

INTRODUCTION

A [2022 Technical Release](#), Impact of Skyrocketing Fuel Prices on Forest Products Transportation, reviewed the impact of increased fuel prices on the transportation of raw forest products from in-woods harvest sites to mill consumers. While those prices decreased afterward, they have risen again today due to the war with Iran, which has taken capacity offline; the Russia-Ukraine war, in which Ukrainian drone strikes have damaged Russian refineries; and the drawdown of the Strategic Petroleum Reserve in the US. Currently, there aren't enough refineries operating to turn available crude supplies into diesel. Refineries in the Middle East and Russia have been damaged by the aforementioned wars. Russia, a major source of diesel, has limited its exports to fight fuel shortages at home. China, seeking to avoid shortages of its own, has also restricted its exports. The annual planned fall maintenance in refineries will put additional pressure on prices.

Rising fuel prices impact everyone's pocketbook through increased costs, which are driving up prices for most goods. This increase in diesel fuel cost is especially true for the trucking industry, which is critical to maintaining the supply chain and is often viewed as a barometer of the U.S. economy. The cost to transport timber from a harvest site to a processing facility can range from 25% to 60% of the total operational cost (McDonald et al. 2001, Grebner et al. 2005, Conrad 2018, McConnell 2020, Derochers et al. 2025). While 2026 data from the U.S. Department of Energy Alternative Fuels Data Center shows that the average fuel economy for cars was 25.6 miles/gallon, it was 6.3 miles/gallon for Class 8 heavy-duty trucks with a gross vehicle weight rating exceeding 33,000 pounds, such as a 5-axle tractor-trailer log truck. As trucks are vital for moving raw forest products from in-woods harvest sites to mill consumers, rising fuel prices significantly impact the cost of those deliveries.

Recent news events have highlighted the impact of increasing fuel costs on the economy. To get a better understanding of that impact on the transportation of raw forest products from in-woods operations to the mill, online data were used to look at the history of diesel fuel prices over the past 20 years as well as the impact of rising diesel prices on log trucks and delivered wood today.



Photo Credit: Josh Burling

HISTORIC VIEW OF DIESEL PRICES SINCE 2007

Across the entire U.S., No. 2 diesel retail prices, including all taxes, generally were within the range of \$1.98 – \$6.51/gallon between 2005-2026 (Figure 1). While the average retail price for No. 2 diesel varied from about \$2 to \$4/gallon between 2009 and mid-2021, it spiked to \$5.82 in June 2021 before falling to \$3.45 in early June 2025. By mid-September 2026, the average price was \$6.51 as compared to \$3.70 one year ago. The price of diesel, the workhorse fuel that powers the world economy, topped \$6 a gallon on September 12, 2026, for the first time ever, and then quickly accelerated past \$6.50 a gallon by September 21, 2026. That price broke the previous record of \$5.82 a gallon set in June 2022 after Russia invaded Ukraine.

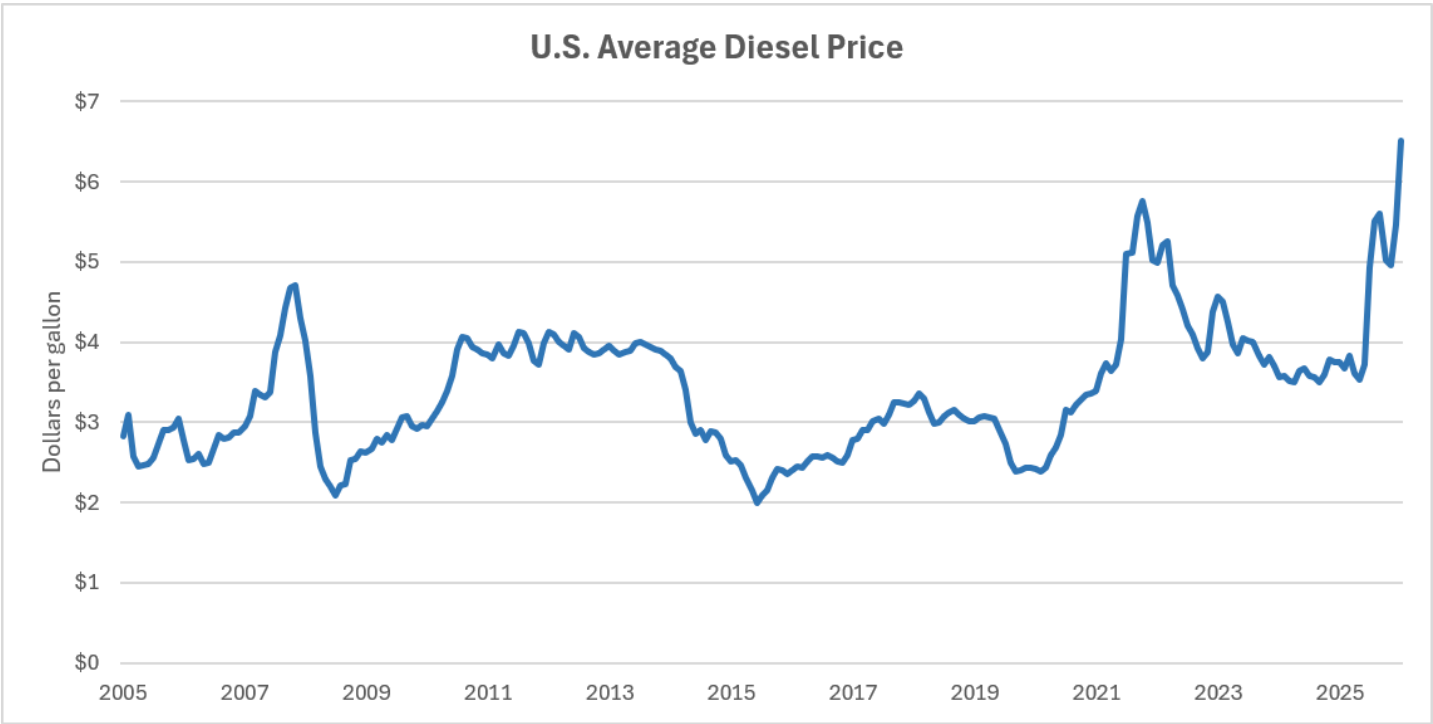


Figure 1. Weekly U.S. No. 2 diesel ultra-low sulfur (0-15 ppm) retail prices between September 2005 – 2026 (Dollars per gallon) (Source: U.S. Energy Information Administration 2026).

The September 21 retail price per gallon for diesel fuel in 2025 and 2026, including taxes, is shown by state in Table 1. Between early September 2025 and 2026, the retail price increased by an average of 76%, with the lowest rate of increase during the past year on the West Coast and the highest generally in the southern US.

Table 1. The average retail price per gallon by state for diesel, including all taxes, on September 21 in 2025 and 2026. (Source: AAA 2026).

State	Average diesel price/gallon on September 21		Year-over-year percent increase
	2025	2026	
Alaska	\$4.09	\$6.67	63%
Alabama	\$3.44	\$6.15	79%
Arkansas	\$3.36	\$6.21	85%
Arizona	\$3.66	\$6.44	76%
California	\$5.16	\$8.42	63%
Colorado	\$3.52	\$6.13	74%
Connecticut	\$3.77	\$6.45	71%
Delaware	\$3.69	\$6.41	74%
Florida	\$3.61	\$6.28	74%
Georgia	\$3.56	\$6.34	78%
Hawaii	\$5.23	\$7.08	35%
Iowa	\$3.54	\$6.32	78%
Idaho	\$3.84	\$6.48	69%
Illinois	\$3.76	\$6.78	80%

State	Average diesel price/gallon on September 21		Year-over-year percent increase
	2025	2026	
Indiana	\$3.78	\$6.82	80%
Kansas	\$3.46	\$6.24	80%
Kentucky	\$3.43	\$6.38	86%
Louisiana	\$3.30	\$6.03	83%
Massachusetts	\$3.85	\$6.38	66%
Maryland	\$3.70	\$6.49	75%
Maine	\$3.88	\$6.51	68%
Michigan	\$3.70	\$6.81	84%
Minnesota	\$3.61	\$6.33	75%
Missouri	\$3.42	\$6.30	84%
Mississippi	\$3.27	\$6.05	85%
Montana	\$3.63	\$6.30	74%
North Carolina	\$3.49	\$6.25	79%
North Dakota	\$3.47	\$6.25	80%
Nebraska	\$3.43	\$6.22	81%
New Hampshire	\$3.80	\$6.40	68%
New Jersey	\$3.62	\$6.46	79%
New Mexico	\$3.51	\$6.34	81%
Nevada	\$3.97	\$6.82	72%
New York	\$3.92	\$6.49	66%
Ohio	\$3.70	\$6.77	83%
Oklahoma	\$3.26	\$6.03	85%
Oregon	\$4.49	\$6.87	53%
Pennsylvania	\$3.98	\$6.60	66%
Rhode Island	\$3.81	\$6.37	67%
South Carolina	\$3.39	\$6.15	81%
South Dakota	\$3.40	\$6.29	85%
Tennessee	\$3.40	\$6.21	83%
Texas	\$3.19	\$5.97	87%
Utah	\$3.71	\$6.41	73%
Virginia	\$3.60	\$6.39	77%
Vermont	\$3.82	\$6.46	69%
Washington	\$5.07	\$7.43	47%
Wisconsin	\$3.52	\$6.57	87%
West Virginia	\$3.57	\$6.39	79%
Wyoming	\$3.59	\$6.14	71%
Average (US)	\$3.70	\$6.51	76%

ESTIMATED ROUNDTRIP COST OF DIESEL TO TRANSPORT A LOAD

According to the U.S. Department of Commerce Economic Census on Transportation 2022 (Table A4a), the U.S. average roundtrip distance to transport “logs and other wood in the rough” is 269 miles. That distance is much greater than the 138-mile roundtrip

distance from the 2017 study. As the 269-mile roundtrip distance seemed high based on informal discussions with truck drivers, a distance of 138 miles was assumed for further analysis.

After equipping 31,170 Class 7 and Class 8 trucks with a telematics tracking device for one year, Geotab created a map of average miles per gallon (MPG) for heavy-duty trucks in states and provinces across the U.S. and Canada. (Data were not available for Alaska, Hawaii, and Rhode Island.) Using the Geotab average fuel efficiency by state, a roundtrip of 138 miles, and September 21, 2025 and 2026 retail prices for diesel, the estimated roundtrip fuel cost for one load from an in-woods location to consuming mills was calculated for 2025 and 2026 for each of the 47 states (Figure 2).

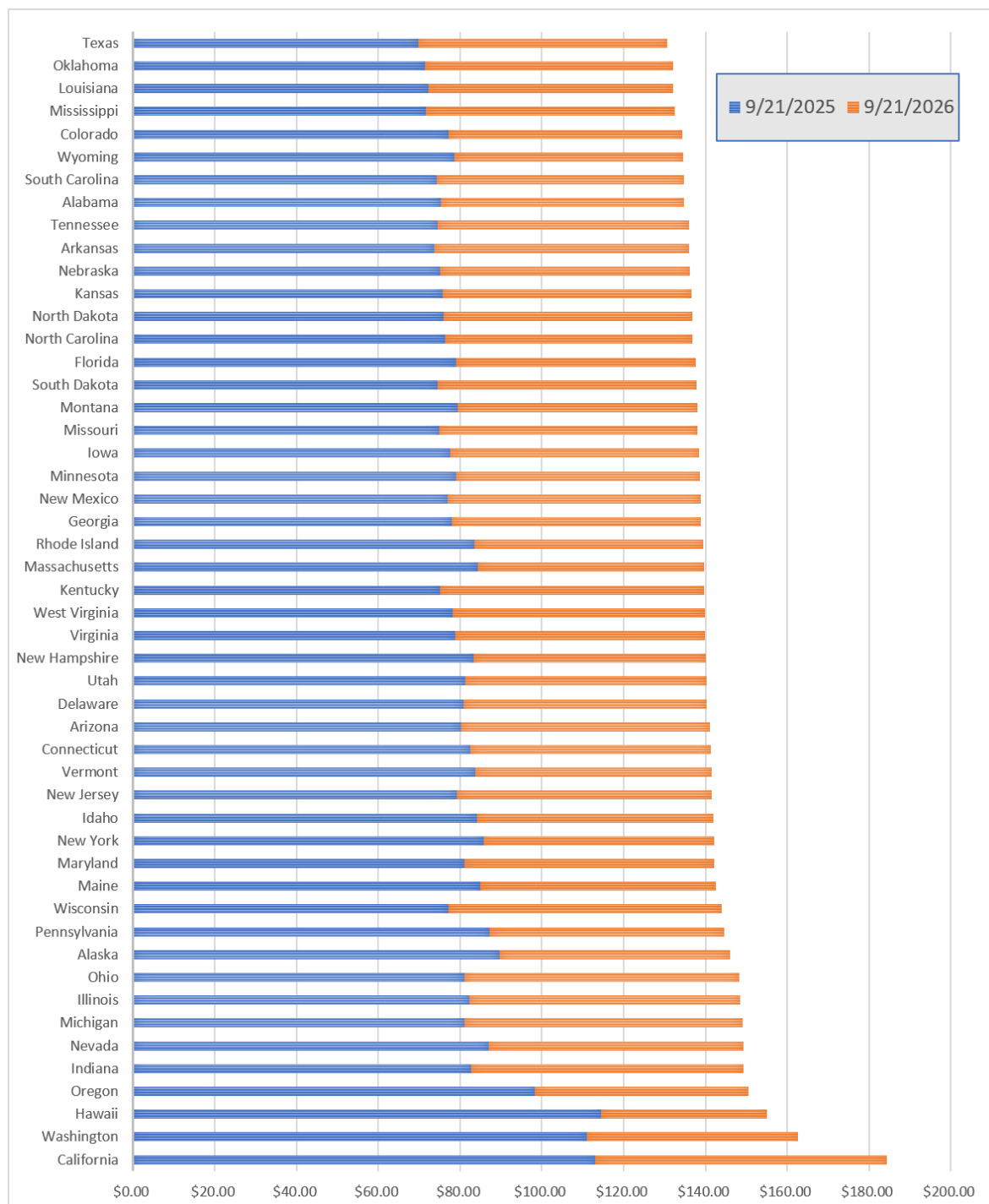


Figure 2. Estimated roundtrip cost for diesel on September 21, 2025 and 2026 for transporting logs and other wood from an in-woods location to a mill in each state, assuming a single roundtrip of 138 miles.

Under those assumptions, Figure 2 shows that the roundtrip cost for diesel fuel is much higher today than it was one year ago. While the range in roundtrip fuel costs was from \$69.88 – \$114.56 in 2025, it is \$130.79 – \$184.46 today, with Texas being the lowest in both years and California the highest.

ESTIMATED INCREASE IN DELIVERED COSTS

The USDA Forest Inventory and Analysis estimate indicates that the current timber volume harvested per year is 434.7 million green tons, which is approximately 15 million hauls from in-woods locations to mills at 29 tons per load, with the highest activity in the U.S. West and Southeast (Figure 3). Using the information presented above with an average roundtrip haul distance of 138 miles and an average fuel economy of 6.3 MPG, the change in diesel fuel prices from September 21, 2025 to September 21, 2026 has resulted in an estimated average cost increase of \$2.12 per green ton for delivered raw forest products (Figure 4). The total impact from the added fuel cost to the forest products sector is estimated at over \$920 million during that one-year period to deliver raw forest products from in-woods operations to manufacturing or energy facilities. The largest impacts are in Mississippi, Alabama, and Georgia (Figure 5).

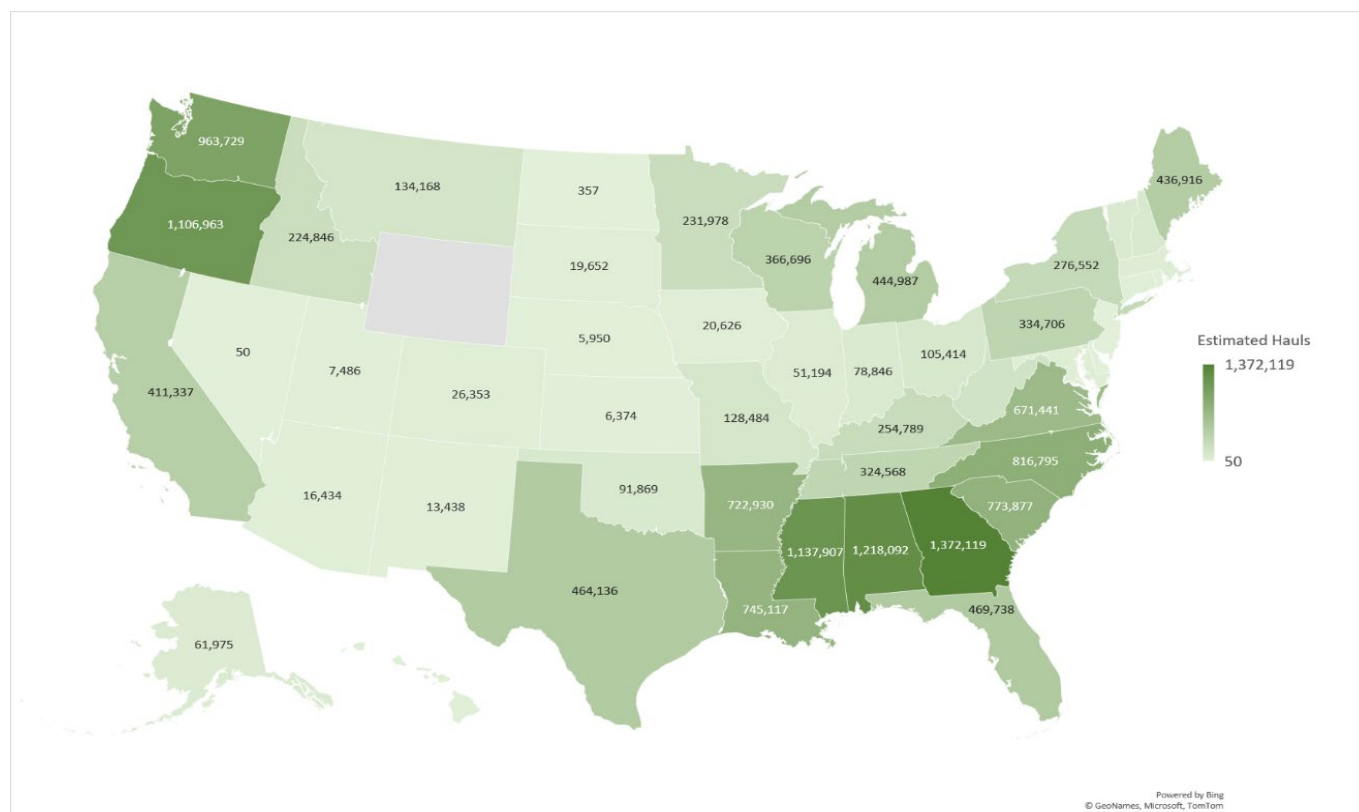


Figure 3. Shaded map of estimated annual timber haul volume of states included in the analysis. Darker shades indicate higher timber haul volumes, while lighter shades indicate lower haul volumes.

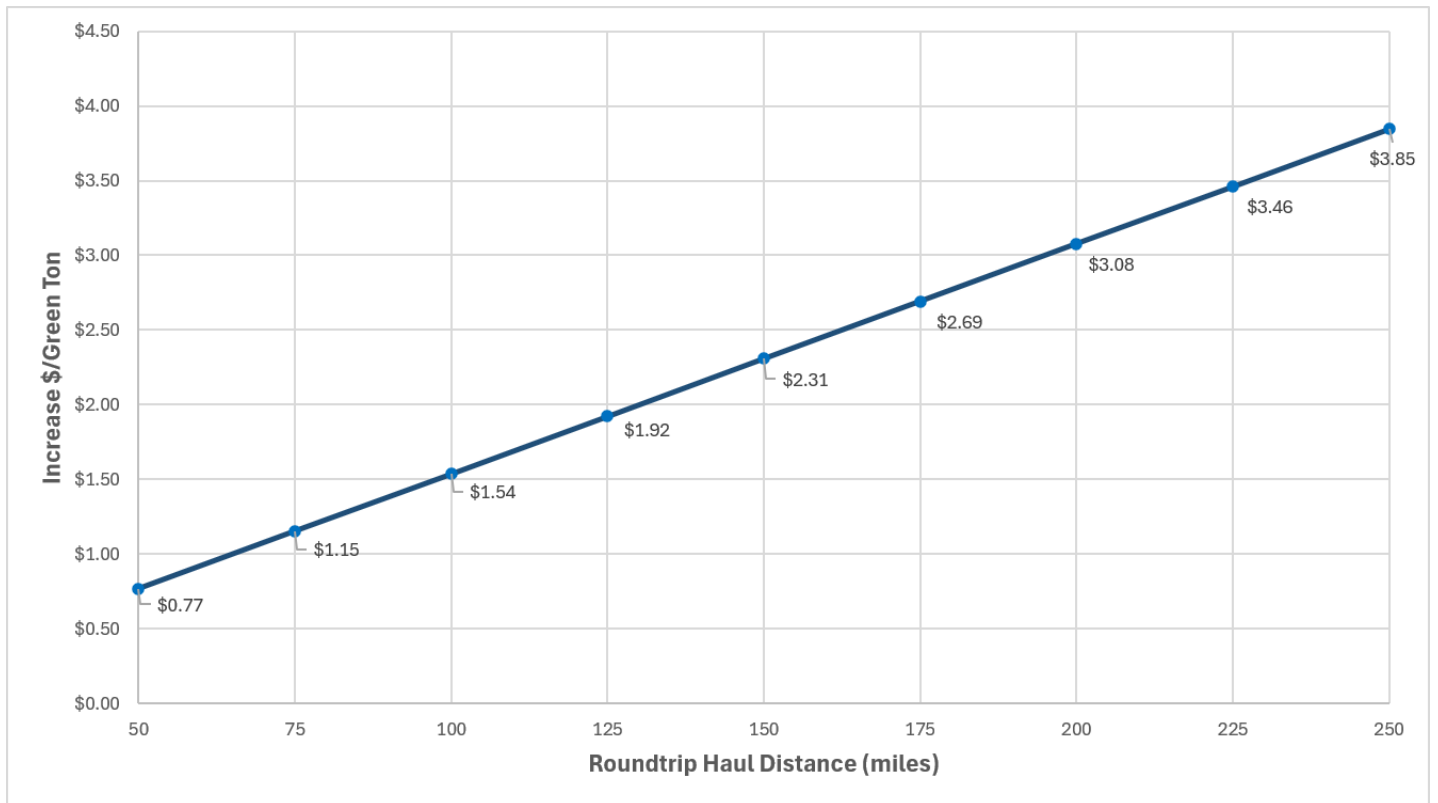


Figure 4. The estimated increase in delivery cost per green ton for transporting raw forest products from an in-woods location to a mill for trucks averaging 6.3 miles per gallon between September 21, 2025, and 2026, using an average fuel price increase of \$2.81 per gallon to \$6.51 per gallon, and assuming 29 green tons per haul.

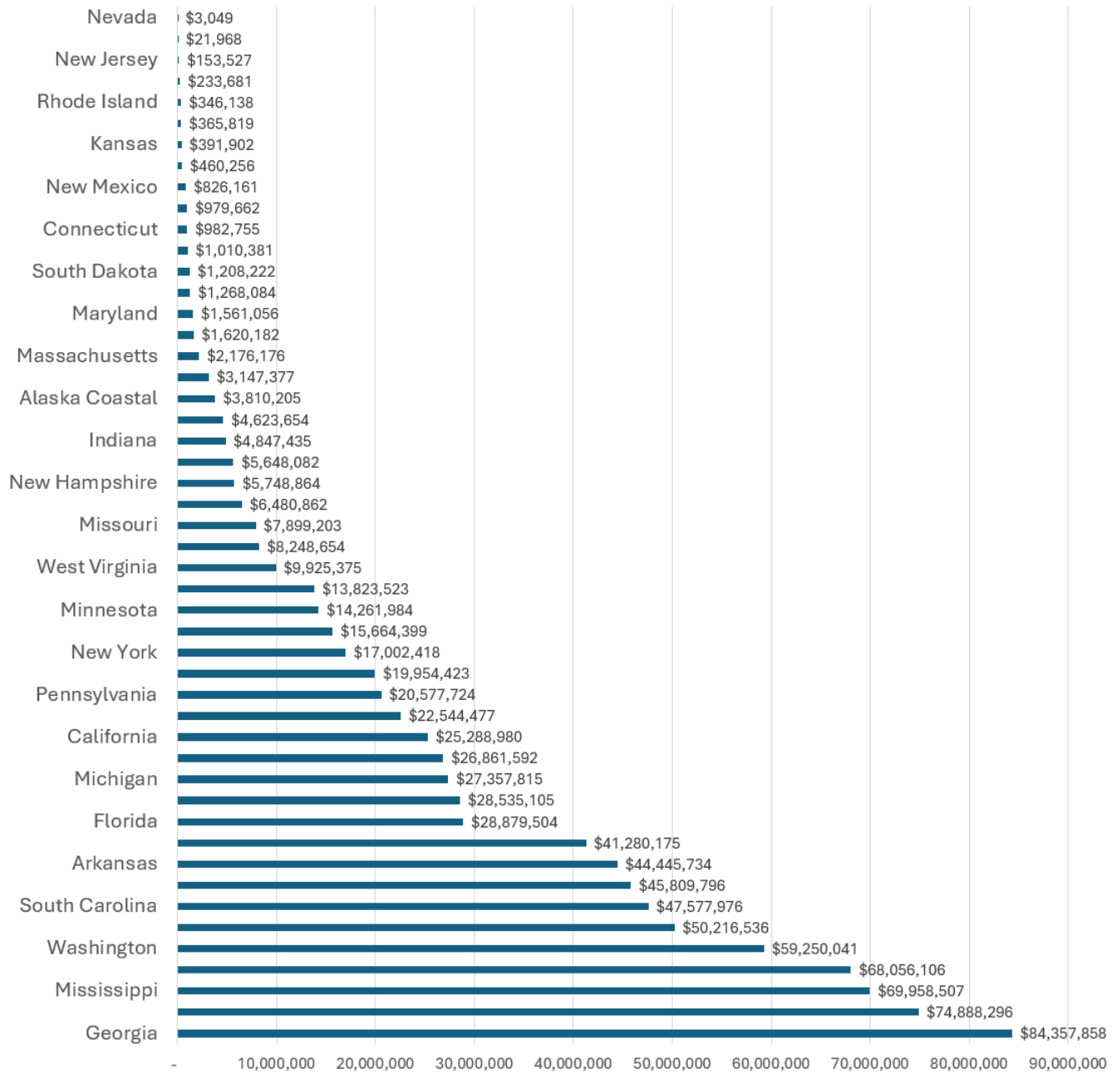


Figure 5. The estimated increase in cost to transport raw forest products from in-woods locations to mills due to the increase in diesel fuel prices from September 2025 to September 2026 by state. The estimate is based on the fuel price increases by state in Table 1, hauls per state in Figure 3, and trucks averaging 6.3 miles per gallon, with an average roundtrip distance of 138 miles.

WHAT ABOUT TAXES?

State and federal diesel fuel taxes account for nearly \$200 million in revenue from hauling raw forest products. A temporary suspension of taxes could lessen the impact of increased delivery wood costs for logging and log hauling businesses.

Table 2. State and federal diesel fuel taxes as of September 2026.

State	State Tax	Federal	Total
Alabama	\$ 0.33	\$ 0.24	\$ 0.57
Alaska	\$ 0.09	\$ 0.24	\$ 0.33
Arizona	\$ 0.27	\$ 0.24	\$ 0.51
Arkansas	\$ 0.29	\$ 0.24	\$ 0.53
California	\$ 0.87	\$ 0.24	\$ 1.12
Colorado	\$ 0.35	\$ 0.24	\$ 0.59
Connecticut	\$ 0.49	\$ 0.24	\$ 0.73
Delaware	\$ 0.22	\$ 0.24	\$ 0.46
Florida	\$ 0.40	\$ 0.24	\$ 0.65
Georgia	\$ 0.38	\$ 0.24	\$ 0.62
Hawaii	\$ 0.19	\$ 0.24	\$ 0.43
Idaho	\$ 0.33	\$ 0.24	\$ 0.57
Illinois	\$ 0.74	\$ 0.24	\$ 0.98
Indiana	\$ 0.62	\$ 0.24	\$ 0.86
Iowa	\$ 0.33	\$ 0.24	\$ 0.57
Kansas	\$ 0.27	\$ 0.24	\$ 0.51
Kentucky	\$ 0.23	\$ 0.24	\$ 0.48
Louisiana	\$ 0.21	\$ 0.24	\$ 0.45
Maine	\$ 0.32	\$ 0.24	\$ 0.56
Maryland	\$ 0.47	\$ 0.24	\$ 0.71
Massachusetts	\$ 0.27	\$ 0.24	\$ 0.52
Michigan	\$ 0.50	\$ 0.24	\$ 0.74
Minnesota	\$ 0.32	\$ 0.24	\$ 0.56
Mississippi	\$ 0.21	\$ 0.24	\$ 0.46
Missouri	\$ 0.30	\$ 0.24	\$ 0.54
Montana	\$ 0.31	\$ 0.24	\$ 0.55
Nebraska	\$ 0.32	\$ 0.24	\$ 0.57
Nevada	\$ 0.28	\$ 0.24	\$ 0.52
New Hampshire	\$ 0.24	\$ 0.24	\$ 0.48
New Jersey	\$ 0.52	\$ 0.24	\$ 0.76
New Mexico	\$ 0.23	\$ 0.24	\$ 0.47
New York	\$ 0.23	\$ 0.24	\$ 0.47
North Carolina	\$ 0.41	\$ 0.24	\$ 0.65
North Dakota	\$ 0.23	\$ 0.24	\$ 0.47
Ohio	\$ 0.47	\$ 0.24	\$ 0.71
Oklahoma	\$ 0.20	\$ 0.24	\$ 0.44
Oregon	\$ 0.40	\$ 0.24	\$ 0.64
Pennsylvania	\$ 0.74	\$ 0.24	\$ 0.99
Rhode Island	\$ 0.41	\$ 0.24	\$ 0.66
South Carolina	\$ 0.29	\$ 0.24	\$ 0.53
South Dakota	\$ 0.30	\$ 0.24	\$ 0.54

Table 2. State and federal diesel fuel taxes as of September 2026.

State	State Tax	Federal	Total
Tennessee	\$ 0.28	\$ 0.24	\$ 0.53
Texas	\$ 0.20	\$ 0.24	\$ 0.44
Utah	\$ 0.39	\$ 0.24	\$ 0.64
Vermont	\$ 0.33	\$ 0.24	\$ 0.57
Virginia	\$ 0.43	\$ 0.24	\$ 0.67
Washington	\$ 0.59	\$ 0.24	\$ 0.83
West Virginia	\$ 0.36	\$ 0.24	\$ 0.60
Wisconsin	\$ 0.33	\$ 0.24	\$ 0.57
Wyoming	\$ 0.24	\$ 0.24	\$ 0.48

SUMMARY

Diesel prices have risen sharply since 2025, creating significant cost pressure for log trucking and the broader forest products supply chain. National No. 2 diesel retail prices increased from \$3.71 per gallon in early September 2025 to \$6.51 by mid-September 2026, and state-level diesel prices on September 21, 2026 were roughly 76% higher on average than one year earlier. Because Class 8 log trucks average only about 6.3 miles per gallon and hauling can represent 25% to 60% of total operating costs, these fuel price increases translate directly into higher delivered wood costs.

Using an average 138-mile roundtrip haul distance, the estimated roundtrip diesel cost increased substantially across the country. The annual calculated range across the states rose from \$69.88 – \$114.56 in 2025 to \$130.79 – \$184.46 in 2026, with Texas being the lowest in both years and California the highest.

For current timber harvest volumes, the fuel-price change from 2025 to 2026 is estimated to add an average of \$2.12 per green ton to delivered raw forest products costs, resulting in more than \$920 million in additional fuel costs across the sector on an annual basis. The largest total impacts are concentrated in high-harvest states such as Georgia, Alabama, and Mississippi. Overall, the key takeaway is that elevated diesel prices materially increase delivered wood costs, reduce transportation cost predictability, and may place continued financial pressure on loggers, mills, and downstream forest products markets. Temporarily suspending state and federal fuel taxes could provide relief of up to \$200 million annually for logging and log hauling businesses.

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