

MARKET PULSE | Lumber \$631.00 | WTI \$79.34 (+1.5%) | S&P 7,543.59 | 10yr 4.63%

TOP STORIES

Canfor to Permanently Close Northwood Pulp Mill in Prince George

Canfor said Tuesday it will permanently close its Northwood pulp mill outside Prince George, BC, cutting about 300 jobs and removing roughly 300,000 tonnes of annual kraft pulp capacity, with the shutdown to be completed toward the end of 2026. The company pointed to a structural shift in global pulp markets, where substantial new capacity has come online and pushed prices steadily lower, and to persistent difficulty accessing wood fibre in the BC Interior. BC's forests minister called the news heartbreaking for workers and the region, said the province has reached out to Unifor Local 603 and the City of Prince George, and said it will lean on the recently signed Canada-BC Cooperative Prosperity Agreement to support the transition. Canfor said it will provide severance and look to redeploy affected workers to its other operations.

Fire Season Tightens From the BC Coast to Eastern Oregon

The fire picture escalated on both sides of the border Tuesday. BC's Coastal Fire Centre is banning Category 1, 2 and 3 open fires across most of the coast effective noon Thursday, July 16, as crews brace for renewed activity. The heat wave driving the risk peaked Tuesday, with highs of 30 to 37 C across much of Ontario, where growing fires forced evacuation orders for the communities of Armstrong, Collins First Nation, Whitesand First Nation and Lac des Mille Lacs First Nation. In eastern Oregon, the Anthony fire north of Baker City is showing extreme behavior with crowning and wind-driven runs, while the lightning-started Salmon and Olive Butte fires southwest of the city remain at zero containment with Level 3 evacuation orders in place. Nationally the season stands at Preparedness Level 4, with 46 uncontained large fires and year-to-date burned acres running 135% of the ten-year average.

Kruger Details \$700-Million Diversification for Corner Brook

Kruger laid out the details of its roughly \$700-million revitalization of Corner Brook Pulp and Paper at a Greater Corner Brook Board of Trade meeting Tuesday, a plan that would steer the century-old Newfoundland newsprint mill toward multiple revenue streams. The package modernizes the paper operation, adds pulp storage and chip handling and receiving equipment, upgrades the Deer Lake and Watsons Pond hydro stations, and includes a 17-to-22-turbine wind farm targeted to begin construction in August 2027 and feed the provincial grid by the third quarter of 2030. The company says the build-out would create 575 full-time-equivalent construction jobs and protect about 1,000 indirect jobs; the mill itself employs roughly 300 and buys pulpwood and chips from smaller commercial suppliers. Newfoundland and Labrador Hydro extended its power-purchase agreement with the mill to June 2027 last week, giving the province time to review the proposal.

■ DEEP DIVE: THE UNINSURED ACRE

Growing Bare

Most standing timber in North America carries no insurance at all. Timber is excluded from the US federal crop insurance program, so there is no subsidized backstop of the kind row-crop growers lean on. Private standing-timber policies exist, but each insured peril, fire included, typically costs 0.5% to 1.5% of the stand's appraised value per year, and underwriting demands a forest management plan, stand-level inventory, and detail down to the distance from the nearest fire department. Carried across a rotation measured in decades, premiums at that level consume the margin the crop was planted to earn. The common pattern follows the math: insure a mature stand for the short window between peak value and harvest, or carry nothing and spread the risk across geographies instead. This week's fire map shows what that bet looks like when it runs hot.

The Satellite Trigger

The emerging alternative replaces the loss adjuster with a satellite. Parametric wildfire covers pay out automatically when remotely measured burned area inside a defined perimeter crosses a preset threshold, turning a claims process that once took months of on-the-ground cruising into a payment that arrives within days. Reinsurers and specialty underwriters now write forestry-specific parametric covers for timberland investors, timber firms and pulp producers. The 2025 policy structured for Tahoe Donner, a private association in Truckee, California, went a step further and priced verified fuel-reduction work directly into the contract: the premium came in 39% lower and the deductible 89% lower than the same cover without documented forest management. It is the first parametric cover of its kind to price documented forest management directly into the premium.

The Buffer Pool Is Burning

Carbon forestry built its own version of insurance, and fire is draining it. California's compliance offset program requires every forest project to contribute credits to a shared buffer pool intended to cover unintentional losses across all projects for a century. The 2020 Lionshead Fire burned through all 24,000 acres of the Confederated Tribes of Warm Springs offset project in Oregon. A 2022 analysis found wildfire had consumed nearly a fifth of the entire buffer pool within roughly the program's first decade, and a later research tally put cumulative fire losses at 10.7 million credits, more than the pool had set aside for a hundred years of fire risk. The 2024 Park Fire burned into three active California projects, two of them damaged badly enough that the pool will likely have to replace all 0.93 million credits issued to them.

Pricing the Fireline

The underwriting math is migrating into land values. Buyers of timberland now run the same variables an insurer would: fuel loading on and around the property, treatment history, road access, and the distance to organized fire response. For institutional owners, the choice among a conventional premium, a parametric trigger and self-insurance through geographic spread has become part of the discount-rate conversation on western acquisitions. For the uninsured, salvage remains the only recovery after a burn: a time-limited harvest run against checking, blue stain and insects, sold into a market that knows the seller has no alternative. The Tahoe Donner structure points the other direction, because fuel treatment that verifiably lowers a premium gives thinning a return the market can price rather than a cost the owner absorbs.

WHAT YOU MISSED YESTERDAY

Tuesday, July 14 — business, markets, and the broader economy.

- The S&P 500 rose 0.4% to 7,543.59, the Nasdaq added 0.9% to 26,107.01, and the Dow closed flat at 52,508.27, with semiconductors leading after June inflation came in softer than forecast.
- The 10-year Treasury yield edged up two basis points to 4.626%.
- WTI settled 1.5% higher at \$79.34 after the US reimposed its blockade of Iranian ports at 4 p.m. ET and carried out further airstrikes; the White House dropped its earlier demand for a 20% transit fee on escorted Hormuz cargo.
- On deck today: the Bank of Canada's rate announcement and Monetary Policy Report at 9:45 a.m. ET, with another hold at 2.25% widely expected.

INDUSTRY & COMPANY NEWS

- **Massachusetts Clean Energy Center** launched MASS Timber Assembly, a 12-month accelerator that will select up to eight in-state building project teams and fund them with grants to pursue mass timber construction.
- **Italian sawmills** have rebuilt domestic sawn softwood output to nearly one million m3 a year, against national consumption of 5.45 million m3 in 2024, according to the European Organisation of the Sawmill Industry's annual report; European output overall slipped 1.5% in 2025 and is expected to contract again in 2026. Italy's wood-industry federation convened a national assembly in Bologna on July 9 to press for an industrial policy linking forests, mills and timber construction.
- **Kitchen Cabinet Manufacturers Association** members reported May cabinet sales down from a year earlier but up slightly from April in the association's monthly Trend of Business survey.
- **BC's Ministry of Forests** opened public input on a forest landscape plan for the 1.2-million-hectare Cranbrook Timber Supply Area, with a survey running July 13 through September 25 alongside in-person sessions.
- **Alberta's Value-Added Wood Products Program** opened a new capital-funding stream under its Innovation Support Program for the province's wood manufacturers, with applications accepted through July 31.

■ HARDWOOD & SUPPLY SNAPSHOT

INDICATOR	VALUE	TREND
CME lumber, September	\$631.00	most-active contract; eased \$8 Tuesday from Monday's settle
CME lumber, July (expires today)	\$587.00	final trading day; \$44 under September
Kraft pulp futures (Shanghai)	CNY 4,816/t	down 0.7% Tuesday, before the Northwood closure hit the wires
Remodeling Market Index (Q2)	61	down 1 point from Q1; still housing's firmest segment
US fire personnel committed	16,886	up 1,736 day-over-day

■ THE BOTTOM LINE

Pulp carried the day's hardest news. A permanent closure outside Prince George takes 300 jobs and 300,000 tonnes of kraft capacity out of the market by late 2026, while in Newfoundland a \$700-million plan would turn a century-old newsprint mill into a diversified energy and wood-products site. Fire season tightened from the BC coast to Ontario and eastern Oregon. Most standing timber still burns uninsured, though satellite-triggered covers and premium credit for verified thinning are starting to change that. The Bank of Canada announces rates this morning, with another hold expected.