# THE LUMBER DAILY

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Refund Machine Edition
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## TOP STORIES

### Oregon Clears $123 Million After a Lightning-Driven Season

The Oregon Legislature's Emergency Board approved $107,872,644 for the Department of Forestry on Thursday, exactly $30 million more than the agency had asked for. The request on the table was $66,040,014 in natural-disaster spending plus $11,832,630 for severity resources. The Natural Resources Subcommittee recommended adding $30 million from the Emergency Fund and the board took that number, and it separately raised the department's Other Funds expenditure limitation by $250 million, which is spending authority rather than cash. A $15 million General Fund request from the State Fire Marshal was approved at the level the Legislative Fiscal Office had recommended, putting the two actions at about $122.9 million. The department also plans to borrow $150 million from the State Treasury under authority granted by House Bill 3940 of 2025. The season behind the money was driven by lightning. Through September 7 the department counted 860 fires on the land it protects and 201,953 acres burned, with 92 percent of starts held to ten acres or less. Lightning accounted for 165,480 of those acres against a ten-year average of 53,257, even though the lightning fire count of 168 ran below the 209 average. The agency separately classified 203,170 acres across 179 incidents by land class. Class 1 timberland took 19,202 of those acres, 9.5 percent, while Class 2 timber and grazing took 120,786.

### Twain Lumber Plans to Reopen an Idle Virginia Sawmill

Virginia's governor said on Thursday that Twain Lumber will invest $7.4 million to reopen the former Teal Jones sawmill in Henry County and create 74 jobs. The mill has been idle since 2024. The company plans to start at 80 million board feet a year and lift that to 108 million at full capacity, and has committed to buying more than $51.2 million of Virginia-grown forest products over three years. State support runs to a performance-based Facility Grant of $150,000 from the Governor's Agriculture and Forestry Industries Development Fund, $150,000 through the Tobacco Region Incentive for Agribusiness Development Grant, and $59,200 from the Virginia Jobs Investment Program.

### Producer Prices Split Softwood From Hardwood

August producer price data published Thursday put softwood lumber down 1.9 percent from July and up 11.8 percent from August 2025. Hardwood lumber moved almost not at all: down 0.9 percent on the month and up 1.7 percent on the year. Millwork fell 0.5 percent on the month and was up 3.9 percent on the year. Softwood veneer and plywood was the exception to the monthly direction, rising 1.7 percent from July and 12.5 percent from a year earlier. All four series are preliminary and not seasonally adjusted, and the July softwood lumber reading was revised down in this release. The antidumping and countervailing duty orders on softwood lumber reach imports from Canada, and Section 232 tariffs reach imported timber and lumber; no equivalent order covers hardwood lumber. These indexes measure what domestic producers receive rather than what importers pay. The proclamation that put the softwood tariffs in place also requires the Commerce Department to report to the President on hardwood timber and lumber, including possible duties on derivative products, by October 1.

## ■ DEEP DIVE: THE REFUND MACHINE

### What the Court Actually Held

The Supreme Court decided *Learning Resources, Inc. v. Trump* on February 20, 2026, holding that the International Emergency Economic Powers Act (IEEPA) does not authorize the President to impose tariffs. The vote was 6 to 3. All six in the majority agreed that the statute's text does not reach tariffs. Three of them would also have struck the tariffs down under the major-questions doctrine, and the other three wrote separately to say that detour was unnecessary. The opinion did not address refunds at all, and the money did not begin moving until the trade court and the customs agency built a process for it. The Court also drew a line around Section 232 of the Trade Expansion Act, distinguishing that statute on the ground that its language confers a breadth of discretion the emergency-powers act does not contain. A replacement went out the same day. Proclamation 11012, published at 91 FR 9339, imposed a 10 percent tariff for 150 days under Section 122 of the Trade Act, effective February 24, and it carried its own Section 232 exception, so goods already tariffed under that section never paid the replacement surcharge either. It expired on its own terms on July 24.

## How the Money Comes Back

The mechanism came from the trade court rather than the Supreme Court. On March 4, 2026, Judge Richard K. Eaton ordered Customs and Border Protection to liquidate unliquidated entries without the voided duties and to reliquidate entries that had been liquidated but were not yet final, and to do so for all importers rather than only the companies that had sued. The process runs through a module in the Automated Commercial Environment (ACE). An importer or its broker uploads entry numbers, the system removes the Chapter 99 provision that carried the duty, and refunds are consolidated by importer of record. Interest is statutory under section 1505 of title 19, running from the date of deposit through liquidation or reliquidation at the quarterly Internal Revenue Service rate. The agency has quoted 60 to 90 days from acceptance of a filing, a window that already includes its own processing and Treasury certification, with most refunds reaching the designated account three to five weeks after reliquidation. The 80 days that keeps coming up runs from liquidation, not from payment and not from the February decision: the system takes entries liquidated within the preceding 80 days so the agency can reliquidate by the ninetieth and stay inside its voluntary-reliquidation authority. Entries whose liquidation was already final came back inside the court's order in March and got a working route in mid-July, but only for the roughly 3,700 importers who had sued. The agency's refund portal still lists finally liquidated entries as a future deployment, and the government's appeal of universal relief is pending. In a court declaration the agency said importers had deposited or paid roughly $166 billion in duties under the act, across more than 53 million entries and more than 330,000 importers. That is the gross universe rather than the refund liability, and what was deposited is not what will be paid back.

## What It Looks Like on One Income Statement

Hooker Furnishings reported its fiscal 2027 second quarter, ended August 2, 2026, on Friday morning. The company received $7.9 million in tariff recoveries during the quarter. About $4.3 million ran through cost of sales, roughly $1.8 million reduced inventory carrying value and has not yet reached cost of sales, and the remainder fell to interest income, credits to customers and discontinued operations. Management puts the tariff cost it absorbed in fiscal 2026 at about $10.3 million and says it expects no material further recoveries. Cash stood at $18.7 million at the end of the quarter, against $10.6 million three months earlier and $1.1 million at the fiscal 2026 year-end. Net sales were $63.25 million, down 8.7 percent, and gross margin was 31.8 percent, up 690 basis points. Operating income from continuing operations was $1.28 million against a $510,000 loss a year earlier. Net income, which includes discontinued operations, was $1.67 million against a loss of $3.28 million, and most of that swing came from the improvement in discontinued operations.

## Where Wood Falls in the Window

For wood, the answer turns on a date. Proclamation 10976 of September 29, 2025, published at 90 FR 48127 and effective October 14, 2025, imposed Section 232 tariffs on softwood timber and lumber, on certain upholstered wooden products, and on kitchen cabinets and vanities including their parts. A December 31 amendment pushed the scheduled rate escalation on the upholstered and cabinet lines from January 1, 2026 to January 1, 2027. Its clause 4 provides that products tariffed under the proclamation are not also subject to tariffs under Executive Orders 14257, 14323 or 14329. Timing is what decides a refund. For the products the proclamation covers, that clause took those three programs off them from October 14, 2025, so on that side the window closed rather than opened. Entries that cleared before that date are a different matter, and that is where the furniture and cabinet money is coming from. Exposure still turns on the entry date, the origin, the classification and what was actually deposited, so the clause settles a stacking question rather than the refund status of every wood import. The other measures now sitting on wood rest on their own statutes and were untouched by the February decision, including antidumping and countervailing duty orders and Section 301 actions. The surtax Canada began collecting on September 8 is a Canadian measure and is unaffected in either direction.

## WHAT YOU MISSED YESTERDAY

*Thursday, September 10 and Friday morning - business, markets, and the broader economy.*

- American stocks fell across the board. The S&P 500 closed at 7,591.70, down 0.58 percent. The Dow Jones Industrial Average closed at 52,064.10, down 0.60 percent, and the Nasdaq Composite at 26,081.72, down 0.65 percent.
- Treasuries sold off after the morning's producer price report. The two-year yield rose to 4.56 percent from 4.43, the ten-year to 4.95 from 4.83, and the thirty-year to 5.37 from 5.28. That ten-year reading is the highest in this year's daily par-yield series, which is set from bid-side quotes taken near 3:30 in the afternoon in New York.
- Consumer prices for August, published Friday morning, rose 0.4 percent on the month and 3.4 percent on the year on a seasonally adjusted basis. Core prices rose 0.3 percent on the month and 2.4 percent on the year, down from 2.5 percent in July. Energy was up 16.3 percent on the year and gasoline 27.4 percent, while shelter ran 3.0 percent.
- Initial jobless claims were 206,000 for the week ending September 5, down 1,000 from a revised 207,000. For the week ending August 22, the latest with state insured-unemployment detail, Oregon and Washington both carried a 1.9 percent rate, among the highest in the country. Oregon's continuing claims for that week ran 1,986 above the same week a year earlier while the national total was down 157,770.
- Existing-home sales fell 2.0 percent in August to a seasonally adjusted annual rate of 3.98 million, down 1.2 percent from a year earlier. The median price was $429,100, up 1.6 percent on the year. Inventory rose to 1.62 million homes and 4.9 months of supply. The West was the only region to post a year-over-year price decline, at $619,100, down 0.2 percent.

- The thirty-year fixed mortgage rate averaged 6.76 percent in the September 10 survey, up from 6.71 percent a week earlier and 6.35 percent a year ago. That survey closed Wednesday, so Thursday's move in yields is not in it. The Federal Open Market Committee (FOMC) meets September 15 and 16 and will publish a Summary of Economic Projections.

## INDUSTRY & COMPANY NEWS

- **Brink Forest Products** has cut its Pleasant Valley Remanufacturing operation at Houston, BC, to a single employee, down from 20 in the spring and 12 more recently, according to reporting this week. The company's Vanderhoof operation is closed and its Prince George finger-joint plant is running at about a quarter of capacity. The company's principal attributes the cuts to fibre supply, financing and a duty burden he puts at 50 percent, which is his own characterization rather than a published rate.
- **National fire preparedness** stayed at level 3 in Friday morning's situation report, with 58 uncontained large fires and 12,965 personnel committed. The Northwest carried 5,990 of those personnel, 21 of the uncontained large fires and the largest year-to-date acreage of any geographic area at 3,001,242. Two 15-member incident management teams and 212 fireline personnel from Australia and New Zealand are assigned to the Northwest and Great Basin. A contract firefighter was fatally injured on September 9 while assigned to the Austin incident on the Mount Hood National Forest in Oregon.
- **The Forest Service** extended the comment period on its proposed repeal of the roadless rule by 15 days, to October 6. The extension was published Friday at 91 FR 57841; the original deadline was September 21. The underlying proposal, published August 20 at 91 FR 53827 with a draft environmental impact statement and a cost-benefit analysis, would rescind the 2001 Roadless Area Conservation Rule at 36 CFR Part 294.
- **British Columbia forestry groups** went public this week with a letter dated September 4 calling for a provincial crisis action group. The signatories include the Council of Forest Industries alongside organizations representing loggers, manufacturers and steelworkers. They ask the province to raise the economically viable harvest from roughly 29 million cubic meters toward 45 million, to freeze new provincial fees and taxes, and to publish an action plan within 30 days. The forests minister said the same week that he and the premier would meet the signatories.
- **American hardwood exporters** are working to a settled European Union Deforestation Regulation (EUDR) timetable, and the dates are not uniform. Large and medium operators must comply from December 30, 2026, as must micro and small operators that were already covered by the earlier EU Timber Regulation. Micro and small operators outside that earlier rule have until June 30, 2027. An industry assurance platform assessed 2,615 counties across 37 states last year and placed 2,578 of them, 98.6 percent, at negligible deforestation risk. That assessment is the industry body's own.
- **Fibre Excellence Saint-Gaudens** drew a prosecutor's backing for three more months of continued operation at a September 8 hearing, but the Toulouse commercial court reserved its ruling to September 15, the same day the site's current authorization to operate expires. An offer filed on August 24, a EUR 90 million plan backed by the regional investment agency, initially had no pulp producer attached and has since added an unnamed Portuguese one. About 270 jobs are at stake.

## ■ WOOD PRICES & RATES SNAPSHOT

| INDICATOR | VALUE | TREND |
|---|---|---|
| Softwood lumber, producer price index | **-1.9% m/m** | Up 11.8% y/y; unadjusted August print |
| Hardwood lumber, producer price index | **-0.9% m/m** | Up 1.7% y/y; unadjusted August print |
| Softwood veneer and plywood, price index | **+1.7% m/m** | Up 12.5% y/y; unadjusted August print |
| Core consumer prices | **2.4% y/y** | Down from 2.5% in July |
| 10-year Treasury yield | **4.95%** | Thursday par yield, up 12 bp from Wednesday |
| 30-year fixed mortgage rate | **6.76%** | Up from 6.71%, September 10 survey |

## ■ THE BOTTOM LINE

Oregon's Emergency Board approved $107,872,644 for the Department of Forestry on Thursday, exactly $30 million more than the agency requested, and added $15 million for the State Fire Marshal. The season the funding helps cover has burned 201,953 acres of protected land, with lightning responsible for 165,480 of them on a below-average number of lightning starts. In Virginia a $7.4 million project is set to reopen a sawmill idle since 2024 and create 74 jobs. August producer prices had softwood lumber up 11.8 percent on the year while hardwood lumber managed 1.7 percent. And the Supreme Court's February ruling on emergency-powers tariffs is finally showing up as cash, with one furniture maker booking $7.9 million of refunds in a single quarter against roughly $10.3 million of tariff cost it had already absorbed.