



## Despite trade differences, US & Canadian lumber companies see import of market growth



May 24, 2018

By Kelly McCloskey, RPF, MBA

President, Wood N Frog Communications Ltd.

News that 94% of the US and Canadian lumber producers (by volume) agreed to continue funding the Softwood Lumber Board is great news and music to my ears! Not just because I was involved in previous wood promotion efforts that lacked the marketing muscle and perseverance required to create sustained demand-pull. But because growing the market for wood products has been a topic of deliberation among US and Canadian executives for most of the past century, usually in conjunction with a downturn in demand for residential housing. The problem is that the previous efforts to address the crisis were more modest in scope and downscaled or terminated once residential markets rebounded.

In this regard, the key value proposition of the Softwood Lumber Board *check-off* is that it unites the lumber industry behind a sustained, substantive and wide-ranging, market growth program that benefits all producers. Further, contributions are mandatory and thus it avoids the arch-nemesis of industry self-help, the “free rider problem”.

This is not to suggest that the decades of prior industry works were inconsequential, because the opposite is true—they were absolutely necessary to build the foundation for the kind of market growth that is now taking place and, for-the-most part, they remain critical going forward. This includes building code advances by the Canadian and American Wood Councils; technical break-throughs by FPInnovations and the US Forest Products Lab and awareness building and education by Wood WORKS! Canada, WoodWorks US and APA - The Engineered Wood Association.

However, the Softwood Lumber Board represents industry’s first and best solution to overcome its fragmented nature, supersede current trade disputes and ensure substantive and sustained funding for market growth in perpetuity. Further, the program is a strategic investment fund with the same principles as the companies that support it, and the same preoccupation with ROI - which it pursues by investing in five centers of excellence, namely; AWC, reThink Wood, WoodWorks, Wood Naturally and Tall Wood Innovations.

With respect to progress to date, the metrics look good - about \$20 of incremental sales for every \$1 invested. If further corroboration is desired, you can listen to what forest industry CEOs are saying ([here](#)), or better yet, you can read why the Concrete Industry launched their “Build with Strength” campaign in 2016. In their words, it was “to stem and regain concrete’s loss of market share to wood in the low/mid-rise buildings market.” And if, as Oscar Wilde observed, “imitation is the sincerest form of flattery that mediocrity can pay to greatness,” then we must be onto something here.

A full-throated Tree Frog congrats to all involved!