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For immediate release

New softwood lumber duty forces Canadian producers to pay for already shipped products

North Vancouver – The United States government announced today a substantial increase in softwood lumber duties, a move that is expected to result in higher lumber prices for U.S. consumers and require Canadian companies to remit retroactive duties on products shipped since January 1, 2023.

The US Department of Commerce announced today that the ‘all others’ rate will be raised from 14.40% to 27.3%. In the coming weeks, this rate will be increased again, potentially reaching duties of up to 35%.

The US decision to significantly increase softwood lumber duties puts hundreds of Canadian small and medium-sized wood manufacturers at risk of not only shutting down their companies but also risking personal collateral, like their homes, to secure bonds on products already shipped, said Andy Rielly, Chair of IWPA. “Until the Canadian government can negotiate a settlement to this long-festering dispute, we need a government support program to keep our workers employed.”

For the first time in this long-standing trade war, the final rate is significantly higher than what was collected during the 2023 review period (8%). Canadian companies will eventually be liable for paying for lumber products that have already been shipped and paid for by their customers (approximately $35\% - 8\% = 27\%$ retroactively). The only possible hope is a favourable appeal from the Canada-US-Mexico Agreement (CUSMA) or pursuing a bilateral negotiated resolution.

“Only negotiations will resolve this dispute, and we applaud Prime Minister Carney for forging ahead to include lumber as part of any bilateral agreement,” said Brian Menzies, Executive Director, IWPA. “This dispute has festered for too long, and until we resolve this intimidation, the Americans will continue to escalate this dispute by expanding trade tariffs on other commodities beyond aluminum and steel.”

“Unfortunately, Canada’s small and medium-sized family-owned manufacturers are collateral damage in this long-standing trade war that can only be resolved through bilateral negotiations,” said Menzies. “We should not face export taxes or quotas. Our raw materials are not subsidized, and we are too small to “dump” our products in the US market. We acquire logs and lumber at “arm’s length” from various suppliers on the open market, just like claims made by members of the US Lumber Coalition, and yet our Canadian companies along with US consumers must pay these unfair and costly duties.”

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About the IWPA

The Independent Wood Processors Association (IWPA) represents British Columbia’s 60 small and medium-sized BC-based wood manufacturers who have no tenure and must purchase their raw materials, lumber and/or logs on the open market. We employ approximately 3,000 employees and contribute nearly \$2 billion to Canada’s economy annually. Our member companies use every stick of wood they purchase on the open market to create higher-value wood products. These products include the beautiful wood you see around your homes, such as fencing, decking, wood siding, railings, flooring, window frames, and more. The IWPA companies comprise value-added wood producers, including remanufacturers, secondary manufacturers, veneer producers, and other specialty wood industries. We are Canadian-owned businesses that employ local workers and reinvest in our communities.

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