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THE LUMBER DAILY

TOP STORIES

Canada Names Softwood Lumber in Its September 8 Counter-Tariff List

The tariff-item list for Canada's counter-tariffs is now public, and softwood lumber is on it. Coniferous sawn lumber carries 25 percent: pine under 4407.11, fir and spruce under 4407.12, spruce-pine-fir under 4407.13, hem-fir under 4407.14, and other coniferous grades under 4407.19. Plywood, laminated veneer lumber (LVL) and blockboard across heading 4412 carry 50 percent. Dissolving chemical wood pulp under 4702.00 also carries 50 percent, and uncoated kraft paper at or below 150 grams per square meter under 4804.39 carries 25 percent. Every sawn lumber line named is coniferous. The measure takes effect at 12:01 a.m. on September 8 and covers 27.6 billion Canadian dollars of US imports, matched against the 27.6 billion Canadian dollars of Canadian goods hit by the US action that took effect August 22. Individual rates are set at 15, 25 or 50 percent to mirror the US rate on each good. Goods already in transit on September 8 are exempt.

Warsh Puts Prices First in His First Jackson Hole Keynote

The Federal Reserve chair delivered his first Jackson Hole keynote Friday morning, titled "In Our Time," marking his hundredth day in the job. He put the price problem ahead of everything else: 12-month personal consumption expenditures inflation at 3.7 percent, the six-month rate at 4.1 percent, and 54 percent of the 199 components of that index rising more than 3 percent over twelve months against a pre-pandemic norm of 32 percent. He assigned the central bank responsibility for what he called 65 months of sustained, elevated inflation, and said summer readings that came in better than expected do not tell him underlying trends have meaningfully improved. On the other side of the mandate he described labor markets as consistent with full employment, with the jobless rate at 4.1 percent. The passage that matters most for wood demand was on financial conditions: he named housing and agriculture as the sectors showing strains, then said he would be hard pressed to describe broad financial conditions as restrictive, citing credit spreads near historical lows and easing lending standards. He declined to offer a rate path, saying forward guidance has overstayed its welcome, and closed by saying he is committed to a discipline rather than to a decision. On the Treasury's daily yield curve the two-year rose 14 basis points and the ten-year rose 6.

Ontario Puts 1.9 Million Dollars Into Kiln Capacity at a Killaloe Pine Producer

Ontario committed more than 1.9 million Canadian dollars through its Forest Sector Investment and Innovation Program to Ben Hokum and Son, a sawmill at Golden Lake near Killaloe in Renfrew County, for two biomass-assisted steam kilns. The province says the kilns will triple the mill's drying capacity and lift its export sales by more than 30 percent, supporting 115 direct jobs and more than 100 indirect ones. The award was announced at the mill by the associate minister of forestry and forest products. Ben Hokum and Son has operated since 1956 and cuts about 40 million board feet a year of white and red pine, making it the province's largest producer of those two species; its output goes into flooring, framing, paneling and pallets. Drying capacity is one of the constraints on whether an eastern softwood mill can sell into export and appearance-grade channels, and biomass-assisted kilns run on residuals the mill already produces.

■ DEEP DIVE: THE IRON THAT WON'T CLEAR

What Came Apart in West Virginia

Allegheny Wood Products shut down on February 23, 2024, putting roughly 850 people out of work across one of the largest hardwood operations in Appalachia. It went into receivership on March 6, 2024, over a 40 million dollar loan from United Bank. The manufacturing assets did find buyers on paper. By late July 2024 the receiver had agreements for Goodfellow to acquire two dry kilns for 6.25 million dollars and for Charles City Timber and Mat to acquire the Kingwood and Riverton sawmills for 9.25 million dollars, both subject to the court's upset-bid process. Pieces of the estate are still moving more than two years later.

Two Outcomes From One Package

Riverton and Kingwood were initially paired in the receiver's proposed 9.25 million dollar sale to Charles City Timber and Mat, but their outcomes diverged. Riverton was acquired by Virginia owners and restarted in late March 2025, sawing again with a payroll. Kingwood did not come back and remained in the receivership; its equipment is scheduled to be sold off piece by piece on September 24. Cowen, which never found a going-concern buyer at all, goes the same way on September 17. All three sit in broadly similar Appalachian hardwood and the iron at each is of similar vintage. The variable that appears to separate them is whether an owner could see a run rate that covered the cost of restarting a hardwood mill into the current market.

Why the Iron Stopped Clearing

Eight wood-industry equipment sales are on the calendar between August 29 and October 3, heavily weighted to eastern hardwood: the two former Allegheny Wood Products sites a week apart, a sawmill and logging operation at Honesdale, Pennsylvania, a sawmill at Wingo, Kentucky, a forest products operation at Muscoda, Wisconsin, a pallet plant in the same state, a former tie and timber operation at Mullins, South Carolina, and a recycled wood products yard in Florida. One Southern hardwood operator who closed his mill this summer has said he is mothballing his equipment rather than selling it, on the judgment that few remaining buyers could afford to bid and that going to auction under current conditions would be punishing. That points to sellers with a choice holding their equipment, and to the sales reaching the calendar being weighted toward the ones without a choice. On that reading the count of scheduled sales understates how much capacity is leaving.

Where the Capital Actually Goes

Eastern US hardwood sawmill production is projected at 4.08 billion board feet in 2026, down from 4.13 billion in 2025 and the lowest figure in the six decades the series has been tracked. US hardwood lumber exports peaked at 1.9 billion board feet in 2017 and had fallen to 1.1 billion by 2025, a decline of 42 percent, with China's share of that trade having climbed from 19 percent in 2008 to 54 percent at the 2017 peak. The National Hardwood Lumber Association counts 35 hardwood sawmills closed in 2025 and roughly 40,000 industry jobs lost since 2022. Capital has not left US wood manufacturing. The US South is projected to add 2.1 billion board feet of sawmill capacity between 2026 and 2028, net of closures. Those additions are concentrated in the South and are predominantly softwood, while the eastern hardwood belt sells its kilns.

WHAT YOU MISSED YESTERDAY

Thursday, August 27 - business, markets, and the broader economy.

- US stocks closed higher. The S&P 500 finished at 7,730.99, up 0.72 percent; the Dow at 53,569.44, up 0.20 percent; and the Nasdaq at 26,541.35, up 1.57 percent.
- Initial jobless claims came in at 203,000 for the week ended August 22, down 4,000 from the prior week. Continuing claims were 1,778,000 for the week ended August 15.
- The second estimate of second-quarter gross domestic product, released Wednesday, put growth at 1.5 percent, down from 2.1 percent in the first quarter.
- The ten-year Treasury yield ended Thursday at 4.67 percent and the two-year at 4.20 percent, before both moved higher on Friday's Jackson Hole keynote.
- The 30-year fixed mortgage rate averaged 6.66 percent for the week ended August 27, up one basis point.

INDUSTRY & COMPANY NEWS

- **The European Commission** issued a statement of objections to the 1.42 billion euro graphic paper joint venture between UPM and Sappi, saying the combined business would have the ability to raise prices and reduce quality in coated mechanical and coated woodfree papers, and that it was not persuaded by the efficiencies the parties claimed. The Commission's deadline for a final decision is November 11.
- **An Australian Senate committee** recommended that the government consider bringing timber under its Russia sanctions regime, the sixth of eleven recommendations in a report on illegal timber imports. Industry evidence to the inquiry put roughly 100,000 cubic meters a year of fiber of suspect origin entering the country, against a 35 percent tariff unchanged since April 2022. Laminated veneer lumber imports ran 205,343 cubic meters in the year ended October 2025, up 63 percent. A University of Queensland analysis found 68 percent of engineered wood imports came from nations classed as elevated risk, with China alone at 43 percent.
- **A University of Bristol-led consortium** that includes Foster + Partners received a 3.996 million euro European Innovation Council Pathfinder grant for SWIFT-Build, a three-year project with seven universities developing swarm robotics that assemble timber structures from the top down. Foster + Partners' own share of the award is 385,000 euros.
- **The Commerce Department** issued final determinations of no shipments in the administrative reviews of the antidumping and countervailing duty orders on hardwood plywood from China, covering the 2024 antidumping period and the 2020 to 2021 countervailing period. No new cash-deposit rate was established and existing rates continue, though Commerce intends to instruct customs to liquidate the entries covered by the finding without antidumping or countervailing duties.
- **Ontario** also put 250,000 Canadian dollars into three studies under its Forest Biomass Program: 100,000 dollars to Ben Hokum and Son to plan a biomass power and thermal facility, 87,500 dollars to TorchLight Bioresources for a combined heat and power study at Petawawa, and 62,500 dollars to Carboform for work on coatings and inks. The province put the combined potential of the projects at 350,000 metric tons of biomass a year.

■ RATES & MARKETS SNAPSHOT

INDICATOR	VALUE	TREND
2-year Treasury	**4.34%**	Up 14 basis points Friday
10-year Treasury	**4.73%**	Up 6 basis points Friday
30-year fixed mortgage	**6.66%**	Up 1 basis point, week ended Aug 27
Lumber futures, November	**$553.00/MBF**	Down $11.00 at Thursday's settle
USD/CAD	**1.3861**	Thursday reference rate
Initial jobless claims	**203,000**	Down 4,000, week ended Aug 22

■ THE BOTTOM LINE

Canada put tariff numbers on paper. US softwood lumber crosses north at 25 percent starting September 8, plywood and laminated veneer lumber at 50 percent, and every sawn line named is coniferous. The new Federal Reserve chair used his first Jackson Hole keynote to put inflation ahead of the labor market, named housing as a strained sector, and still declined to call financial conditions restrictive. The two-year Treasury moved 14 basis points on it. Ontario spent more than 1.9 million Canadian dollars on kiln capacity at a Renfrew County pine mill. Eight wood-industry equipment sales are on the calendar between tomorrow and early October, most of them in the eastern hardwood belt.