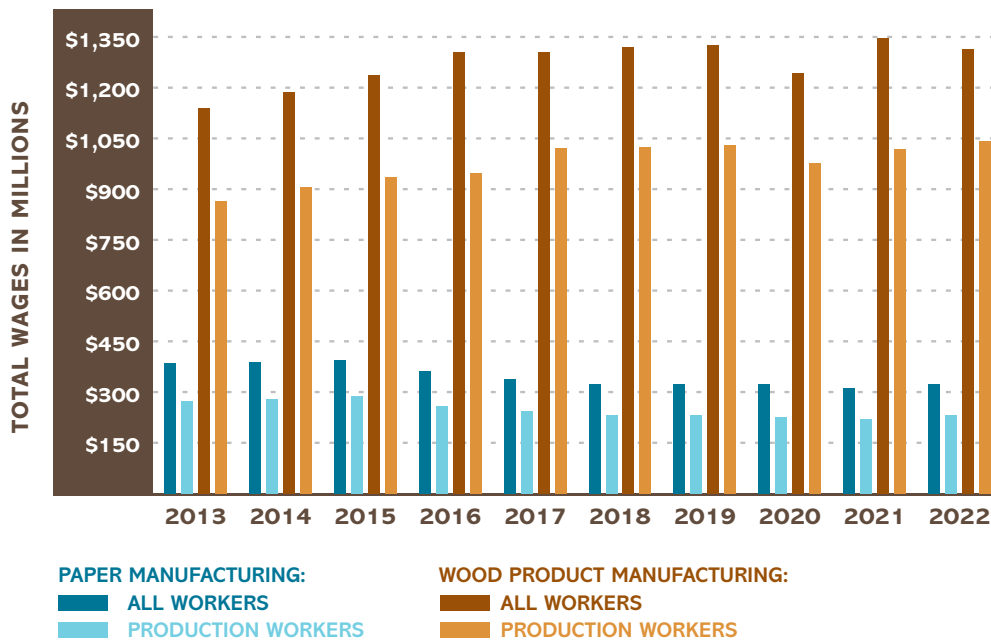
An analysis by the Oregon Employment Department that counted direct forest-related jobs in the state estimated that in 2023 the forest sector employed nearly 62,300 Oregonians working in a wide variety of fields, including forestry, logging, millwork, engineering and academic research.

Average annual employment by sector (2001-2022)

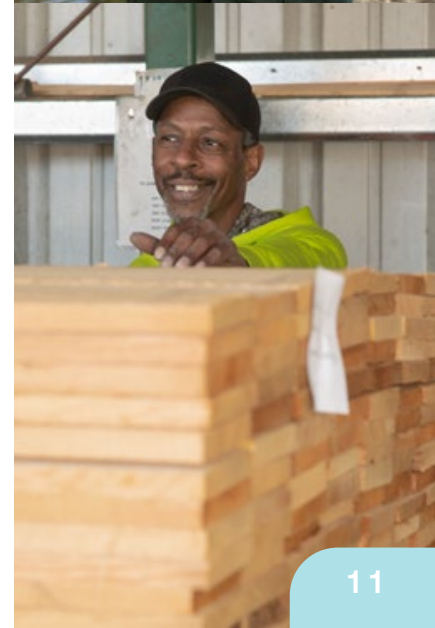
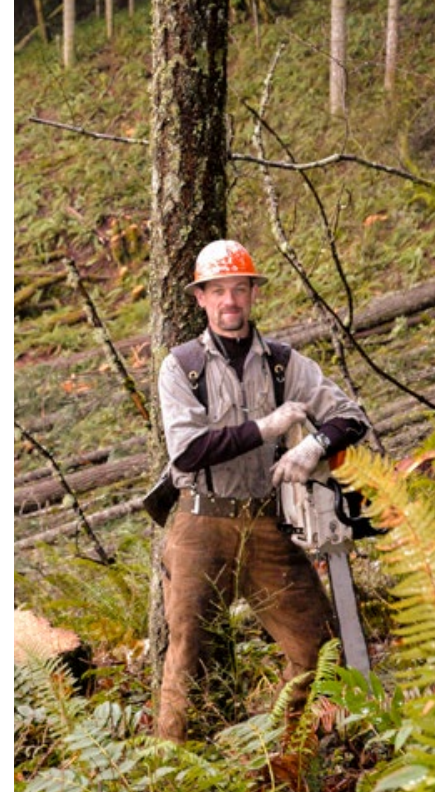


In this narrower count of direct forest sector jobs targeting specific subsectors, most jobs were in wood products manufacturing, followed by forest management and logging. Forest management and logging jobs are more common in rural counties, while most of the wood products manufacturing jobs are in urban or urbanizing counties.

Total annual wages in Oregon by industry and worker type (2013-2022)



Employment and wages are central to the economic contribution of Oregon's forest sector, and recent trends reveal diverging trajectories across industries. Wood product manufacturing has been the clear leader in payrolls, with total wages surpassing \$1.3 billion annually after 2018 and production workers alone earning over \$1 billion by 2022. Wages in this sector rose steadily throughout the decade, interrupted only by a brief dip during the 2020 pandemic before rebounding to record highs.



A warming climate has stressed trees and worsened the impacts of threats to the health of Oregon's forests, such as insect infestations and tree disease outbreaks.

THREATS

to Oregon's forest sector

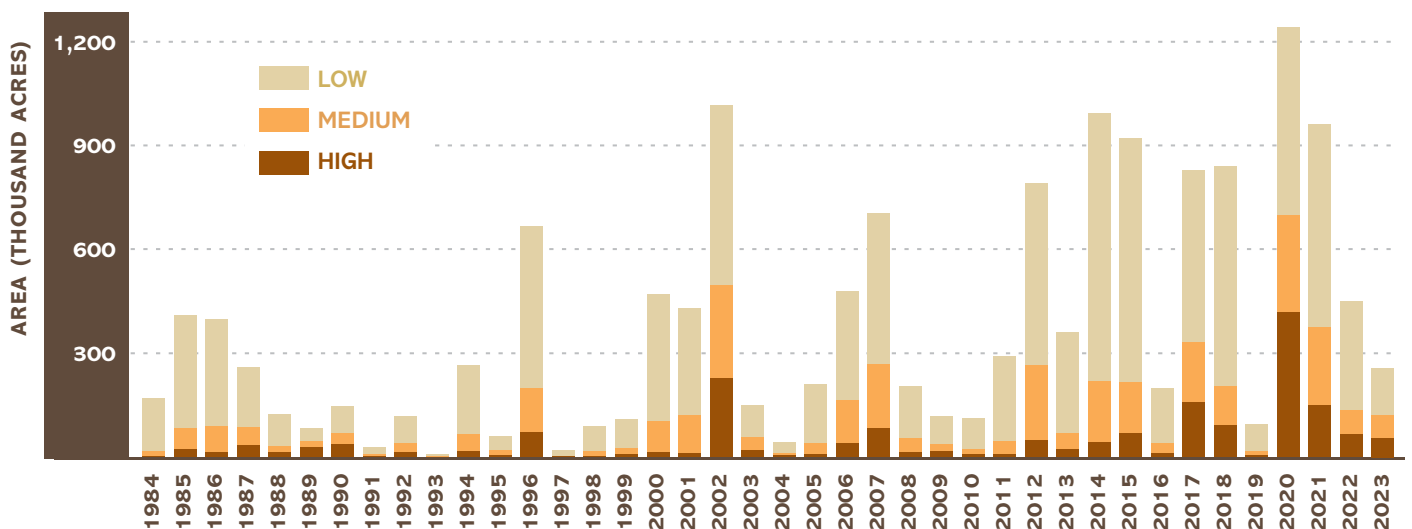
Oregon's fire seasons and forest health conditions have undergone profound changes over the past several decades, shaped by changing climate conditions, accumulated fuels and evolving land management practices.

The total number of acres burned by wildfires in Oregon has increased dramatically in recent years. In 2020, for instance, more than 1 million acres burned in a single season. Oregon has seen a growing number of "megafires" (wildfires greater than 100,000 acres) which,

combined with the effects of tree disease outbreaks and wood-boring and defoliating insect infestations, have had major impacts on Oregon's timber supply and forest-reliant businesses.

Understanding short- and long-term patterns in wildfire, insect infestation and forest disease extent and severity provides context for informing future policy and strategies to reduce these threats to Oregon's timber supply and further the economic contributions of the forest sector.

Acres burned by fire severity in Oregon (1984-2023)





Forest landowners and managers are using practices such as thinning and prescribed burning to help improve the health and resilience of Oregon's forests in the face of climate change, worsening fire seasons and other threats.

Economic impacts of the 2020 Labor Day Fires

The summer of 2020 was already hot and dry when strong east winds swept across the state over Labor Day weekend, causing five wildfires to rapidly explode in size.

These megafires, along with a series of other smaller wildfires, collectively known as the Labor Day Fires, burned over 1 million acres in a matter of days. They resulted in nine fatalities, over 50,000 people evacuated, more than 6,000 homes, businesses and structures destroyed, and several communities burned. Total suppression costs were at least \$354 million.

The Labor Day Fires were notable for their impact on private forest landowners. Fires high in the Cascade Mountains were spread to the west by the wind event, including expanding into high-value timberlands on the east side of the Willamette Valley.

The *2020 Labor Day Fires* economic impact report, commissioned by the Oregon Forest Resources Institute and produced by forest economists from Mason, Bruce & Girard and Forest Economic Advisors, notes that some 425,000 acres of private forestland were burned. Altogether, the report estimates a total economic impact of \$5.9 billion from the extreme event.



Summary of economic impacts

| | |
|--|------------------------|
| Value of merchantable timber available for harvest | \$7,513 million |
| Value of pre-merchantable timber | \$704 million |
| Road reconstruction costs | \$27 million |
| Losses to forest contractors | \$100 million |
| Reforestation costs | \$144 million |
| Gross economic impact | \$8,488 million |
| Offset – value of timber likely to be salvaged | \$2,604 million |
| Net economic impact | \$5,884 million |

To learn more about the economic impacts of the 2020 wildfires, download or order the *2020 Labor Day Fires* report at OregonForests.org/2020-labor-day-fires.

Oregon contains large areas of forestland that have supported sustainable timber harvesting for more than a century. During that time, Oregon's forest sector has continued to play an important role in the state's economy, especially in supporting living-wage jobs in rural areas.

A RESILIENT INDUSTRY



While the forest products industry was resilient in the face of a reduction in timber supply in the 1990s, the number of mills has continued to decline since then, even as production of softwood lumber and plywood has been maintained.

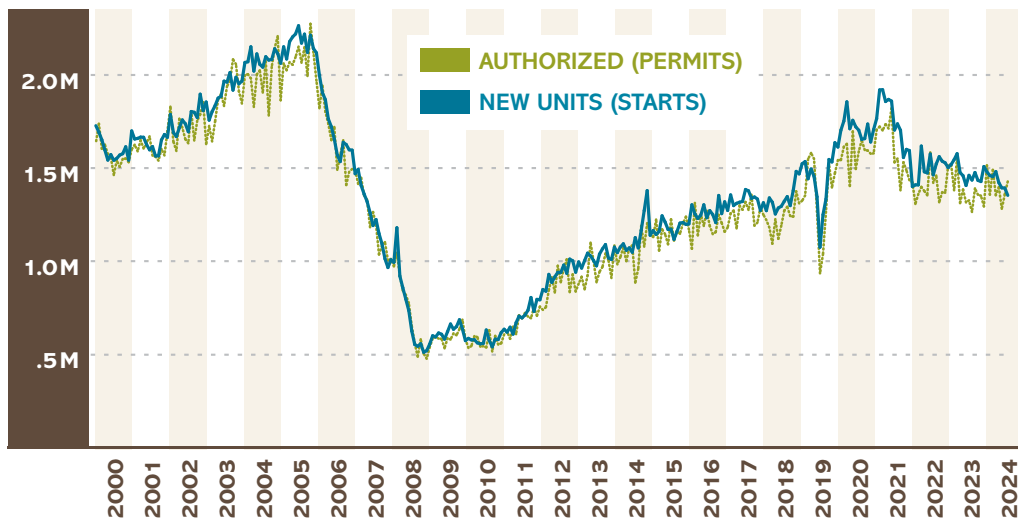
Oregon remains the top producer of softwood lumber and plywood in the country, and its forests will continue to be essential for supplying families and businesses across the U.S. with building materials.

A promising development for Oregon's forest sector in recent years is the growing market for mass timber and other engineered wood products. Oregon has the largest number of engineered wood manufacturing plants in the U.S., and mass timber is an area of growth that's attracted both public and private investment in the state.

And although heated disagreements involving forest management are not new to Oregon, the timber industry and environmental groups recently found common ground through the Private Forest Accord to expand state protections for the native fish and amphibian species that depend on forests.

The amount of forestland in Oregon has held mostly steady, at about 30 million acres, for nearly 100 years, and the use of modern sustainable forestry practices means Oregon's forests will continue to support the wood products sector and a variety of forest-related employment, as well as provide clean water, recreation, wildlife habitat and a scenic landscape for current and future Oregonians to enjoy.

New housing units authorized (permits) and new units (starts) (2000-2024)



Since Oregon's industry is driven by lumber, new construction of family homes nationally, along with repairs and remodels to existing housing stock, are an important use of Oregon wood. While authorized permits and housing starts in the U.S. spiked during the COVID-19 pandemic, they have yet to reach the level seen before the Great Recession and the housing bubble.

The forest sector is just one segment of Oregon's economy, and it faces challenges and opportunities similar to other business sectors. We asked Jordan Macias, an economist with the Oregon Office of Economic Analysis, how the forest sector fits into the larger state economy. The following interview has been edited for brevity and style.

The forest sector is touted a lot as an important economic driver and source of employment in rural communities. Is that what you're seeing?

The metros have twice as many forest sector-related jobs compared to rural areas, but because it's so concentrated in rural employment, it makes a bigger difference. Also, these are higher-wage jobs. So, yes, the forest sector and forestry are very important for the vitality of rural communities.

How does the forest sector compare to other business sectors? Is it facing a lot of the same challenges?

In general, forestry and logging have been in decline since about 2018. This is also true for other goods-producing industries.

We're in a manufacturing recession. We just have not seen manufacturing pick up and we continue to see job losses. The state is more in a service-related economy in terms of our industry composition. That's industries like leisure and

hospitality, private education, healthcare, and social assistance. We can see somewhat of a divide between goods-producing and service-providing industries, where the latter are generally leading job gains for the state, while the former are continuing to see job losses.

So, manufacturing across the board, not just forest products manufacturing, has been struggling?

I know manufacturing across the U.S. is not doing well. It's the same general trend in Oregon, but worse because we're more trade-sensitive than other states and have an overall larger manufacturing presence. Even though the share of manufacturing employment has been decreasing, it's still a larger share in Oregon compared to the national average.

Are there any areas of growth or promising developments for the sector?

Oregon is still known for its timber and wood products. It's part of the state's image and very important for rural counties.

And we do need more housing. Oregon housing permits haven't picked up, and our population has been stagnant, but there's pent-up demand for housing and various initiatives to pick up our housing production. I think that will be a stimulus for the industry.

Q&A with economist Jordan Macias





More than timber

This report primarily focuses on the forestry and wood products sectors, but forests contribute to Oregon's economy in other ways, not to mention providing a host of social and environmental benefits that contribute to the quality of life in the state.

Countless Oregonians recreate in forests every year on both public and private lands, and outdoor recreation plays a significant role in Oregon's economy through tourism and jobs supported by spending in rural communities located near recreational attractions.

Oregon's forests are also the source for a variety of non-timber products. Some are highly valued and gathered commercially, including mushrooms, and boughs, shrubs and cones used in the floral industry. Mushrooms alone generate millions of dollars in economic activity. Matsutake mushrooms, for instance, can fetch hundreds of dollars per pound.

Growing recognition of the value of forests for carbon sequestration has also led a number of Oregon's landowners to pursue forest carbon-offset projects that have been developed and certified in both voluntary and regulatory carbon markets.



ABOUT THE OREGON FOREST RESOURCES INSTITUTE

The Oregon Forest Resources Institute supports the forest sector and the stewardship of natural resources by advancing Oregonians' understanding of the social, environmental and economic benefits of our forests.



Oregon Forest Resources Institute

OregonForests.org

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