THE LUMBER DAILY

Tuesday, September 8, 2026
Short Block Edition
Est. 2026 | Vol. 1, No. 112

TOP STORIES

Canada Begins Collecting Its Surtax on American Wood

Canada started collecting a surtax on about C$27.6 billion of United States imports at 12:01 this morning. The Canada Border Services Agency set the terms in Customs Notice 26-23, issued September 7, which applies three rate tiers of 15, 25 or 50 percent of the value for duty. Sawn softwood entering under subheadings 4407.11 through 4407.19 pays 25 percent, and specified plywood and laminated veneer lumber (LVL) items under heading 4412 pay 50. The surtax applies in addition to any customs and trade-remedy duties otherwise owed, and the goods and services tax (GST) is charged on the surtax-inclusive value. The surtax itself cannot be appealed, though CBSA determinations and re-determinations can be, within 90 days. Among the exceptions and relief mechanisms the notice sets out: goods in transit before today, with documentary proof; goods entered under an Import for Re-Export Program permit issued under section 8.3(3) of the Export and Import Permits Act, if further processed and exported on time; duty drawback and duties relief, with the Canada-United States-Mexico Agreement (CUSMA) lesser-of-two-duties limit not applying to CUSMA-origin goods; and the remission framework from the 2025 order, which carries over. Chapter 98 and 99 goods are exempt unless they appear in Schedule 4. The order answers the 50 percent American duty on C$27.6 billion of Canadian goods that attached August 22.

A Washington Judge Stays the New Headwater Buffer Rule

Thurston County Superior Court Judge Christine Schaller stayed Washington's new riparian buffer rule on September 3, pending appeal to Division II of the state Court of Appeals. The rule covers perennial non-fish-bearing streams in western Washington and is tiered rather than uniform. It sets a 75-foot no-harvest buffer along the first 600 feet above the fish-bearing confluence. Above that point, on streams three feet wide or more, a landowner chooses between a 65-foot no-cut buffer and a 75-foot zone with a 50-foot no-harvest core and limited harvest in the outer 25 feet; narrower streams get 50 feet. Where a basin larger than 30 acres has been at least 85 percent harvested within five years, the 75-foot no-harvest buffer runs the entire reach. Seasonal streams keep only the 30-foot equipment limitation zone. The Forest Practices Board adopted the rule on a 7-5 vote in November 2025 and it took effect August 31. The stay restores the prior framework, which applied 50-foot buffers to a portion of each stream on a sliding scale. Schaller had upheld the rule in August, then canceled argument set for September 4 and ruled on the briefs. The petitioners are the Washington Forest Protection Association and the Washington Farm Forestry Association, which announced their appeal August 28.

Mendocino Judge Bars New Felling on Two Laytonville Plans

Mendocino County Superior Court Judge Charlotte Scott granted a preliminary injunction on September 2 barring any new felling under two timber harvest plans west of Laytonville, California. Hot Tuna covers 594 acres and Lincoln Logs 332, both selection harvests approved by the California Department of Forestry and Fire Protection (CAL FIRE) on July 2 and 3. The trial-court order permits limited protective work under CAL FIRE supervision, including removal of downed logs, erosion control and winterization. A separate appellate stay issued August 17 was still reported in effect as of September 7, so the ruling is not unrestricted permission to resume hauling. A company forester's declaration put the cutting at roughly 98 percent of Lincoln Logs and 76 percent of Hot Tuna as of August 25, figures that are the company's own estimates rather than an independent survey. The landowner is Redwood Timber Company LLC and Redwood Forest Operating Company LLC filed the plans. The court set bond at $1,000 against a claimed $5 million in harm and scheduled a case-management conference for October 30.

■ DEEP DIVE: THE SHORT BLOCK

Eighty-Five to Thirty

Brink Forest Products said last week that it will cut the workforce at its Prince George, British Columbia finger-joint plant from 85 to about 30, beginning this week. Chief executive officer John Brink said the company has already ceased operations indefinitely at Vanderhoof and Houston over the past year, costing more than 100 jobs between them, and that it employed roughly 400 people across the three sites. He gave three reasons: fiber supply, the American tariffs and Canadian retaliatory duties on imported parts, and limited financing. The company says it has been operating since 1975. A finger-joint plant of this kind takes short blocks, trim ends and low-grade cutstock from sawmills, docks the defects out, profiles interlocking fingers into the ends, glues them and presses them into long, straight stock that goes on to become moulding blanks, jamb, studs and shop lumber.

Where the Blocks Came From

The province's published timber-harvest indicator shows British Columbia's annual harvest falling from 71 million cubic meters in 2014 to 39 million in its 2023 observation, on a fiscal-year basis. That series counts roundwood cut rather than the offcuts a remanufacturer buys. In the same indicator the twenty-year public-land harvest averaged 60 million cubic meters against an allowable cut of 77 million, with mid-term and long-term supply forecasts of 57 and 65 million. On September 4 the deputy chief forester set the annual allowable cut (AAC) for Tree Farm Licence 30 at 340,000 cubic meters, down 17.6 percent from the 412,500 set in 2014. That licence covers about 445,000 acres roughly 30 miles northeast of Prince George and has long been held by Canfor. Mackenzie ran the same sequence in 2019. Canfor announced an indefinite curtailment of its Mackenzie sawmill on July 18, Conifex curtailed its Mackenzie mill later that month, and the town's Parallel 55 finger-joint mill shut down that summer because it could not get the trim-end material it needed from local sawmills. About 400 people were out of work.

Written Into the Scope

End-jointing does not move a board out of the American softwood lumber orders. The antidumping duty order on certain softwood lumber products from Canada, published January 3, 2018 at 83 FR 350 and still in force, covers coniferous wood sawn or chipped lengthwise, sliced or peeled, over six millimeters thick, 'whether or not planed, whether or not sanded, or whether or not finger-jointed.' A second clause reaches continuously shaped coniferous siding, flooring and similar goods 'whether or not end-jointed' - and expressly carves out mouldings and dowel rods. The order lists entry classifications across headings 4407, 4409, 4415, 4418 and 4421, then states that the subheadings are provided for convenience and customs purposes and that the written description of the scope is dispositive. The order also excludes finished products, those processed far enough that they can be readily differentiated at importation, and illustrates the category with I-joists, assembled pallets, cutting boards, assembled picture frames and garage doors. Ordinary finger-jointed softwood stud stock stays inside the described merchandise unless a specific exclusion applies to it. Whether a given profile clears the moulding carve-out is a scope question, decided case by case rather than by the glue line, and clearing it does not lift any other duty a shipment may owe.

The Value-Added File

The Ministry of Forests put value-added wood manufacturing at more than C$1.3 billion in gross domestic product in 2024. BC Timber Sales runs a Value-Added Manufacturing Program that had 82 registered participants as of July, when the province said it is developing a new category for the 30 to 40 custom cutters and processors that would qualify - a group it estimates directly employs about 250 people and runs roughly 800,000 cubic meters of wood a year. The ministry has also stood up a Value-Added Sector Growth and Innovation branch and runs Value-Added Accelerators jointly with the BC Value-Added Wood Coalition, the Council of Forest Industries, the First Nations Forestry Council and BC Timber Sales. Canada's new surtax schedule, live this morning, reaches specified sawn softwood and plywood items moving north and carries no mouldings or builders' joinery lines, which leaves those goods off this measure rather than free of every other duty. Remission requests continue to be accepted under the existing framework.

WHAT YOU MISSED YESTERDAY

Friday, September 4 through Tuesday - business, markets, and the broader economy.

- American stock markets were closed Monday for Labor Day. Stocks fell Tuesday: the Dow Jones Industrial Average closed at 52,786.07, down 628.18 points or 1.18 percent; the S&P 500 at 7,673.52, down 0.58 percent; the Nasdaq Composite at 26,421.41, down 0.32 percent. Friday's closes were 53,414.25, 7,718.60 and 26,506.99.
- Houthi attacks on Saudi energy facilities halted some operations and pushed crude higher, with Brent trading at its highest level since late July.
- The 10-year Treasury yield rose to 4.80 percent Tuesday from 4.78 on Friday, with the 2-year at 4.39 and the 30-year at 5.25, all on the daily par yield curve.
- The small business optimism index fell to 98.7 in August from 99.8 in July. Sixty-two percent of respondents said supply-chain disruption had affected their business to some extent, with most of those calling the effect mild.
- The national on-highway diesel average in the August 31 Monday survey was $5.599 a gallon, down 5.3 cents, while the West Coast average rose 9.0 cents to $6.497. The next reading was delayed a day by the holiday.

INDUSTRY & COMPANY NEWS

- **The Forest Service** completed a national facilities review on September 3 and identified 23 sites for closure, judged on occupancy, use, cost and whether staff have another local option. Sixty-four locations were reviewed and 41 retained, on top of 20 kept in March. Savings were put at more than $16 million, split between $8.8 million in annual lease costs and $8 million in deferred maintenance, against a backlog above $3 billion. The Pacific Northwest Research Station's Portland, Oregon research facility is among the closures, with staff continuing their work at other local facilities; the agency will separately proceed with previously announced regional office shifts in Atlanta, Milwaukee and Portland. Corvallis, La Grande, Olympia, Seattle, Wenatchee, Juneau and Anchorage are retained, as is the Forest Products Laboratory at Madison, Wisconsin. The agency said there is a job for every existing employee.

- **Australia** set out the grants half of its A$300 million Forestry Growth Fund on September 3, an A$150 million tranche split five ways: up to A$85 million for wood processing and value-adding, up to A$30 million for innovation and productivity, up to A$15 million for workforce and career pathways, up to A$15 million for plantation establishment, and A$5 million for illegal-logging compliance tools. Grant development is underway and the first opportunities are due to open in coming months. The other A$150 million, concessional finance through the country's National Reconstruction Fund, opened in April.
- **DS Smith** confirmed on September 3 that it will close its packaging plant at Launceston, Cornwall, cutting 165 jobs, with production ending in November. The site processes 28,000 metric tons of paper a year and has run for more than 50 years. Closure was proposed in April following a review of the company's United Kingdom packaging operations, and the consultation ran about five months. DS Smith is owned by International Paper.
- **Suzano** said on August 31 it will take 10 percent of Imetame Logistica Porto, developer of a greenfield port at Aracruz in Espirito Santo, Brazil, paying with contributed land rather than cash. The project is planned as five terminals, to be built in phases. General cargo is due to start in early 2027 and the container terminal, a joint venture with Hapag-Lloyd's Hanseatic Global Terminals, in mid-2028, with about 1.2 million twenty-foot containers of annual capacity, 750 meters of quay and 17 meters of depth. The transaction requires Brazilian competition clearance.
- **British Columbia** has appointed Don Wright and Don Kayne to negotiate with Domtar over the company's announced indefinite idling of the Howe Sound Pulp and Paper mill at Port Mellon and the Bayview Fibre chipping plant, Member of the Legislative Assembly (MLA) Randene Neill said last week. Wright is a former deputy minister to the premier and has been the forests minister's strategic advisor on softwood lumber since July 2025. Kayne was chief executive officer of Canfor from 2011 to 2024. Neill said the talks will cover access to affordable wood supply and work with BC Hydro. She gave no timeline.

■ DUTIES, RATES & COSTS SNAPSHOT

INDICATOR	VALUE	TREND
Canada surtax, US sawn softwood (4407.11-.19)	**25%**	Collected from 12:01 a.m. today
Canada surtax, specified US plywood and LVL (4412)	**50%**	Same order, double the sawn-lumber rate
Small business optimism index, August	**98.7**	Down 1.1 points from July's 99.8
30-year fixed mortgage rate	**6.71%**	Up from 6.66%, September 3 print
10-year Treasury yield	**4.80%**	Tuesday par yield, from 4.78% on Friday
On-highway diesel, West Coast	**$6.497/gal**	Up 9.0 cents, August 31 survey

■ THE BOTTOM LINE

Canada began collecting its surtax at 12:01 this morning, sawn softwood at 25 percent and specified plywood items at 50, with in-transit, drawback and remission relief among the exceptions in the customs notice. A Thurston County judge stayed Washington's tiered western headwater buffers on September 3 and restored the prior framework pending appeal. In Mendocino County a judge barred new felling on September 2, after the company's own forester had reported 98 percent of one plan and 76 percent of the other already on the ground. A Prince George finger-joint plant is cutting from 85 workers to about 30, against a provincial harvest indicator that fell from 71 million cubic meters in 2014 to 39 million in its 2023 observation. The American antidumping order has named finger-jointed stock in its scope since 2018, and it is the written description rather than the tariff classification that decides what falls inside.