THE LUMBER DAILY

Thursday, July 9, 2026
China Trade Edition
Est. 2026 | Vol. 1, No. 79

MARKET PULSE | Lumber $623.50 | WTI $73.52 (+4.4%) | Diesel $4.58 | 10yr 4.56%

TOP STORIES

Lawmakers Push to Write Hardwood Lumber Into the China Framework

A bipartisan, bicameral group of lawmakers led by Senators Shelley Moore Capito of West Virginia and Jeanne Shaheen of New Hampshire sent a letter Tuesday urging the United States Trade Representative (USTR) to explicitly include American hardwood lumber in the newly formed U.S.-China Board of Trade. Representatives GT Thompson of Pennsylvania and Marie Gluesenkamp Perez of southwest Washington led the House side. The letter asks that China's $17 billion procurement commitment cover hardwood lumber rather than logs, and that compliance carry enforceable, measurable targets reviewed regularly at the Board of Trade. The members put the cumulative cost of lost Chinese market access at $9.882 billion in foregone sales and said domestic hardwood lumber production has dropped 48.3 percent since 2018.

Mackenzie's July Restart Window Passes Without an Announcement

Conifex Timber's Mackenzie, BC sawmill was curtailed May 19 for a planned seven weeks, a pause the company attributed to log inventory levels and seasonal breakup conditions in the BC Interior, with an estimated supply impact of about 25 million board feet and a targeted restart in July. Seven weeks from May 19 ran out on July 6. As of Wednesday evening, the company had issued no restart announcement, and its last public statement on Mackenzie remains the May curtailment notice. The mill has been here before: a four-week curtailment that began December 15 ended with a February restart, backed by a $19 million secured term loan for the Mackenzie subsidiary.

Coalition Sues to Halt the Forest Service Reorganization

More than 30 unions, environmental and civic organizations, and local governments filed suit this week challenging the restructuring of the US Forest Service, seeking a preliminary injunction against the plan announced March 31. The reorganization moves the agency's headquarters to Salt Lake City and closes regional offices and research facilities across 31 states as the agency shifts to a state-based model. The complaint, filed by Democracy Forward on behalf of the plaintiffs, including the American Federation of Government Employees, argues the overhaul would impair the agency's ability to manage the national forests.

■ DEEP DIVE: THE EXPORT LANE TO CHINA

Logs moved first

US log exports jumped 35 percent year over year in May to 541,500 cubic meters worth $170.8 million, with average prices up 8 percent on the month to $315 per cubic meter, according to USDA trade data covering 36 tariff lines. China is the buyer behind the headline: it took 69,700 cubic meters, 12.9 percent of the trade, twelve months after Beijing's import ban had cut the flow to just 730 cubic meters. Chinese customs suspended American logs in March 2025, hours after new US tariffs took effect, and restored the trade on November 10 following the one-year US-China truce. China supplied $43 million of the trade's $50.5 million year-over-year value gain in May, buying at an average of $623 per cubic meter. Unambiguous softwood flows in the same table clear between $93 and $234, so the price signature places China's buying at the walnut-and-oak end of the basket.

The Vietnam detour

The ban year redrew the map. US hardwood log sales to Southeast Asia soared 355 percent to $474.3 million in 2025 as volumes tripled to 814,011 cubic meters, pushing Southeast Asia past Greater China as the largest buyer of American hardwoods. Around 50 sawmills and eight veneer mills opened near Ho Chi Minh City during the ban to cut American hardwood, much of it destined for the same Chinese furniture factories that once bought the logs directly. Vietnam still held the top of the May destination table at 28.6 percent, taking 154,600 cubic meters worth $72.5 million. That processing base did not exist at this scale two years ago, and it now competes for every log China wants back.

Which side of the saw

This week's congressional letter asks for the returning demand to land on sawn lumber rather than logs, and the production numbers explain why. US hardwood lumber capacity fell 6 percent between 2020 and 2022, and first-quarter 2025 output declined 19 percent from 2024. China historically absorbed roughly a quarter of US hardwood lumber production, so the $17 billion procurement commitment decides where the sawing, drying, and grading margin lands. Every log shipped whole carries that value offshore with it. Walnut and oak account for 79.3 percent of US hardwood log export receipts, the same species Chinese buyers paid $623 per cubic meter for in May, which is why the letter's authors want purchases counted in lumber and verified against measurable targets.

The West Coast lane

The trade splits by coast. Hardwood volumes ship largely from the Appalachian and Southern growing regions through East Coast ports, while Pacific Northwest terminals handle the Douglas-fir, hemlock, and cedar bound for North Asia. That softwood lane cooled in May: Japan and South Korea cut combined orders by 38,400 cubic meters, while India expanded its intake 238.6 percent to 82,000 cubic meters of commodity-grade pine at $100 per cubic meter. Softwood made up about 70 percent of US log export volume in the last full year before the ban, but hardwood carries the value, and May moved the mix further that way: export value grew 42 percent on volume growth of 35 percent.

WHAT YOU MISSED YESTERDAY

Wednesday, July 8 — business, markets, and the broader economy.

- **Markets:** The S&P 500 fell 0.3%, the Dow dropped 577 points, and the Nasdaq edged higher as chip stocks rebounded.
- **The catalyst:** President Trump declared the US-Iran ceasefire over following Tuesday's tanker attacks in the Strait of Hormuz. The US launched new strikes and revoked Iranian oil waivers; Iran struck US bases in Kuwait and Bahrain.
- **Oil:** WTI settled at $73.52, up 4.4% on the day and more than 7% over two sessions.
- **Rates:** The 10-year Treasury yield rose to about 4.56%, its highest since late May. Minutes from the Federal Reserve's June meeting showed some policymakers open to further rate hikes if inflation stays elevated.
- **Elsewhere in business:** Amazon moved to raise at least $25 billion in bonds, and the heavy run of AI-related debt sales weighed on other technology credit.

INDUSTRY & COMPANY NEWS

- **Longview cleanup bill goes to the operator:** Washington's Department of Ecology will issue a reimbursement order requiring Nippon Dynawave to cover the state's costs from the Longview chemical spill response. Crews removed the final 12,000 gallons from the collapsed white-liquor tank 37 days after the May 26 failure that killed 11 workers; the department is still calculating the total.
- **Kaitaia consultation opens, decision due July 16:** Juken New Zealand began formal consultation July 8 on closing its Northland sawmill at Kaitaia after a buyer search failed, with a final decision due by July 16. About 60 jobs are at stake, and the company booked a NZ$39.7 million loss for the year to March. The neighboring Triboard plant and its 140 workers remain in a separate sale process.
- **US LBM promotes its CFO from within:** The distributor named Enrico Batelli chief financial officer, effective July 2. Batelli is a nine-year company veteran who served as interim CFO and previously ran field-operations finance and chief accounting duties; he reports to president and chief executive officer L.T. Gibson.
- **Four in ten Canadian manufacturers eye a US move:** A KPMG Canada survey released this week found four in ten Canadian manufacturers are considering shifting production to the United States as tariff uncertainty drags on.

■ TRADE & MARKETS SNAPSHOT

INDICATOR	VALUE	TREND
Lumber futures (front month)	**$623.50**	Holding near the June 8-month high
WTI crude	**$73.52**	Up 4.4% Wednesday on the ceasefire collapse
Diesel, US on-highway avg	**$4.58/gal**	Down 9 cents week over week
10-year Treasury	**4.56%**	Highest since late May
US log exports (Jan-May)	**2.99M cubic meters**	Up 24.5% over the same period of 2025
Mortgage applications (June)	**-0.3% m/m**	Stalled as rates climbed through June

■ THE BOTTOM LINE

The short version for Thursday: Congress wants hardwood lumber written into China's $17 billion procurement commitment. The BC Interior restart promised for July still has no announcement behind it. More than 30 groups sued to stop the Forest Service reorganization. Oil rose 4.4 percent and the 10-year touched its highest level since late May after the ceasefire collapsed. The deep dive walks the export data: logs are moving to China again, and the letter's authors want the next round of purchases counted in lumber.