THE LUMBER DAILY

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Tariffs & Trade Enforcement Edition
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MARKET PULSE | Lumber $566 (-7wk low) | Madison's $524 | WTI $99 (+3%) | S&P 7,138 (-0.5%) | 10yr 4.35%

■ TOP STORIES

Boise Cascade Pleads Guilty to Felony Lacey Act, Pays $6.382M

Boise Cascade Company pleaded guilty on Monday in the United States District Court for the Southern District of Florida to a felony violation of the Lacey Act and was sentenced the same day to a $6,382,000 criminal fine, calibrated as twice the gross profits the company derived from the illegal wood. The conduct centered on hardwood birch plywood manufactured in China, transshipped through Malaysia and Sri Lanka with falsified country-of-origin paperwork, then sold into the United States to evade the combined anti-dumping (AD) and countervailing duty (CVD) order on Chinese hardwood plywood. Boise Cascade's Pompano Beach distribution branch purchased more than $30 million of the rebranded plywood from Florida importer Horizon Plywood between 2018 and 2021. The plea documents allege the company acted with knowledge or willful blindness from roughly 2019 forward and placed at least ten new birch plywood orders in the two weeks immediately after federal agents executed a January 2021 search warrant on Horizon's warehouse. The sentence is the third criminal action tied to the underlying scheme, which the United States Department of Justice (DOJ) estimates evaded between $25 million and $65 million in import duties. Horizon principals Noel and Kelsy Quintana were sentenced in February 2024 to 57-month prison terms.

Canada Opens Safeguard Probe on Cabinets, Flooring, Storage Furniture

Canadian Finance Minister directed the Canadian International Trade Tribunal (CITT) on April 21 to open a global safeguard inquiry into imports of wood kitchen cabinets and vanities, hardwood flooring, and engineered wood storage furniture. The 270-day inquiry was triggered by a petition from the Canadian Wood Products Alliance and runs in parallel with the CITT's existing softwood lumber safeguard work. On April 27 the Canadian Kitchen Cabinet Manufacturers Association (CKCA) urged Ottawa to impose a provisional tariff during the inquiry, citing a 47% revenue decline among Canadian cabinet producers since 2023 and a projected further 20% drop in 2026. The product mix mirrors the same derivative wood categories carrying the United States 25% Section 232 tariff, putting cross-border millwork flows on a tightening track from both directions.

New Zealand–India FTA Scraps 95% of Tariffs on Wood Exports

New Zealand and India signed a Comprehensive Free Trade Agreement (CFTA) in New Delhi on April 27, scrapping more than 95% of tariffs on New Zealand wood and forest-product exports to India immediately on entry into force, with remaining duties phased out over seven years. New Zealand officials estimate annual tariff savings starting at NZ$43 million on entry into force and rising to NZ$62 million per year once the seven-year phase-in is complete, both calibrated against static 2024 trade volumes. Forestry is among New Zealand's largest export categories to India and the second-largest beneficiary of the agreement after horticulture. The deal positions New Zealand radiata pine — including kiln-dried structural, finger-jointed, and remanufactured shop product — for direct competition against tropical hardwoods, Russian birch, and Southeast Asian rubberwood in the Indian furniture, plywood, and construction markets, while pulling additional volume away from the United States softwood and hardwood-export channels into Asia. The New Zealand Forest Owners Association welcomed the signing and flagged research, education, and downstream-processing collaboration as the next phase of the deal.

■ DEEP DIVE: U.S. TARIFF STACK & ENFORCEMENT FRONT

Anatomy of the Boise Cascade Case

The conduct dates to imports running February 2016 through December 2020. Horizon Plywood, a small Florida importer, sourced Chinese birch plywood, routed containers through Malaysian and Sri Lankan ports where the cargo was unloaded and repackaged with falsified mill marks and country-of-origin documentation, then re-entered the United States as Malaysian or Sri Lankan product. Seven shell companies were used to receive and onsell the cargo. Boise Cascade's Pompano Beach branch became Horizon's largest single domestic customer, purchasing more than $30 million of the rebranded plywood between 2018 and 2021. The DOJ Environmental and Natural Resources Division (ENRD) charged the company with acting on knowledge or willful blindness from 2019 forward, citing the post-search-warrant orders as direct evidence of deliberate avoidance. The $6.382 million fine equals twice the company's gross profits on the illegal wood, consistent with DOJ's stated policy of disgorging the economic benefit of the conduct rather than imposing a flat penalty.

DOJ Enforcement Architecture: TIMBER + Trade Fraud Task Force

Two interlocking federal structures are now driving illegal-timber and tariff-evasion cases. The Timber Interdiction Membership Board and Enforcement Resource Working Group (TIMBER Working Group) was launched by ENRD in April 2023 with members from the Departments of Agriculture, Homeland Security, and Interior. In April 2026 ENRD added two dedicated intelligence analysts to the working group and resumed in-country training programs with Indonesia, Vietnam, and India — three jurisdictions central to current transshipment-evasion patterns. The Trade Fraud Task Force, launched August 29, 2025 as a joint DOJ and United States Department of Homeland Security (DHS) effort with Customs and Border Protection (CBP) and Homeland Security Investigations (HSI), was further built out in February 2026 when the United States Attorney's Office for the Northern District of Illinois was named lead prosecutorial partner. The task force's stated tools are Tariff Act of 1930 penalties, the False Claims Act, and parallel criminal prosecution. The Boise Cascade plea is the highest-profile corporate result yet from this stack.

Where Section 232 Sits Today

The Section 232 timber and lumber order, in force since October 14, 2025, holds at a 10% ad valorem rate on softwood timber and lumber and a 25% rate on derivative products including wood kitchen cabinets, vanities, and upholstered wood furniture. The scheduled increases — softwood derivatives to 50% and upholstered wood to 30% — were postponed by presidential proclamation on December 31, 2025, with the new effective date set for January 1, 2027. The hardwood expansion report ordered by the same proclamation remains due to the President from the Secretary of Commerce on October 1, 2026, and will determine whether the 232 perimeter moves out from softwood and select derivatives into hardwood lumber and panel categories. Read against the preliminary seventh administrative review (anti-dumping cash-deposit rate at 10.7%, countervailing at 14.2% per the April 14 Federal Register notices) and the 10% Section 232 stack, total effective duty on Canadian softwood lands near 35.9% once the new cash-deposit rates take effect in August.

Canadian Retaliation Pipeline Targets the Same Derivatives

The Canadian response is now moving onto the same derivative wood categories carrying the highest United States Section 232 rates. The April 21 CITT safeguard inquiry on cabinets, hardwood flooring, and engineered storage furniture runs 270 days, with a provisional-tariff request from CKCA filed April 27. On April 23 Prime Minister Mark Carney told CBC that lifting Canada's United States liquor-import ban depends on Washington dropping tariffs on "steel, autos, and softwood lumber," calling all three "violations of our trade deal." British Columbia Premier David Eby tied the same liquor ban to softwood relief on the same day. The April 24 Federal Register subsidy-programs request-for-comment under the Softwood Lumber Act of 2008 keeps the underlying duty case live, with any new Canadian provincial stumpage evidence in scope through the comment window. For United States distributors moving Canadian-finished cabinets, doors, or hardwood flooring north on private-label programs, the next two quarters carry exposure to Canadian provisional duties that did not exist a month ago.

■ WHAT YOU MISSED YESTERDAY

Tuesday, April 28 — business, markets, and the broader economy.

Indices. S&P 500 7,138.80 (-0.49%); Nasdaq lower on a chip selloff after an OpenAI revenue report cooled artificial-intelligence (AI) growth assumptions; Russell 2000 led declines.

Rates. United States 10-year Treasury yield 4.35%, little changed ahead of today's Federal Open Market Committee (FOMC) decision and Powell press conference at 2:00 p.m. Eastern.

Energy. West Texas Intermediate (WTI) crude near $99 per barrel, up roughly 3% on renewed United States–Iran tensions and supply-route risk.

Lumber. Chicago Mercantile Exchange (CME) lumber futures slipped to $566 per thousand board feet (MBF) intraday, the lowest in seven weeks, on slow demand and an inventory-cautious dealer channel.

Catalyst. Pre-FOMC positioning dominated the tape; chip-sector pullback and oil rally were the only real moves outside rate-decision setup.

■ INDUSTRY & COMPANY NEWS

March housing starts surged to 1.502 million annualized, up 10.8% month-on-month and the highest level since December 2024, beating consensus of 1.40 million in the Census combined release this morning. Single-family starts ran 9.7% higher to 1.032 million, a 13-month high. Multifamily climbed 9.6% to 446,000. By region: Northeast +24.8%, Midwest +12.2%, South +9.1%, West +7.2%. February starts printed 1.356 million, down 3.0% from a revised 1.398 million in January. Building permits — the leading indicator — slipped to 1.372 million, the lowest since August.

Federal Open Market Committee (FOMC) decision at 2:00 p.m. Eastern today, with the Powell press conference at 2:30 p.m. Consensus reads a hold at 3.50–3.75%. This is Powell's last meeting before the May 15 expiration of his term as Fed Chair, with Kevin Warsh nominated as successor.

Mill River Slabworks opened a second location stocking vacuum-dried live-edge slabs, rough lumber, hobby wood, and architectural Poplar mouldings — incremental specialty supply at the high end of the custom millwork market.

West Fraser Q1 prints after the close today, with $73 million in non-cash export-duty charges and $41 million in administrative-review reconciliation pre-flagged, partially offset by an anticipated $15 million refund. Blue Ridge, Alberta is back online after the January 2026 fire and Henderson, Texas has commenced production. Builders FirstSource and United Forest

Products (UFP) Industries also report first-quarter results this evening.

■ MARKET & TRADE SNAPSHOT

INDICATOR	VALUE	TREND
Madison's Lumber Reporter Index	$524 / MBF	Flat WoW, +1% MoM
CME lumber futures (Apr 28)	$566 / MBF	7-week low
Western S-P-F 2x4 Random (Q1 avg)	$463 / MBF	+9% QoQ
Westside Southern Yellow Pine 2x4 (Q1)	$436 / MBF	+35% QoQ
10-yr U.S. Treasury (Apr 28 close)	4.35%	Steady, FOMC today
WTI crude (Apr 28 close)	~$99 / bbl	+3% on Iran tension
S&P 500 (Apr 28 close)	7,138.80	-0.49%

■ THE BOTTOM LINE

Three things for your Wednesday: tariff enforcement just acquired a real corporate scalp, with the Boise Cascade plea showing the Department of Justice (DOJ) is willing to disgorge profits from a publicly traded wood-products distributor rather than settle for a structural-injunction deal — every importer and distributor's compliance file gets reread this week. The Canadian retaliation pipeline has moved off softwood and onto cabinets, hardwood flooring, and engineered storage furniture, and the 270-day Canadian International Trade Tribunal (CITT) clock plus a provisional-tariff request from the Canadian Kitchen Cabinet Manufacturers Association (CKCA) means cross-border millwork programs need scenario work now, not in the third quarter. And the New Zealand–India Comprehensive Free Trade Agreement (CFTA) signed Monday scrapped 95% of tariffs on New Zealand wood exports immediately — a structural pull on radiata pine into the Indian construction and furniture markets that compresses the residual export window for United States softwood and hardwood selling into Asia, while the March single-family starts print at a 13-month high and a Federal Open Market Committee (FOMC) hold today set the domestic demand backdrop running into West Fraser, Builders FirstSource, and United Forest Products (UFP) earnings tonight.
