Thursday, September 3, 2026
Northbound Edition
Est. 2026 | Vol. 1, No. 110

THE LUMBER DAILY

TOP STORIES

LP Will Idle Its Jasper, Texas OSB Mill in October

Louisiana-Pacific said Tuesday it will indefinitely curtail oriented strand board (OSB) production at Jasper, Texas beginning in October, citing soft demand. The mill's annual capacity is about 475 million square feet on a 3/8-inch basis. The company said the decision followed a review of production requirements across its network and that it will look at restarting curtailed capacity when warranted; the chief executive officer called the near-term OSB environment challenging. The decision follows a second quarter in which LP's OSB segment lost money. OSB net sales fell $68 million from a year earlier to $182 million, and the segment's adjusted EBITDA swung to a loss of $21 million from a gain of $19 million. Commodity OSB prices were 20 percent below the second quarter of 2025 and prices for the company's value-added structural panels were 10 percent lower. Total OSB shipments were 768 million square feet against 880 million a year earlier. LP's guidance, issued August 5, assumes an OSB adjusted EBITDA loss of $45 million in the third quarter and $120 million for the full year, on the assumption that published OSB prices stay where they were on July 31. The siding business is expected to return to growth in the third quarter.

The Fed's Western Contacts Report Lower Lumber Prices and Softer Forestland Demand

The Federal Reserve's Beige Book, released Wednesday and based on information collected through August 24, carries several wood-products readings, most of them from the San Francisco district, which covers Oregon, Washington, Idaho, California and five other western states and reported on July to mid-August. In the district's price section: "Lumber prices declined because of lower demand from the construction sector." In retail: "Home improvement projects kept demand for wood products at home centers steady." In resource industries: "Previously strong demand to purchase forested lands reportedly declined somewhat." Residential construction "slowed a bit," contractor bids were more competitive, and "some developers with approved building permits opted to wait for borrowing costs to fall before starting those projects." Some Pacific Northwest manufacturers reported capital spending on additional production lines and on equipment to reduce labor needs. Nationally, the report said "residential construction declined while nonresidential construction increased on balance," with several districts pointing to data center projects. A Chicago district contact said: "without data centers, construction would be in a recession." In the Richmond district, a wood producer's customers demanded price cuts after the Supreme Court's tariff ruling, which the producer said it could not give because of higher input and transportation costs.

USDA Clears the Blight-Tolerant American Chestnut for Release From Plant-Pest Regulation

The Animal and Plant Health Inspection Service (APHIS) determined that Darling 54, a genetically engineered American chestnut developed at the State University of New York College of Environmental Science and Forestry, is unlikely to pose a greater plant pest risk than a conventional chestnut and is no longer subject to its biotechnology regulations. The notice was published in the Federal Register on August 28 and took effect the same day. The tree carries a wheat gene for oxalate oxidase, which breaks down the oxalic acid that the chestnut blight fungus, *Cryphonectria parasitica*, uses to kill bark tissue. The blight, first identified in New York in 1904, killed an estimated three to four billion American chestnuts. The college first sought deregulation of a line called Darling 58 in January 2020. Analyses in 2023 showed that essentially all offspring from the initial crosses descended instead from Darling 54, the result of a labeling error in 2016, and the college filed a revised petition in August 2024 to correct the line name. The 2025 comment round on the revised petition drew 174,116 comments; 4,115 were posted to the docket, and a large majority of those opposed deregulation. The determination completes the first major federal review. Environmental Protection Agency review is still required before the trees can be distributed, and the college is also consulting the Food and Drug Administration voluntarily on food and feed safety; until then the trees stay in research plots.

■ DEEP DIVE: WHAT GOES NORTH

Fifteen Percent of the Wood

Canada's counter-tariffs take effect September 8, and Chapter 44 of the tariff schedule, the wood chapter, is where the list touches this industry. US Census trade data put US wood-product exports to Canada at $2.06 billion in 2025. The lines on Canada's list account for about 15 percent of that. Sawn softwood, tariff lines 4407.11 through 4407.19, carried $148.3 million of shipments north last year and is listed at 25 percent. Thirteen of the fourteen tariff lines under heading 4412, plywood, laminated veneer lumber and other veneered panels, carried $146.3 million and are listed at 50 percent; the one line left off, coniferous blockboard, carried $7,349. Wood charcoal, added to the list on August 27, is at 50 percent and carried $13.4 million. Together the listed lines come to about $308 million. Those 20 tariff items are the whole of Canada's wood list; everything else in the chapter is off it. Builders' joinery and carpentry under heading 4418, which covers doors, windows, trusses and cross-laminated timber (CLT), carried $351.9 million, more than sawn softwood and veneered panels combined. Sawn hardwood, lines 4407.91 through 4407.99, carried $228.7 million. Veneer sheets carried $145.8 million, OSB and particleboard $142.7 million, fuelwood, chips and pellets $128.0 million, fiberboard $88.8 million and mouldings $41.8 million. Dissolving pulp, listed at 50 percent, is a line the United States barely ships to Canada: $61,939 in all of 2025. Paper and paperboard, at $5.56 billion, is a far larger US export to Canada than wood, and 18 pulp and paper tariff items are on the list as well, from dissolving pulp to tissue, coated paper, cartons and envelopes.

Which Boards Cross

The northbound softwood trade is small and shrinking. The five coniferous lines together moved 492,837 cubic meters in 2025, down 23.3 percent from 642,593 in 2024, and the $148.3 million in value was down 22.7 percent from $191.9 million. The largest line is 4407.19, other coniferous species, which is where Douglas-fir, western red cedar, redwood and larch are classified: $67.4 million and 188,172 cubic meters. Pine was next at $44.7 million and 161,921 cubic meters. Fir and spruce, spruce-pine-fir and hem-fir together carried $36.1 million. Canada's own import statistics show how dependent that small market is on US supply: US mills provided 65 percent of the value of Canada's sawn softwood imports in 2025, including essentially all of its hem-fir imports, 73 percent of its pine and 68 percent of the other-conifer line. On plywood and veneered panels the United States was a minority supplier, at 23.5 percent of Canada's $523.3 million in imports under heading 4412. Sawn hardwood is the larger flow. US hardwood lumber exports to Canada were worth $228.7 million in 2025, more than one and a half times the softwood total, on 435,519 cubic meters. Oak alone was $116.9 million and 237,982 cubic meters, about half the softwood volume. Maple carried $32.5 million and poplar $20.2 million. None of those lines is on the list. The lane was also growing into the summer. In June, two months before the list was announced, sawn softwood to Canada was $14.0 million against $10.9 million in June 2025, panels under heading 4412 were $16.5 million against $10.1 million, and the whole wood chapter was $178.8 million against $161.7 million.

Rate for Rate

Canada's finance department announced the list on August 25 as a match for the US Section 338 action that took effect August 22, which put 69 Chapter 44 tariff lines from Canada at 50 percent. The stated method is that Canada "will match the new U.S. tariffs dollar for dollar, rate for rate," with counter-tariffs of 15, 25 and 50 percent on products drawn from those targeted by US Section 338 and Section 232 tariffs and "the rate for each product matching the corresponding U.S. rate." The list covers C$27.6 billion of imports. The same announcement carried a C$7.5 billion support package, including targeted programs for the forestry, steel and aluminum sectors, and said Canada's "tariff remission framework also remains available to assess requests for exceptional relief." On August 27 the department removed US fish and seafood, in part to avoid the appearance of escalation, since the United States does not tariff Canadian seafood, and added wood charcoal, printed matter, articles of plaster including boards, sheets and tiles, packing materials such as bottles and jars, and copper wire, all at 50 percent, to keep the total matched. The US commerce secretary said Wednesday on television that Canada "blew up" a nearly complete deal for political reasons. Canada's prime minister, at a news conference in Thunder Bay, Ontario, on Thursday, said his government is ready to sit down and strike a deal "when the Americans are ready."

The Hardwood Clock

Hardwood lumber is off Canada's list, but not because the United States left it alone. The Section 338 annex that took effect August 22 includes subheading 4407.99, the residual non-coniferous sawn-wood line that covers red alder, at 50 percent; Canada did not mirror it. What hardwood has escaped is the Section 232 duty. The September 29, 2025 proclamation that imposed the 10 percent duty on softwood timber and lumber left hardwood out but did not close the question. Clause 9 reads: "By October 1, 2026, the Secretary shall provide the President with an update on imports of hardwood timber and lumber, their markets, and the domestic industry, so that the President may determine whether imposing an additional duty on imports of hardwood timber or lumber, such as the phased import duty recommended by the July 1, 2025, report, as well as any additional duties on derivatives of such products, is warranted to address a threat to national security." That update is due in four weeks. Canada's stated method is to match the US rate on the corresponding good, and the corresponding good, for US hardwood mills, is a $228.7 million market where oak, maple, poplar and ash move north without a duty today, while Canadian hardwood lumber moving south has carried the 50 percent Section 338 rate since August 22. Canadian softwood lumber entering the United States carries the 10 percent Section 232 duty plus antidumping and countervailing cash deposits of 35.16 percent at the all-others rate, with the seventh administrative review's final rates still unpublished, and sawn softwood was left off the Section 338 annex because it already carries the Section 232 duty. US softwood entering Canada, $148.3 million of it last year, has moved north duty-free and will carry 25 percent from Tuesday.

WHAT YOU MISSED YESTERDAY

Wednesday, September 2, and Thursday morning - business, markets, and the broader economy.

- US stocks ended a three-day losing streak Wednesday, led by technology shares. The S&P 500 closed at 7,666.60, up 35.13 points or 0.5 percent; the Dow at 53,061.95, up 295.07 points or 0.6 percent; and the Nasdaq at 26,217.83, up 118.05 points or 0.5 percent. The Russell 2000 gained 1.1 percent. Brent crude settled at $95.63 a barrel, up about 1 percent.
- Treasury yields were unchanged on the day. The 10-year closed at 4.79 percent for a second session, the 2-year at 4.39 percent and the 30-year at 5.27 percent, all per the Treasury's daily par yield curve. The Bank of Canada's daily rate for the US dollar eased to C$1.3863 from C$1.3896.
- Thursday morning, the 30-year fixed mortgage rate averaged 6.71 percent in the weekly survey, up from 6.66 percent and against 6.50 percent a year ago; the 15-year averaged 6.04 percent from 5.98 percent.
- Initial jobless claims rose 2,000 to 206,000 in the week ended August 29, with the four-week average at 207,250 and continuing claims up 8,000 to 1,779,000 in the week ended August 22.

- The Institute for Supply Management (ISM) services index rose 1.3 points to 55.4 in August, with business activity at 61.7, its highest since November 2022, and prices paid at 72.6, the highest since August 2022. Construction was the only industry reporting a decrease in new orders; one construction respondent wrote that rate buydowns and discounts had "become the norm instead of the tool to drive traffic."

INDUSTRY & COMPANY NEWS

- **Richelieu Hardware** acquired the hardware division of The Penrod Company, a US distributor of hardware and components for residential and commercial doors, adding about US$70 million in annual sales. The division has served the door hardware market for more than 35 years; terms, locations and headcount were not disclosed. Richelieu describes its network as 124 centers: 54 distribution centers in Canada, 66 in the United States and four Canadian manufacturing plants.
- **Builders FirstSource** acquired Gleckler and Sons Construction and Gleckler and Sons Building Supplies, an 11-location Florida operation based in Jacksonville with branches from Ormond Beach and Ocala to Tampa and Lakeland. Gleckler supplies homebuilders in central, northeast and western Florida with framing services, roof and floor trusses, exterior doors and millwork. Terms were not disclosed.
- **Roadless Rule** comments are due September 21 on the Forest Service's proposed rescission of the 2001 Roadless Area Conservation Rule, published in the Federal Register on August 20. About two dozen people protested the proposal Wednesday outside a forestry summit at Oregon State University in Corvallis. The proposed rule would rescind the roadless rule in its entirety; the agency's notice of intent was published a year earlier, on August 29, 2025.
- **La-Z-Boy** plans a $23 million expansion in Neosho, Missouri, adding a 150,000-square-foot distribution center and expanding manufacturing, with up to 100 new jobs. The state's Missouri Works incentive for the project is estimated at about $356,000.
- **Contract Lumber** acquired HT Building Products, with distribution centers in Houston and Dallas, extending the Ohio-based dealer's Texas footprint beyond its existing seven locations in the state. Contract Lumber also operates in Ohio, Virginia, Indiana, Georgia and the Carolinas.

■ RATES, DEMAND & FIRE SNAPSHOT

INDICATOR	VALUE	TREND
30-year fixed mortgage rate	**6.71%**	Up from 6.66%; 6.50% a year ago
10-year Treasury yield	**4.79%**	Unchanged; 2-year 4.39%, 30-year 5.27%
ISM services index, August	**55.4**	Up 1.3; construction the only industry with falling new orders
Initial jobless claims, week of Aug 29	**206,000**	Up 2,000; four-week average 207,250
LP OSB shipments, Q2	**768 million sq ft**	Down from 880 million; Jasper, TX idles in October
Wildland fire personnel, national	**19,102**	Down 1,143; Northwest 9,385, down 706
Sinlahekin fire containment	**38%**	166,290 acres; evacuations in effect near Tonasket

■ THE BOTTOM LINE

About 15 percent of the wood the United States sells into Canada is on the list that takes effect Tuesday, and the two groups of lines that matter are sawn softwood at 25 percent and plywood and veneered panels at 50 percent. The other large northbound wood flows, joinery, hardwood lumber, veneer and OSB, are untouched, and the hardwood question now turns on a Commerce update due October 1. LP will idle its Jasper OSB mill in October after a quarter in which the segment posted a $21 million adjusted EBITDA loss, and the company is guiding to a larger loss. The Fed's western contacts reported lower lumber prices, steady home-center wood demand and softer appetite for forestland. Mortgage rates rose to 6.71 percent, and construction was the only services industry reporting fewer new orders in August. The blight-tolerant American chestnut cleared its first major federal review after more than six years, with the Environmental Protection Agency still to come.