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THE LUMBER DAILY

TOP STORIES

Customs Upholds Its Finding That Canadian Cedar Was Routed Through New Zealand

US Customs and Border Protection (CBP) has upheld on administrative review its finding that a New Hampshire cedar wholesaler evaded the antidumping and countervailing duties on Canadian softwood lumber, the US Lumber Coalition said on September 15. The importer is Coastal Specialty Forest Products Inc. of Bow, New Hampshire, which does business as Coastal Forest Products. CBP's May 4 determination under the Enforce and Protect Act (EAPA) found that Canadian-origin western red cedar entered the US as a product of New Zealand after passing through Herman Pacific Ltd in Auckland. The importer declared New Zealand origin at entry but listed Canada on its Agriculture Department plant declaration forms. CBP called the importer's substantial-transformation argument "unavailing under EAPA" and found that most of the New Zealand steps "do not physically alter the wood at all apart from drying." The case began with a coalition complaint filed in June 2025, and CBP officials made site visits in New Zealand on four days in January. The determination reaches entries from June 26, 2024 and applies the duty rate of Western Forest Products unless production records show a different Canadian supplier. CBP will suspend or continue suspending liquidation of covered entries, convert entries held under interim measures so the duties attach, and review the importer's bonds. The determination is addressed to the importer.

Mullican Flooring Will Close Its Ronceverte, West Virginia Plant

Mullican Flooring notified employees Monday that it will close its hardwood flooring plant at Ronceverte in Greenbrier County, West Virginia, affecting about 70 jobs. The 60-day notice points to a closure around Thanksgiving. Plant officials cited weak demand for high-end hardwood flooring and slow sales, along with the cost of the site: property taxes they described as the company's highest, high water costs, and flood insurance on a plant that sits in a floodplain. The flooring plant opened in 1985; the site formerly also housed a sawmill.

Wildlife Service Tells Staff a Felled Tree Is Not a Take of the Bats in It

The rescission of the regulatory definition of harm under the Endangered Species Act (ESA) took effect September 14, and the director of the Fish and Wildlife Service sent staff a memo dated the same day setting a narrow reading of what remains. The memo, reported last week, says killing a listed animal is not a take unless the act is "intentionally directed at a particular animal or animals." One of its examples: "Felling a tree is not a take of the bats roosting in it unless the tree is felled for the purpose of killing or capturing them." Another covers a vessel that inadvertently strikes a whale. The memo is internal guidance to staff, not a rule. The rule it implements was published July 14 by the Fish and Wildlife Service and the National Marine Fisheries Service and removed habitat modification from the definition. Lawsuits challenging that rule are pending.

WHAT YOU MISSED YESTERDAY

Tuesday, September 22 — business, markets, and the broader economy, with Wednesday morning's mortgage survey.

- US equities finished mixed. The S&P 500 closed at 7,764.64, essentially flat, down 0.06 point. The Dow fell 185.14 points, or 0.36 percent, to 51,863.69. The Nasdaq Composite rose 122.19, or 0.45 percent, to 27,244.28.
- Treasury par yields held from 10 years out. The two-year fell five basis points to 4.71 percent, while the 10-year held at 4.96 percent, the 20-year at 5.33 percent and the 30-year at 5.29 percent. The gap between the two-year and the 10-year widened to 25 basis points from 20.
- President Trump said Tuesday that he has "called for" a halt to US diesel exports within his administration and that a decision would come "fast, one way or the other." Treasury Secretary Scott Bessent said officials are examining whether a full or partial ban would work. He did not announce an order.
- The weekly mortgage applications survey released Wednesday put the average contract rate on 30-year fixed conforming loans at 7.12 percent for the week ending September 18, up from 6.97 percent and the highest since May 2024 by the survey's own count. Applications fell 1.5 percent, with purchase applications down 1 percent.
- The Canadian dollar daily average was 1.4064 to the US dollar, from 1.4021 on Monday.

INDUSTRY & COMPANY NEWS

- **MillerKnoll** reported sales of US$923.4 million for its fiscal first quarter ended August 29, down 3.4 percent, while orders rose 3.2 percent to $913.9 million. Refunds of tariffs previously paid under the International Emergency Economic Powers Act (IEEPA) added about $10 million net to operating income, worth $0.11 a share and 110 basis points of margin. Gross margin rose to 41.7 percent from 38.5 percent. North America Contract sales fell 5.3 percent. The company cut its full-year sales outlook to $3.88 billion to $4.03 billion, from $3.93 billion to $4.13 billion, and held adjusted earnings guidance at $1.85 to $2.15 a share, including an estimated $0.07-a-share cost from Canada-related tariffs over the next three quarters.

- **AV Group NB** will idle its dissolving-pulp mill at Nackawic, New Brunswick, from around the end of October, affecting about 350 jobs and about 190,000 metric tons a year of capacity. The company called the idling temporary and cited market and macroeconomic conditions. No idling has been announced at its Atholville mill, although the company says that mill faces the same external challenges. New Brunswick's natural resources minister said he was disappointed and saddened by the decision.
- **BPWood**, the Penticton, BC wood products company, named Ben Meachen chief executive officer effective September 28. Founder Paul Bouchard becomes chairman, and the board adds two independent directors. Meachen spent more than 12 years at Western Forest Products, later served as vice president of specialty building materials at OrePac, and recently completed a term as chair of the Western Red Cedar Lumber Association.
- **Wildfire status.** Wednesday morning's national situation report held the national preparedness level at 2 and lowered the Northwest to 2 from 3. The Northwest still carries 4,290 of the 8,523 personnel committed nationally, or 50.3 percent, and 13 of 30 uncontained large fires. By structures lost, its leading incidents are Little Giant in Washington at 40, Grasshopper and the Rowe Creek Complex in Oregon at 33 each, and Sinlahekin near Tonasket, Washington, at 31. Three Queens, east of Snoqualmie Pass, no longer lists evacuations. Sisi, near Stehekin, is the only Northwest fire showing active behavior, with residences and energy infrastructure threatened. Year-to-date acreage was revised down overnight for mapping and reporting adjustments.
- **Oregon's 2025 aerial forest health survey** recorded 181,500 acres of non-wildfire tree damage or mortality, well below the 10-year average and less than half the 2022 peak. Drought combined with beetles attacking stressed Douglas-fir, true firs and pines accounted for 78 percent of the damage. Union County had the highest affected share of surveyed forest area, at 2.4 percent, followed by Umatilla at 1.24 percent and Harney at 1.12 percent. Sudden oak death continues to spread north and northwest around Port Orford by about three to five miles a year. The state forestry department released the report September 16.

■ DEEP DIVE: CLAUSE NINE

An Update, Not a Duty

The September 29, 2025 proclamation that put a 10 percent duty on softwood timber and lumber gave the Commerce Department until October 1, 2026 to update the President on hardwood timber and lumber. The clause asks for an update, not a duty. It covers imports, their markets and the domestic industry, so that the President can decide whether an additional duty is warranted, and it names two possibilities: the "phased import duty" recommended by a July 1, 2025 report, and duties on derivatives of hardwood products. The proclamation does not reproduce that report. The same clause tells the Secretary to keep monitoring imports and to report if a scheduled rate increase is no longer necessary. It requires delivery to the President and says nothing about publication. Two other clauses run on their own track. One directs Commerce to establish a process for adding wood products to the tariff and permits it to receive requests or information from domestic producers and other interested parties. The other authorizes specific, compound or mixed tariffs for covered products at risk of undervaluation, at approximately the equivalent Section 232 rate, through a Federal Register notice.

The Lumber Is the Small Part

US imports of temperate hardwood lumber were worth US$221.0 million in 2025, down 2.0 percent from $225.5 million, measured at import value including freight and insurance. Canada supplied $111.4 million, about half. Germany followed at $37.8 million, then France at $12.4 million and Uruguay at $12.0 million. By species line, maple led at $46.9 million, followed by beech at $37.1 million, poplar at $31.2 million, birch at $29.8 million and oak at $27.3 million. Tropical hardwood lumber was larger and growing, at $310.1 million, up 17.3 percent from $264.4 million, with Brazil supplying $125.0 million. Together the two came to about $531.1 million, roughly 7 percent of the $7.44 billion the US imported across all sawn wood. Under the proclamation's current terms, covered wood products from the European Union and Japan face a 15 percent ceiling on the Section 232 duty and the regular tariff combined, and the UK's Section 232 duty is capped at 10 percent. For covered South Korean wood products, a December 2025 notice generally sets the combined regular and Section 232 rate at 15 percent; other applicable duties are separate.

Where the Import Dollars Are

Hardwood-faced plywood is about four times the size of the hardwood lumber trade. Imports under the three hardwood-faced plywood lines reached US$2.17 billion in 2025, up 22.1 percent from $1.78 billion. Vietnam supplied $636.9 million, up from $462.0 million, and Indonesia $534.5 million, up from $406.7 million. Together they were 54.0 percent of the total. Cambodia followed at $244.6 million, and Canada fell to $129.4 million from $159.3 million. Shaped hardwood, the heading that carries flooring strip and mouldings, came to $364.7 million, and multilayer flooring panels to $271.0 million. The US International Trade Commission's final injury determination on hardwood and decorative plywood from China, Indonesia and Vietnam was published September 9, and the Commerce Department had not published orders in that three-country case as of Wednesday morning. Hardwood plywood from China has been under separate antidumping and countervailing duty orders since 2018. The proclamation's duties apply in addition to other duties unless it provides otherwise.

The Export Side of the Ledger

The US sells far more hardwood lumber than it buys. Temperate hardwood lumber exports were US$1.66 billion in 2025, more than seven times imports, though down 7.2 percent from $1.79 billion in 2024. China took $596.7 million, down 14.9 percent, followed by Canada at $228.7 million, Vietnam at $214.7 million, Mexico at $117.8 million and the UK at $86.2 million. The log trade has changed buyers. China bought $645.2 million of US hardwood logs in 2024 against Vietnam's $104.7 million. In 2025 Vietnam bought $480.9 million and China $147.5 million. In the first seven months of 2026, Vietnam took $387.2 million and China $261.8 million out of $780.6 million in total, so China's seven-month purchases already exceed its full-year 2025 figure. Vietnam is at once the largest supplier of hardwood-faced plywood to the US and the third-largest buyer of US hardwood lumber.

■ MARKETS & FIRE SNAPSHOT

INDICATOR	VALUE	TREND
2-year Treasury par yield	**4.71%**	Down 5 basis points; gap to the 10-year widened to 25 bp
10-year Treasury par yield	**4.96%**	Unchanged; 20-year 5.33%, 30-year 5.29%
30-year fixed mortgage contract rate	**7.12%**	Weekly applications survey, from 6.97%; applications down 1.5%
Canadian dollars per US dollar	**1.4064**	Daily average, from 1.4021 Monday
Northwest share of fire personnel	**50.3%**	4,290 of 8,523; Northwest preparedness lowered to 2 from 3
Nasdaq Composite	**27,244.28**	Up 0.45%; S&P 500 flat, Dow down 0.36%

■ THE BOTTOM LINE

Customs held on review that Canadian cedar dried in New Zealand still owes the Canadian lumber duties. A West Virginia hardwood flooring plant will close around Thanksgiving, and plant officials blamed soft high-end demand and the cost of the site. The wildlife service has told staff to treat ordinary tree felling as outside its reading of take unless protected animals are deliberately targeted; that is the agency's interpretation, not a court ruling. The two-year yield fell while the 10-year held, and mortgage contract rates moved above 7 percent. The October 1 update concerns a trade in which hardwood plywood imports exceed hardwood lumber imports, while US temperate hardwood lumber exports run several times imports.