

TOP STORIES

Judge Halts the Forest Service Headquarters Move and Regional Office Closures

A federal judge in San Francisco on October 13 stayed the Agriculture Department's reorganization at the Forest Service and seven other parts of the department while a lawsuit by unions, local governments and nonprofit groups proceeds. The order bars the department, with specified exceptions, from closing offices or moving employees outside their local commuting area, including by enforcing reassignment letters and their deadlines. As described in the order, the Forest Service plan would move its headquarters from Washington to Salt Lake City, close all nine regional offices in favor of 15 state offices and service centers, and fold 23 research facilities into one research organization in Fort Collins, Colorado. The plaintiffs put the number of Forest Service employees who received notice letters at about 6,500. The department estimated as of September 14 that no more than 250 would be relocated outside their commuting area. The judge found the department is "almost certainly" reprogramming appropriated money to pay for the reorganization, which appropriations law restricts through December 11. Employees already working at new duty stations before an earlier administrative stay on September 14 do not have to move back.

Commerce Restores Two Chinese Moulding Exporters to Earlier Duty Reviews

The Commerce Department filed notices for public inspection Wednesday, scheduled for Federal Register publication October 15, amending past antidumping and countervailing duty reviews on wood mouldings and millwork products from China. The Court of International Trade on September 23 sustained the department's remand in cases brought by China Cornici Co. and RaoPing HongRong Handicrafts. In the countervailing duty review covering June 2020 through December 2021, Commerce reversed its rescission for both companies and assigned each the 8.89 percent rate for non-selected companies as a cash deposit, applicable October 3. In the antidumping review covering August 2020 through January 2022, China Cornici is back in the review, was denied a separate rate and receives the China-wide rate of 220.87 percent, applicable October 5. A third-country reseller remains without a separate rate. The two companies' entries from the review periods have already been liquidated. Commerce says it cannot reliquidate them and will not issue assessment instructions if the court's ruling is not appealed or is upheld.

Multi-Unit Approvals Lift Canada's August Building Permits 8.8 Percent

Canadian municipalities issued C\$13.6 billion of building permits in August, up 8.8 percent from July, Statistics Canada reported Wednesday. Residential permits rose C\$1.1 billion to C\$8.5 billion, all of it in multi-unit buildings, which reached C\$5.8 billion. Single-family permits edged down C\$0.7 million to C\$2.6 billion. Municipalities authorized 25,800 units, up 12.8 percent, including 4,000 single-family homes. British Columbia permits rose 7.5 percent to C\$2.1 billion, Alberta's 21.7 percent to C\$2.0 billion and Ontario's 9.4 percent to C\$5.1 billion. In constant dollars the national total was 12.4 percent above August 2025. Over the 12 months through August, municipalities authorized 299,500 units, against 305,500 in the previous 12 months.

WHAT YOU MISSED YESTERDAY

Tuesday, October 13 — business, markets, and the broader economy.

- The S&P 500 slipped 1.79 points, or 0.02 percent, to 7,805.45 on Tuesday. The Dow fell 180.45 points, or 0.35 percent, to 51,670.10. The Nasdaq Composite lost 41.52 points, or 0.15 percent, to 27,204.38.
- The 10-year Treasury par yield fell 3 basis points to 5.21 percent, its lowest close of October. The 30-year fell 4 basis points to 5.56 percent and the 2-year 1 basis point to 4.79 percent.
- Consumer prices rose 0.6 percent in September and were 3.7 percent above a year earlier, up from a 3.4 percent annual rate in August, the Labor Department reported Wednesday morning. Gasoline rose 9.1 percent and accounted for more than half of the monthly increase. Prices excluding food and energy rose 0.3 percent on the month and 2.6 percent on the year.
- Wells Fargo reported third-quarter net income of \$5.95 billion, or \$1.87 a share against \$1.66 a year earlier. Revenue rose 2 percent to \$21.87 billion. Home lending revenue fell 15 percent to \$743 million on lower mortgage servicing income and smaller loan balances.
- The Canadian dollar strengthened as the Bank of Canada's daily rate fell to C\$1.4222 per US dollar on Tuesday from C\$1.4271 on October 9, the last session before Canada's Thanksgiving holiday.

INDUSTRY & COMPANY NEWS

- **Natural Resources Canada** committed up to C\$50 million on October 14 toward a New Brunswick Strategic Innovation Centre in Digital Forestry, led by the Northern Hardwoods Research Institute with ResearchNB. The centre, valued at about C\$86 million, would pilot digital tracking of fibre supply against mills' manufacturing requirements. The federal money is conditional on project approval and final due diligence. The minister said Budget 2026 will carry further details of a federal forest sector strategy.

- **Oregon's Department of Forestry** announced \$10 million in landscape resiliency grants on October 12 for fuel reduction and forest health work on more than 6,400 acres in Douglas, Grant, Jackson and Josephine counties. About \$4.85 million goes to thinning and prescribed fire on nearly 2,700 acres in Jackson and Josephine counties. Almost \$3.5 million funds thinning and juniper removal across 3,400 acres in Grant County, and \$1.29 million pays for fuel breaks along Lane Mountain, the Little River drainage and Cavitt Creek in Douglas County.
- **The Nature Conservancy of Canada** is protecting more than 201,000 acres of boreal forest and peatland south of Kapuskasing, Ontario, Canada's environment minister announced October 13. Ottawa is contributing more than C\$13 million through its Natural Heritage Conservation Program, part of C\$64 million raised from the federal and Ontario governments, businesses, foundations and private donors. The government says the land stores more than 30 million metric tons of carbon.
- **Global deforestation** fell 15 percent in 2025 to more than 17 million acres, according to an assessment published October 13 by a coalition of research and civil-society groups, which called it the largest annual decline since its 2018-2020 baseline. Losses since 2021 run about 26.4 million acres above the pathway to the 2030 goal of halting and reversing deforestation. Humid tropical primary forest loss remained 11 percent above the baseline. Degradation of tropical moist forest fell 34 percent to about 8.6 million acres.
- **Jason Krips** will leave as president and chief executive of the Alberta Forest Products Association at the end of December, he said October 13. He has led the association for more than six and a half years.
- **Wildfire status.** Wednesday morning's national situation report lowered the national preparedness level to 1 from 2. The Northwest stayed at 1, and its personnel fell by 20 to 900. Nationally, 2,121 personnel were assigned, down 178. The Sisi Fire in Washington grew 21 acres to 4,615 and was 34 percent contained, with containment expected October 31. Year-to-date acreage burned nationally reached 9,032,816, 143 percent of the 10-year average.

■ DEEP DIVE: HARDWOOD MILL CLOSURES

At Least 151 Mills and Yards Since 2023

An industry tally presented at the National Hardwood Lumber Association's convention in Cleveland, September 16-18, counts 151 publicly announced closures of US hardwood sawmills and yards since the start of 2023. It counts 95 more closures among secondary manufacturers of millwork, cabinets, flooring and furniture. The tally was compiled from auction listings, newspaper reports and other industry information and was presented as a minimum. The presenter dated the downturn from June 2022 and called it the industry's fourth major contraction in 25 years. Association members approved restoring the original Construction Grades in the 2027 rules book. A structural hardwood task force is working on grading rules and strength classes that could eventually open glued-laminated timber and cross-laminated timber (CLT) as outlets for lower-grade hardwood.

Seventy-Eight Closures in Kentucky

A forestry white paper published August 7 by Kentucky's flagship state university counts 78 forest-industry facility closures and the loss of 899 loggers statewide since 2022, with more expected as the state's industry directory is updated. Forty-six of Kentucky's 120 counties had at least one mill closure from 2022 through 2025. The paper puts direct employment at 27,810 people in the forest and in 570 wood industries. The paper cites the closure of a railway-tie treating plant in Fulton and a concentration yard in east Tennessee, which together bought from 43 Tennessee and 20 Kentucky suppliers. It estimates the shrinking tie market has cost sawmills \$20 million to \$30 million in direct revenue. Kentucky's forests grow about 2.72 billion board feet a year against an annual harvest of about 722 million.

Pallets Took Two-Thirds of the Drop

Industry estimates reproduced in the Kentucky paper put US hardwood lumber consumption at 5,436 million board feet in 2025, down from 7,733 million in 2022 and 8,327 million in 2019. Pallet use fell to 1,819 million board feet, accounting for 1,546 million of the 2,297 million-board-foot decline since 2022. The same publisher wrote in August that the pallet industry has shifted to roughly 80 percent softwood and 20 percent hardwood. Against 2019, cabinet use fell 43 percent to 251 million board feet, furniture 52 percent to 225 million and millwork 36 percent to 315 million. Railway ties, at 906 million board feet, were the only market above their 2019 level. The federal producer price index for hardwood lumber stood at 286.5 in August, 9.4 percent below its May 2022 peak and 16.1 percent above its October 2023 low.

Log Exports Near Lumber by Volume

US hardwood lumber exports totaled just over US\$841 million in the first half of 2026, down 3 percent in value, the slowest January-June since 2010, according to the US hardwood export council. Log exports rose about 50 percent to just over \$675 million. By volume, logs reached 1.27 million cubic meters against 1.29 million cubic meters of lumber. On current trajectories, the council expects logs to pass lumber by volume before year-end. Logs to Vietnam passed lumber to China as the largest single hardwood export flow. Vietnam's hardwood log imports from the US rose 359 percent to \$472 million in 2025. By the end of that year Vietnam was shipping more American walnut lumber to China than the US was. China still takes about 24 percent of US hardwood lumber shipments.

■ PRICES, RATES & DIESEL SNAPSHOT

INDICATOR	VALUE	TREND
US consumer prices, September, year over year	3.7%	Up from 3.4% in August; excluding food and energy 2.6%
10-year Treasury par yield, October 13	5.21%	Down 3 basis points; lowest close of October
US dollar, Bank of Canada daily rate, October 13	C\$1.4222	From C\$1.4271 on October 9
US retail diesel, October 12 survey	\$6.179/gal	Down 2.0 cents; third straight weekly decline
West Coast retail diesel, October 12 survey	\$7.240/gal	Up 1.1 cents; California \$8.091

■ ON DECK

Thu, Oct 15	- September US producer prices, including softwood lumber, hardwood lumber, millwork and plywood, are due at 8:30 a.m. Eastern. - September US retail sales, including building material dealers, are due at 8:30 a.m. Eastern. - Statistics Canada publishes August manufacturing sales.
Fri, Oct 16	- Canada Mortgage and Housing Corporation reports September housing starts. - Washington's State Building Code Council meets with final adoption of the 2024 building and residential codes on its agenda; some items may move to October 30.
Mon, Oct 19	- Bids open on the Oregon Department of Forestry's Lone Corndog sale in Klamath County, 2,202 MBF. - Statistics Canada publishes September consumer prices.
Tue, Oct 20	- September US housing starts and permits are due at 8:30 a.m. Eastern. - Bids are scheduled to open on the Shelter Cove timber sale on the Tongass National Forest near Ketchikan, Alaska.
Thu, Oct 22	Statistics Canada publishes September industrial product prices, which include lumber, and the September new housing price index.
Fri, Oct 23	Bids open on the Oregon Department of Forestry's Mystree Solved sale in Tillamook County, 4,188 MBF, appraised at \$1,948,879.
Sat, Oct 24	British Columbia holds its provincial election.