

## TOP STORIES

### Washington Sells Two Failed Clallam Timber Sales After Cutting the Minimums

Washington's Department of Natural Resources (DNR) sold two Clallam County timber sales at its September auction after cutting the minimum bids that drew no buyers this summer. Elk Mill, 10,740 MBF, got no bids in July at a \$1,850,000 minimum. Re-offered at \$1,420,000, 23.2 percent lower, it sold September 23 to Harbor Timber for \$1,527,758.50 on two bids. That works out to \$142.25 per MBF, the lowest of the month's board sales and 17.4 percent below the July minimum. Bakers Dozen, 1,661 MBF, drew nothing in August at \$554,000. At \$415,000 it sold to Interfor on a single bid of \$416,228. Reflection in Clark County brought the top price, \$444.01 per MBF, with Interfor high among four bidders at \$2,897,628. Across the board sales, 22,634 of the 22,737 MBF offered sold at an average \$251.38 per MBF, 16 percent over minimum. August's average was \$347.45; Elk Mill's volume pulls September's down. Two sorts left unsold from August's Lewis County sort sale drew no bids again, including western redcedar 5 inches and up after DNR cut its minimum to \$950 per MBF from \$1,200.

### MasterBrand Plans Nearly 400 Layoffs at Its Kinston Cabinet Plant

MasterBrand Cabinets will close its Value Semi-Custom cabinet operations at its Kinston, North Carolina plant and lay off nearly 400 employees, according to a Worker Adjustment and Retraining Notification (WARN) notice reported Wednesday. The first separations are expected at the end of November. Other operations at the Collier-Loftin Road facility will continue, with some positions consolidated. The company announced a 464-job expansion in Kinston in November 2021, with an investment of more than \$13.5 million. The state job-development grant tied to that expansion could reimburse the company up to \$3.9 million over 12 years, paid only if job and investment targets are verified.

### Stora Enso Plans to End CLT Production at Gruvon and Keep the Sawmill

Stora Enso said September 29 it plans to close the cross-laminated timber (CLT) unit at its Gruvon site in Sweden permanently by the end of 2026. The site will stay in sawn and planed goods. Change negotiations with unions cover about 220 employees, including the Nordic CLT sales organization, and up to 80 positions could be affected. The company cited slower-than-expected growth in the CLT market in recent years, rising wood costs and the relatively high fixed costs of CLT production. Its CLT plants at Zdirec in the Czech Republic and at Ybbs and Bad St. Leonhard in Austria will supply Nordic customers. Sawn goods deliveries from Gruvon continue as usual. The company said the closure would not change wood consumption at its Skoghall business unit.

## WHAT YOU MISSED YESTERDAY

*Tuesday, September 29 — business, markets, and the broader economy, with Wednesday's GDP, income and payroll readings.*

- US equities slipped Tuesday while long-term Treasury yields rose. The S&P 500 fell 12.85 points, or 0.17 percent, to 7,670.84. The Dow lost 131.59 points, or 0.26 percent, to 51,349.92, and the Nasdaq Composite fell 22.84 points, or 0.09 percent, to 26,797.54.
- The 10-year Treasury yield rose 2 basis points to 5.26 percent and the 30-year 3 basis points to 5.59 percent. The 2-year fell 3 basis points to 4.89 percent.
- The third estimate of second-quarter gross domestic product (GDP) put growth at a 2.2 percent annual rate, up from 1.5 percent in the second estimate. First-quarter growth was revised to 2.5 percent in the annual update.
- Personal spending rose 0.9 percent in August and personal income 0.2 percent. The saving rate was 4.1 percent.
- A private-payroll report released Wednesday showed 90,000 jobs added in September, with construction up 15,000 and manufacturing up 17,000. August was revised to 36,000.

## INDUSTRY & COMPANY NEWS

- **Japan's** housing starts rose 6.1 percent from a year earlier in August to 63,974 units, the fifth consecutive year-over-year increase, in government data released September 30. Wooden starts rose 6.3 percent to 39,392, about 62 percent of the total. Two-by-four starts fell 0.9 percent to 7,724, a third consecutive year-over-year decline. The seasonally adjusted annual rate slipped 2.7 percent from July to 753,000. The comparison is against a weak month: August 2025 starts had fallen 9.8 percent after building-code changes took effect that April. Starts for January through August are up 2.2 percent.
- **Saegewerk Muensterland**, a sawmill in Sendenhorst, Germany, is in preliminary insolvency proceedings. The local court in Muenster issued its order on September 22 and appointed a preliminary administrator. Asset sales now need that administrator's approval. The company saws roundwood and sells lumber along with treating and drying services. No reason for the filing has been disclosed.

- **U.S. Paper Mill** is restarting Paper Machine 12 at the former Pixelle mill in Chillicothe, Ohio, according to a September 23 report. Pixelle closed the mill in August 2025. Thirteen employees are working on the restart, and the company is targeting full operation by December. Its own estimate is up to 350 more paper jobs within a year, depending on talks with other companies. The company bought the site in October 2025. More than 180 people already work there in other operations, including nitrile glove production.
- **Wildfire status.** Wednesday morning's national situation report held the national and Northwest preparedness levels at 2. The Sisi Fire northwest of Stehekin, Washington, at 4,330 acres and 29 percent contained, lists residences threatened. The Little Giant Fire, 93 percent contained, is expected to be contained October 1. Command passes today to a team that also manages Sisi.

## ■ DEEP DIVE: ZONE 0

### Adopted in August, Withdrawn in September

California's Board of Forestry and Fire Protection adopted emergency regulations on August 19 for Zone 0, the ember-resistant strip within 5 feet of a building. The package went to the Office of Administrative Law (OAL) on August 28 as file 2026-0828-03E. It would add sections 1298.01 through 1298.04 to Title 14 of the California Code of Regulations and amend sections 1299.01 through 1299.03. OAL's record shows the Board withdrew the file on September 8. That filing never took effect. No new Zone 0 filing appeared on OAL's list of emergency regulations under review when checked September 30. The rulemaking traces to Assembly Bill 3074 of 2020, which directed the Board to write rules for an ember-resistant zone within 5 feet of structures. Assembly Bill 1455 of 2025 and an executive order of February 6, 2025 followed. In its emergency finding the Board cited 16,627 structures destroyed by wildfire in California in 2025, more than half a million acres burned and at least 31 deaths.

### The Fence Clause

The withdrawn draft would bar combustible fences and gates from attaching to an occupied structure. Where a fence meets the building or comes within a foot of it, the first 5 feet from that point would have to be noncombustible. After the effective date, no new combustible fence or gate could go up within 5 feet of the structure. Existing combustible fences could be repaired with combustible materials. The draft defines combustible to include wood. Noncombustible means material that passes the ASTM E136 test, the standard the state's wildland-urban interface code already uses. The text makes no exception for fire-retardant-treated wood. For existing structures, fences fall in the second phase, which would be due three to five years after the effective date, with the exact deadline set locally or by the state. The Board cited a federal study of the 2007 Witch and Guejito fires in San Diego County, in which 45 percent of homes in the fire footprints that had an attached wood fence were destroyed.

### Mulch, Firewood, Sheds and Decks

Zone 0 would run 5 feet out from the exterior wall, the roof and any attached deck, stairs or pergola, or to the property line, whichever comes first. Self-supporting decks, stairs and pergolas within a foot of the building count as attached. Wood decks would be allowed. The area under a deck, balcony, pergola or stairs would have to be kept free of vegetation and combustible items. A 5-foot vegetation-free buffer would run from the deck's edge. On existing structures, combustible mulch, wood chips and bark would have to come out within three years. Inspectors could allow temporary exceptions to prevent erosion during construction and emergencies. Firewood could not be stored in the zone at all. Outbuildings under 120 square feet could stand in Zone 0 only if built entirely of noncombustible materials, which excludes wood sheds.

### Who Is Covered, and When

Under the withdrawn draft, Zone 0 would apply to covered buildings and structures on grass-, brush- and forest-covered land in the State Responsibility Area (SRA), where the state bears primary financial responsibility for fighting wildfires, without limiting coverage to the highest hazard zones. In Local Responsibility Areas it would cover occupied structures in Very High Fire Hazard Severity Zones. Both definitions reach any roofed building that shelters people, animals or property, and outbuildings under 120 square feet are treated separately. Federal land is outside the package. A new structure is one whose building permit application is submitted after the effective date, and it would have to comply immediately. Existing structures, including those under construction or applied for before that date, would follow phases. Clearing roofs and gutters and removing dead branches, among other measures, would be due on the effective date. The first phase would be due within three years and the second in three to five. In Local Responsibility Areas, a local fire agency could adopt alternative practices, approved by its city council or board of supervisors, if it finds they have substantially similar practical effects. Local rules may also be stricter. The Board says the phasing and local staging are meant to address the cost of compliance.

## ■ MARKETS & TIMBER SNAPSHOT

| INDICATOR                                                                    | VALUE               | TREND                                                              |
|------------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------|
| 10-year Treasury par yield                                                   | <b>5.26%</b>        | Highest September close through Sept 29; 4.79% on Sept 1           |
| Residential fixed investment, Q2 (annual rate)                               | <b>+2.8%</b>        | Third estimate; first gain after five quarterly declines, Q1 -7.6% |
| Personal consumption expenditures (PCE) price index, year over year (August) | <b>+3.4%</b>        | Core +3.0%; monthly +0.3% and +0.2%                                |
| Washington DNR board sales, fiscal year to date                              | <b>\$309.45/MBF</b> | 80,476 MBF sold, 35% over minimum; September \$251.38              |
| Canadian dollars per US dollar                                               | <b>1.4188</b>       | Sept 29 daily average, from 1.4021 on Sept 21                      |

## ■ ON DECK

### Thursday, October 1

- The Commerce Department's update to the President on hardwood timber and lumber imports is due under the September 2025 Section 232 proclamation. It sets no duty on its own.
- Domtar's indefinite curtailment of its Howe Sound pulp mill is scheduled to begin.
- August construction spending is due at 10 a.m. Eastern.

### Friday, October 2

- The September employment report is due at 8:30 a.m. Eastern, with wood products payrolls.

### Tuesday, October 6

- Comments close on the proposed rescission of the 2001 Roadless Rule.
- August international trade in goods and services is due at 8:30 a.m. Eastern.

### Tuesday, October 13

- Comments close on the proposed PS 2-25 performance standard for wood structural panels.