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Trade Actions Edition
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# THE LUMBER DAILY

## TOP STORIES

### Washington Invokes a 1930 Law for 50 Percent Tariffs on Canadian Panels, Furniture, and Paper

The White House on Monday announced an additional 50 percent tariff on Canadian plywood, veneer products, furniture, and paper and paperboard, invoking Section 338 of the Tariff Act of 1930, a provision with no recorded use since 1949. The duties take effect in 30 days. Softwood lumber and oriented strand board (OSB), which already carry their own duty loads, are excluded, along with energy, potash, critical minerals, and fish. Prime Minister Mark Carney called the action a violation of the United States-Mexico-Canada Agreement (USMCA) and said Canada is prepared to intensify trade talks in the coming weeks.

### Hardwood Plywood Duty Finals Land: 187 Percent on China, 90 on Vietnam

The Commerce Department published final affirmative antidumping (AD) and countervailing duty (CVD) determinations on hardwood and decorative plywood from China, Vietnam, and Indonesia in Tuesday's Federal Register. China drew a 187.27 percent AD rate and an 88.96 percent CVD rate, both applied economy-wide. Vietnam's country-wide AD rate is 90.12 percent, with CVD rates of 47.68 percent for most producers. Indonesian producers drew AD rates of 15.40 to 84.94 percent and CVD rates up to 128.66 percent, with an all-others AD rate of 18.10 percent. A critical-circumstances finding makes Chinese AD deposits retroactive to December 2, 2025. The US International Trade Commission (ITC) now has 45 days for its injury vote; an affirmative result converts the determinations into duty orders.

### Ontario Logs Its Worst Fire Season on Record as Rail and Harvest Operations Halt

Ontario has burned more than 7,250 square kilometers in 2026, surpassing 2021 as the province's worst fire season on record, with most of the damage coming in the past ten days. Canadian National Railway closed its mainline north of Lake Superior and Domtar suspended all harvesting and road building in northwest Ontario as fires advanced. Nationally, Canada is fighting more than 950 active fires, roughly 240 of them out of control. In BC, the Matthew Creek fire has put the city of Kimberley, population about 9,000, under evacuation alert as crews cut containment lines west of town.

## ■ DEEP DIVE: THREE TRADE ACTIONS, THREE DAYS

### What Section 338 Actually Allows

Section 338 lets the president impose duties of up to 50 percent by proclamation on countries found to discriminate against US commerce, without the investigation a Section 301 case requires. That speed is the point: the Canadian tariffs move from announcement to collection in 30 days, a timeline no other trade authority matches. The exclusions are deliberate. Softwood lumber and OSB were left out because they already carry duties, and the energy, potash, and minerals carve-outs keep the action clear of the commodities Washington needs. For panel buyers the arithmetic is stark: a 50 percent duty on plywood and veneer crossing the border reprices Canadian panels across most US programs unless negotiators move first.

### Brazil's 25 Percent Goes Live at Midnight

The separate Section 301 action against Brazil, proposed in June and finalized last week, takes effect at 12:01 a.m. Eastern on Wednesday, July 22, placing 25 percent duties on nearly all Brazilian imports. The wood exemption list is long and specific: tropical logs, tropical sawnwood, tropical veneer, teak mouldings and flooring strips, and a broad set of plywood lines including tropical-face and certain softwood plywood are all exempt from the new duty. Most chemical wood pulp is exempt; high-purity dissolving pulp is not. Furniture is not exempt, so Brazilian furniture shipments pay the full 25 percent. Products already covered by Section 232 do not stack. The exemptions keep the tropical decking and underlayment lanes moving at current cost, while Brazilian furniture joins Canadian furniture on the tariffed side of the ledger.

### Softwood Sits One Print Away

Softwood lumber was spared in Monday's action, but its own number arrives within weeks. Commerce issued post-preliminary countervailing results in the seventh administrative review on June 30, pointing to combined AD and CVD rates of roughly 21 to 31 percent for major Canadian producers, and final results are expected between late August and October. A separate 10 percent Section 232 tariff on softwood lumber, imposed last fall, stacks on top of whatever the review finals set. The US Lumber Coalition, rejecting Ontario Premier Doug Ford's weekend call to reopen US gates to Canadian lumber, said Canadian softwood's share of the US market has fallen to 19 percent from a historical 30-to-33 percent range.

### The Other Direction: Where US Wood Gained Ground

While import walls rose, the export side quietly improved. The EU's zero-tariff commitment on US plywood, particleboard, and fiberboard entered into force on July 1, dropping duties that ran as high as 7 percent; US sawn timber and pulp were already duty-free into the bloc, and the framework runs through the end of 2029. In Mexico City, US and Mexican negotiators opened a third bilateral round on Tuesday under the USMCA joint review, with steel, aluminum, autos, and agriculture on the agenda. Wood products are not on it, and no parallel US-Canada round has been announced. For US engineered wood products (EWP), the net position after this week is unusual: cheaper access to Europe, a 50 percent wall against Canadian competition at home, and triple-digit duties pending on Asian hardwood plywood.

## WHAT YOU MISSED YESTERDAY

*Monday, July 20 — business, markets, and the broader economy.*

- Stocks slipped as US airstrikes on Iran ran a ninth consecutive night: the S&P 500 closed at 7,443 (down 0.2 percent), the Dow at 51,839 (down 0.6 percent), and the Nasdaq roughly flat at 25,508, with a morning chip rally fading by the close.
- The 10-year Treasury yield rose about six basis points to close near 4.60 percent.
- WTI crude settled at $83.23, up 0.9 percent. An early dip on a proposed 10-day pause in attacks reversed after Yemen's Houthis declared a maritime embargo on Saudi Arabia.
- The index of leading economic indicators fell 0.2 percent in June to 99.1, dragged by consumer expectations and building permits; the same report lifted the 2026 US growth forecast to 1.9 percent.
- TSMC committed an additional $100 billion to US chipmaking expansion, and Microsoft announced an expanded artificial-intelligence data-center partnership with AMD.

## INDUSTRY & COMPANY NEWS

- **Finch Paper** will discontinue pulp production at its Glens Falls, New York mill and purchase market pulp instead, ending decades of wood buying from the regional independent loggers and truckers who supplied the operation.
- **Murphy Door**, the Ogden, Utah hidden-door and millwork manufacturer, acquired the Merrill Hardwoods Division of Rigby, Idaho for $3.25 million. The 30-year-old hardwood operation adds about 30 percent manufacturing capacity and in-house veneer texturing, and the buyer plans to double the site's headcount within a year.
- **Cambium** completed its fifth acquisition in five years, purchasing General Woodcraft of New London, Connecticut, a 75-year-old specialty wood distributor whose lines include Mataverde hardwood decking.
- **International Paper** will close its Carrollton, Texas packaging facility as part of a network consolidation, its second US plant action this month.
- **Saanich**, BC selected a mass-timber hybrid design for its Fire Station No. 2 replacement, projecting about $5 million in lifecycle savings over 80 years compared with conventional construction.

## ■ MARKET & DEMAND SNAPSHOT

| INDICATOR | VALUE | TREND |
|---|---|---|
| 30-yr fixed mortgage (weekly avg) | **6.55%** | Up from 6.49% in the Jul 16 print |
| Builder confidence index (July) | **34** | Down 2 pts; affordability and material costs weigh |
| USD/CAD | **1.4054** | Weak CAD cushions Canadian mills against new duties |
| 10-yr Treasury yield | **4.60%** | Up ~6 bp Monday as oil rallied |
| US on-highway diesel (wk of Jul 13) | **$4.796/gal** | First increase in 10 weeks, up 21.8 cents |
| US acres burned YTD | **3.96M** | 131% of the 10-yr average; 72 large uncontained fires |

## ■ THE BOTTOM LINE

Seventy-two hours redrew the wood-trade map. Canadian plywood, veneer, furniture, and paper face a 50 percent tariff in 30 days under a statute last used in 1949, while softwood lumber and OSB sit outside the new duty entirely. Hardwood plywood's triple-digit rates are now one injury vote from permanent orders, and Brazil's 25 percent arrives at midnight with tropical wood largely exempt. Softwood's own review finals are weeks away. Ontario's record fire season has stopped trains and harvests across the northwest of the province. The clocks to watch run 30 days on Canada and 45 on the injury vote.

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