

TOP STORIES

Washington's August Timber Auction Leaves Alder Sawlogs Unsold

The Washington Department of Natural Resources (DNR) has posted results from its August auction. Across board and regional sales, 11 of 16 sales sold. Buyers took 34,972 of the 50,709 MBF offered, 69 percent of the volume, and paid \$10,904,842.69, or \$311.82 per MBF, 33 percent above minimum bid on an average of 2.03 bids. Fiscal-year-to-date the agency has sold 19 of 25 sales and 63,773 of 90,250 MBF at \$314.17 per MBF, 42 percent over minimum. The Turdy Pointer sale in Cowlitz County was offered in sorts. Its red alder sawlog sort, 29 MBF of eight-inch and larger logs carrying a \$263.10 per MBF delivered minimum, drew no bids. The 35 MBF red alder pulp sort sold on a single bid at its \$338.00 delivered minimum, which works out to a projected stumpage of negative \$96.57 per MBF. Two more pulp sorts, in a second sale, also cleared at negative projected stumpage, at negative \$72.65 and negative \$72.66 per MBF. Douglas-fir ground moved differently. Dracula in Grays Harbor County drew four bids and sold at \$517.32 per MBF, and Next Regeneration in Snohomish County sold at \$527.83, 44 percent over minimum. Three board sales drew nothing at all: Bakers Dozen in Clallam County, Country Boy in Cowlitz County and Q Parody Peak in Stevens County.

Rayonier Advanced Materials Halts Its Temiscaming Complex Over Tariffs

Rayonier Advanced Materials notified employees on August 26 that it will halt operations at its Temiscaming, Quebec complex on September 15 for an indefinite period. Everything on the site stops except the wastewater treatment plant and one boiler. About 400 unionized workers are affected, along with managers, contractors and suppliers. The company said the business environment had become unsustainable and that the magnitude of the tariffs no longer allows it to operate the site under sustainable conditions. Temiscaming lost its high-purity cellulose line in July 2024, a shutdown that eliminated 275 jobs; the pulp and paperboard operations that stayed on the site are what stop in September. The additional 50 percent US tariffs on a targeted list of Canadian goods took effect August 22. No financial impact was disclosed and no securities filing accompanied the notice.

ProVia Commits 890,000 Square Feet of Window and Door Capacity

ProVia will build a 580,000-square-foot window plant in Mocksville, North Carolina, a \$120 million investment carrying about 400 jobs at an average salary of \$66,326 against a Davie County average of \$52,772. The state's Economic Investment Committee approved a Job Development Investment Grant of up to \$3,280,500 over a 12-year term the same day, with up to \$1,093,500 moving into the state's Industrial Development Fund utility account. The state release describes the plant as serving the southeastern US. A second project puts 310,000 square feet and roughly 400 more jobs in Dover, Ohio, in a building purchased from Schaeffler that is already under construction and that ProVia expects to finish in 2027. ProVia already runs plants in Ohio and Mississippi, and North Carolina Commerce called Mocksville its tenth location. ProVia was founded in 1977 and employs more than 3,000 people.

■ DEEP DIVE: SEVENTY-FIVE FEET

What Changes Today

Washington's new Type Np rule takes effect today. The Forest Practices Board adopted it on November 12, 2025 by a 7-5 vote and filed it nine days later with an effective date nine months out, timed to land at seasonal low flows and to give the agency room to write guidance and train field staff. It governs non-fish-bearing perennial streams on forest land in western Washington; eastern Washington prescriptions are untouched. The old standard required two-sided 50-foot no-harvest buffers along at least half of a Type Np stream's length, in segments of at least 100 feet, concentrated on the reach closest to fish-bearing water. The new section buffers the whole reach. Where a basin larger than 30 acres has 85 percent or more of its area planned for harvest within five years, the requirement is a 75-foot no-harvest buffer on both banks along the entire stream. Everywhere else 75 feet applies to the first 600 feet above the confluence, and above that the width turns on stream size. Channels three feet or wider at bankfull get either a 50-foot no-harvest strip plus a 25-foot managed zone where up to half the trees may come out on an even distribution, or a flat 65-foot no-harvest buffer, at the landowner's election. Channels under three feet get 50 feet. Seep protections, the 56-foot patches at headwater springs and Np confluences, and the 30-foot equipment limitation zone carry over, and the amended section names alluvial fans among the sensitive sites that have to be identified before the buffer is laid out, leaving the existing no-harvest protection on those fans in place.

The State's Own Arithmetic

The cost-benefit analysis prepared for the board estimates the rule adds 67,000 to 170,000 acres of no-harvest buffer plus 2,900 to 8,600 acres of partial-harvest buffer. That is 0.8 to 2.2 percent of the 8.2 million acres of private and municipal forestland in western Washington, and 1.1 to 2.9 percent of the roughly 6.1 million acres covered by the state forest practices habitat conservation plan. Forestland value losses run \$320 million to \$1.0 billion, which the analysis annualizes at \$11 million to \$35 million using a 2 percent discount rate and \$17 million to \$54 million at 4.5 percent. Per mile of Type Np stream the analysis counts 3.7 to 4.0 equivalent acres affected and \$17,000 to \$23,000 of land value. Landowner groups put the acreage above 200,000 and the timber value at \$1 billion to \$1.8 billion.

What the Appeal Argues

The Washington Forest Protection Association and the Washington Farm Forestry Association petitioned for review in Thurston County Superior Court in December. The judge ruled from the bench on August 21 that the board had adopted the rule lawfully, and the two associations announced on August 28 that they will appeal. Their petition asserts that the rule exceeds the board's statutory authority, that it is arbitrary and capricious, that the board failed to weigh less burdensome alternatives, that the cost-benefit analysis was defective, and that a determination of non-significance under the State Environmental Policy Act (SEPA) was improper where an environmental impact statement was required. Sixteen counties, ports, school districts, fire districts and local business organizations filed a joint amicus brief supporting the challenge. No stay has issued, so the rule is in force this morning. Two conservation groups were granted intervention on the state's side on January 30. Part of the dispute runs through the Department of Ecology's reading of the state antidegradation standard, which treats a measurable temperature increase as the trigger; the board's response to comments held that Ecology's interpretation of the water quality rules sat outside the scope of the rulemaking.

Who Absorbs It

The rule sets no separate general prescription for small forest landowners, though the existing provisions for exempt 20-acre parcels still stand. Their mitigation is the Forestry Riparian Easement Program, which pays small owners 90 percent of the timber value in qualifying riparian areas in exchange for a 40-year easement. The rulemaking record counts nearly 2,300 acres compensated across the ten most recent years of data and notes that the program's funding varies from year to year. Approved long-term applications are the closest thing to a phase-in. Agency staff screened them two ways: a mapping review returned 17 in western Washington whose harvest boundaries contain Type Np streams, and a permit-database flag for harvest within 50 feet of a Type Np water returned 49 results, which staff described as a similar population. They recommended the board leave currently approved applications on the old standard. Downstream of the landowner is the mill. In its own brief, the American Forest Resource Council (AFRC) put the share of timber that Washington forest-products manufacturers draw from private forests at roughly 73 percent. The state's forest practices rules reach all non-federal forest land, so the buffers apply on DNR-managed trust ground as well as private timberland, while the cost-benefit analysis modeled private and municipal acreage.

WHAT YOU MISSED YESTERDAY

Friday, August 28 - business, markets, and the broader economy.

- US stocks slipped into the weekend. The S&P 500 closed at 7,711.76, down 0.25 percent; the Dow at 53,559.99, down 0.02 percent; and the Nasdaq at 26,402.42, down 0.52 percent. All three finished the week higher, the Dow's first winning week in three.
- The Chicago Business Barometer fell to 47.1 in August from 57.6 in July, a 10.5-point drop and the first reading below 50 since April. New orders fell 15.4 points, order backlogs 12.1 and production 8.8, while employment rose 4.3 points into positive territory for the first time in five months.
- The University of Michigan's final August consumer sentiment index came in at 51.7, above the 51.0 preliminary reading and below July's 55.2. One-year inflation expectations eased to 4.0 percent from 4.2 percent, and the five-year measure held at 3.3 percent for a third month.
- October WTI crude settled at \$83.40 a barrel, down 13 cents. October ultra-low-sulfur diesel settled at \$4.2490 a gallon, up 7.37 cents on the session.
- Retail diesel keeps climbing. The national on-highway average was \$5.652 a gallon for the week of August 24, up 19.8 cents in a week and \$1.94 from a year earlier. The West Coast average was \$6.407 and California \$7.040.

INDUSTRY & COMPANY NEWS

- **Mercer International** is getting \$20 million from Ottawa through the Regional Tariff Response Initiative for its Peace River, Alberta pulp mill, split \$1 million non-repayable and \$19 million repayable, with Alberta adding \$17.1 million in relief. The money funds heavy black liquor piping, rebuilt pulp machine rolls and upgrades to a lime kiln and recovery boiler, and is meant to let the mill shift toward a more profitable mix of hardwood and softwood pulp. The mill has run since 1990, employs 360 directly and processes incidental hardwood from area sawmills.
- **Somnigroup International** closed its acquisition of Leggett & Platt on August 26. The all-stock deal exchanged 0.1455 Somnigroup shares for each Leggett share and was valued at about \$2.3 billion based on Somnigroup's August 25 closing price and inclusive of Leggett's debt. Former Leggett holders own roughly 9 percent of the combined company, Leggett comes off the New York Stock Exchange, and it becomes a new reporting segment. The run-rate synergy target was raised to \$75 million from \$50 million. The combined company runs more than 170 manufacturing plants in 37 countries.
- **Tsawak-qin Forestry** won an extension of its injunction covering the Walbran Valley on Vancouver Island, with the British Columbia Supreme Court pushing the expiry to January 31, 2028 from September 13 while declining to make it effectively indefinite. The partnership is 65 percent owned by Western Forest Products and 35 percent by Huumiis Ventures, held by the Huu-ay-aht First Nations. Thirteen arrests in the injunction area last fall produced ten criminal contempt charges and seven guilty pleas, with further trials set for October and December.

- **Kuiken Brothers** agreed on August 26 to acquire Paramus Building Supply, a Bergen County, New Jersey dealer of more than 70 years with yards in Paramus and Bergenfield carrying lumber, engineered lumber, windows, doors and moulding. Terms were not disclosed and no closing date was given. The buyer said it will retain the acquired teams and phase in its own inventory and delivery network, and framed the deal as a step toward New York's Hudson Valley.
- **The Dudley fire** on the Idaho Panhandle National Forest stood at 553 acres and 14 percent containment in this morning's national situation report, with 221 personnel assigned and \$1.9 million spent. The lightning start on August 26 sits five miles north of Wallace in Shoshone County's Silver Valley, near Dobson Pass. Mapping trimmed four acres off the perimeter overnight. Area closures are in effect, the report lists energy infrastructure as threatened, and containment is estimated for September 30.

■ LOG PRICES & COSTS SNAPSHOT

INDICATOR	VALUE	TREND
Washington timber auction, August	\$311.82/MBF	11 of 16 sales sold, 33% over minimum
Coast Douglas-fir, small & better	\$868/MBF	Up 7.8% from June in the July survey
Coast cedar, camprun	\$1,350/MBF	Up 8.0% from June
Coast red alder, camprun	\$538/MBF	The only alder quote received in July
On-highway diesel	\$5.652/gal	Up 19.8 cents on the week, \$1.94 on the year
WTI crude, October	\$83.40/bbl	Down 13 cents at Friday's settle

■ THE BOTTOM LINE

Washington's new headwater buffers took effect this morning, and the landowner groups that lost in Superior Court have said they will appeal. The state's analysis puts the cost at 67,000 to 170,000 acres of no-harvest ground; the landowner groups say more than 200,000. The August state timber auction cleared 69 percent of its volume at \$311.82 per MBF, while the red alder sawlog sort went unsold and the three pulp sorts that did trade all priced at negative stumpage. A Quebec pulp and paperboard complex stops on September 15, putting about 400 union jobs on the line with the company citing an unsustainable business environment and the scale of the tariffs. Window and door manufacturing committed 890,000 square feet and roughly 800 jobs across Ohio and North Carolina. Retail diesel is up almost two dollars a gallon from a year ago, and the Chicago business gauge fell more than ten points in a month.