

NEWS RELEASE

Setting the Record Straight On The Softwood Lumber Trade between Canada and the United States

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As trade talks intensify between the United States and Canada, those in the forest industry on both sides of the border await what will happen with that long-term irritant of a trade file - softwood lumber. The US Lumber Coalition (USLC) has been actively promoting their views through various press releases, with one of their latest on July 2, 2025, entitled, "[US Self-Reliance in Softwood Lumber Hamstrung by Canadian Unfair Trade](#)" which made several inaccurate claims about the Canadian industry and softwood lumber trade.

With sensitive and critical US-Canada trade negotiations ongoing, as well as the potential outcomes of the US Department of Commerce's Section 232 investigation on softwood lumber imports, it is important to make sure there is correct information and understanding available to support both countries with meaningful dialogue.

As industry consultants based in British Columbia, Canada, we are compelled to correct a number of the USLC's claims made in their July 2 release, which provide misleading perspectives of the Canadian forest industry and its softwood lumber exports to the US market. Our goal is to apply facts against these claims together with additional commentary that we believe will provide a more accurate assessment of the US and Canada softwood lumber situation.

USLC CLAIM #1

"Canada's built-for-export excess softwood lumber production capacity is huge and unsustainable, at around 8 billion board feet," stated Andrew Miller, Chairman/Owner of Stimson Lumber Co.



RESPONSE:

Well yes, it is true that Canada has built-for-export lumber production; however, the influence of such depends on what is meant by “*excess lumber production.*”

Canada has one of the largest forested areas in the world, as does the US. The difference between the two countries is the size of our respective populations, where the US has approximately ten times the population of Canada but with a similarly sized forest land base.

As such, due to its extensive natural resources relative to its small domestic consumption, Canada is inherently an exporting nation – a fact that has largely benefited the US economy in terms of having a readily available supply of resources (energy, metals and lumber) just north of its border.

So yes, Canadian lumber production of approximately 20 billion board feet (in 2024) easily exceeds Canadian domestic consumption of approximately 7 billion board feet (in 2024) according to data from the Western Wood Products Association (WWPA). The natural destination for much of this “excess” production has been to the US market to fill the large supply gap that US mills could not produce. This reality has always been the case.

Another interpretation of the USLC’s claim of “excess” production capacity could be in reference to Canada’s current relatively low lumber production relative to its remaining sawmill capacity, giving the impression that there is excess capacity sitting idle (according to USLC its some 8 billion board feet), just waiting for the opportunity to be turned on and produce more lumber. In this respect, both countries have “*excess capacity*” when comparing respective production to capacity; however, the ability to utilize that excess capacity with an available log supply differs between regions.

It needs to be noted that the reference to “*capacity*” is a very loose number and is more of a high-level estimate given there are more than 2,500 softwood lumber sawmills in North America that can result in potential variances from using such statistics. No one source is very accurate. For example, various sources of US and Canada lumber capacity changes from 2012 and/or 2016 to 2024 vary widely by billions of board feet.

In British Columbia, one might consider there to be “*excess capacity*” given the province’s sharp decline in lumber production over the last 20 years relative to remaining sawmill capacity. The mountain pine beetle epidemic of the early to mid-2000s resulted in the mortality of 54% of the merchantable lodgepole pine in the province, leading to a severe reduction in short and mid-term timber supply which led to extensive sawmill closures. Additional sawmill curtailments and closures have

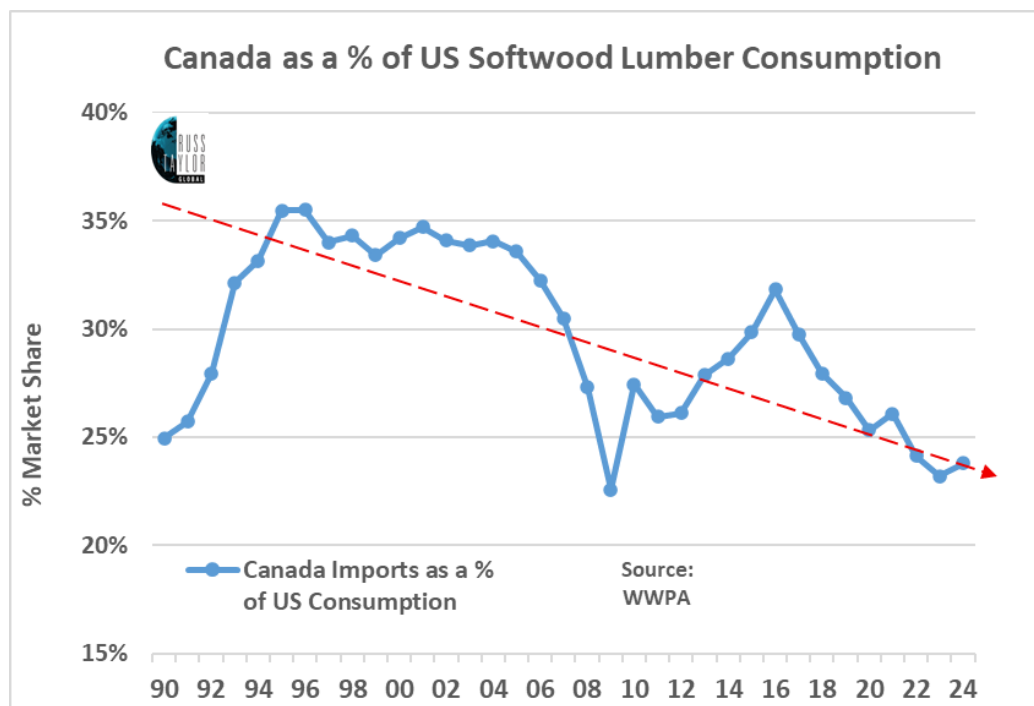
occurred in the last few years due to more restrictive British Columbia provincial forest policy change. Collectively, this means there is no way to use that “excess capacity” that USLC is concerned about, largely because the logs needed to run that capacity in British Columbia are simply no longer economically available, if they exist at all.

USLC CLAIM #2

"And Canada's focus on maintaining its US market share at any cost is hugely detrimental to the profitability and growth of the US softwood lumber industry."

RESPONSE:

“Canada’s focus on maintaining its US market share?” To the contrary, Canada’s market share has been trending downwards for approximately thirty years, and Canada’s 2024 share of US softwood lumber consumption was 23.6% according to WWPA data. This trend is due, in part, to the closure of 53 sawmills in BC alone since 2005.



In terms of sawmill profitability, the US South has been the highest margin region in North America from 2008 to 2022 while BC has had the lowest sawmilling margins since 2017.

USLC CLAIM #3

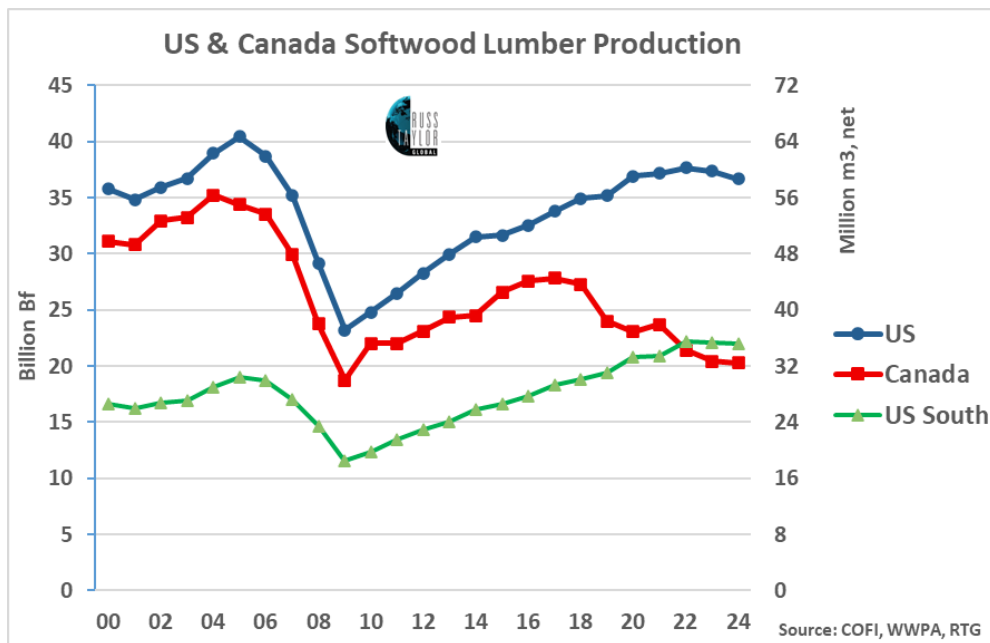
"Demand for housing in the United States remains weak and so does demand for lumber. Yet Canada continues its relentless shipments of dumped and subsidized lumber to further depress demand for US lumber, with devastating consequences for mills, workers, and communities," added Miller.

RESPONSE:

Canada's lumber shipments to the US have been reduced – not increased. In fact, Canadian softwood lumber production has declined by 7.5 billion board feet or negative 28% since 2017 to the current (2024) 20 billion board feet. Over the same period, the lumber production in the US South has increased by 27% - from 18 to 22 billion board feet and now exceeds production for all of Canada.

Canada's lumber production has declined from 35 billion board feet in 2004 to 20 billion board feet in 2024 – a 43% decline. In contrast, US lumber production has eased from a peak of 40 billion board feet to 37 billion board feet over the same period – a decrease of just 8%.

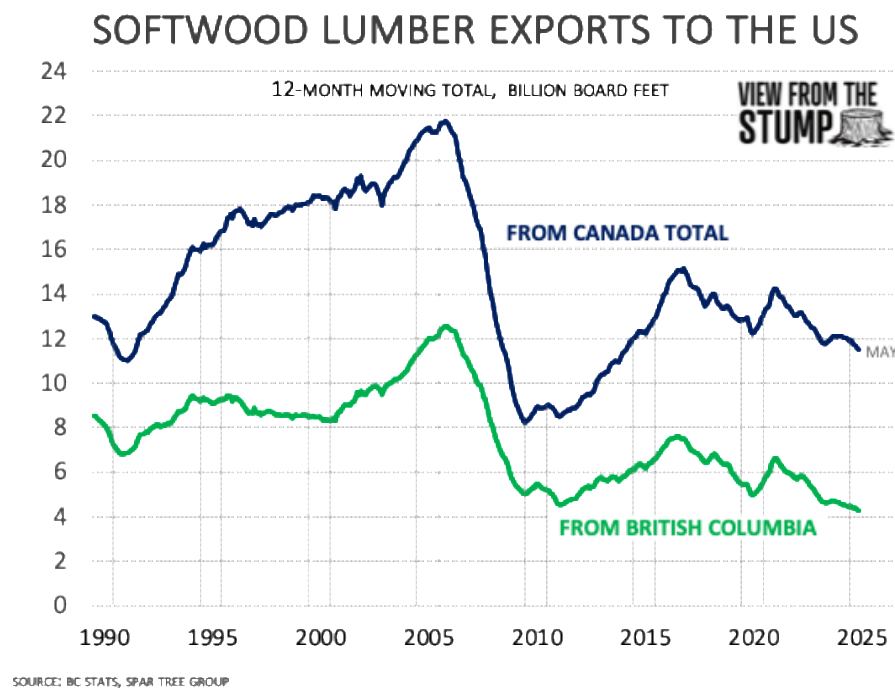
The divergence in each countries' respective production trend is even more pronounced from 2017 onwards, with Canadian production declining sharply while US production has climbed. Since 2017, Canada's has become less and less of threat to US sawmillers, yet there continues to be this consternation over Canadian imports.



Decreased Canadian softwood lumber production means there is less supply available to sell into the US market. According to Statistics Canada data, Canadian

softwood lumber exports to the US are currently trending below 12 billion bf - this is the lowest level in 10 years and similar to volumes in the late 1980s and early 1990s.

In 2024, British Columbia exported only 4.5 billion board feet of lumber to the US – the lowest volume since the 1970s - and no change is expected unless a dramatic reversal in British Columbia’s forest policy occurs. Even then, considering previous reductions to the province’s timber supply resulting from the mountain pine beetle epidemic, any potential lumber export volume increases to the US are highly unlikely until the next rotation of trees grow back some 60 to 80 years from now.



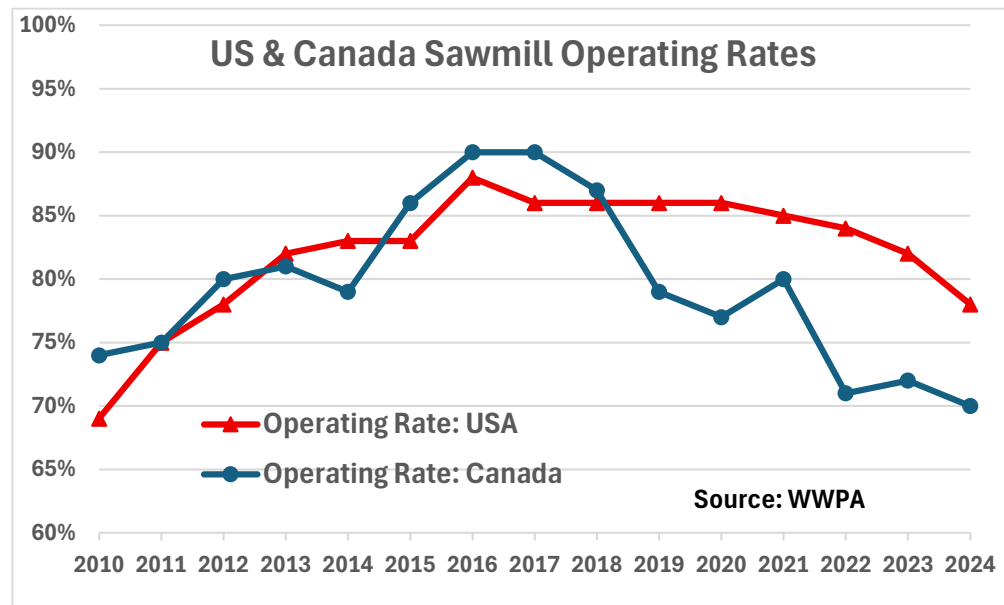
USLC CLAIM #4

“US lumber producers have invested billions of dollars and increased capacity by 9 billion board feet since 2016, producing and supplying over 30 billion board feet, cumulatively, of additional lumber into the US supply chain. But the continued flow of unfairly traded Canadian softwood lumber into the US market during a period of weak housing demand is driving down the US softwood lumber industry's utilization rates and is endangering the advances that the United States has made in recent years towards becoming self-reliant in softwood lumber.”

RESPONSE:

The US softwood lumber industry's utilization rates (operating rates) have been higher when compared to Canada's. Since 2019, US sawmills have had higher operating rates than Canadian mills by an average of 800 basis points. This is despite the US increasing capacity by over 9 billion board feet since 2016 while

Canada reduced its capacity by over 3 billion board feet in the same period (WWPA data). Even greater Canadian reductions are seen if FASTMARKETS data is considered (a decrease of 4.3 billion board feet).



For the record, about half of the 9 billion board feet increase in US lumber capacity since 2016 has come from Canadian-owned companies who have invested in the US.

The statement: “*Supplying over 30 billion board feet, cumulatively, of additional lumber into the US supply chain (since 2016)*” is a calculation with no significant meaning. US lumber production actually increased by only 4 billion board feet on an annual basis over this period: the reference to “*cumulative*” lumber volumes is quite meaningless.

To be clear, it is the excess supply of Southern Yellow Pine (SYP) lumber that has - and is - depressing framing lumber market prices. As of the July 18, 2025 *Random Lengths Weekly Report*, the price premium of W-SPF (FOB mill) to SYP-W (FOB mill) was a whopping US\$146/Mbf, where W-SPF is selling for a 40% premium on a FOB mill basis. On a delivered basis to Dallas, Texas, the W-SPF premium to SYP lumber is even greater at US\$242/Mbf (+60%). This means that US buyers are more than willing to pay a huge premium for Canadian SPF lumber – a species preferred for home building and repair/remodelling - as compared to the over-produced and less desirable supply of SYP lumber.

Simple put, there is just too much SYP lumber in the market relative to demand. That is the real issue facing the US lumber industry. Extremely low SYP lumber prices can depress prices for suppliers in other regions of the US as well as Canada.

This price differential demonstrates that Canadian W-SPF lumber imports are clearly not the problem for US SYP lumber prices, as the US market at this time seems to be willing to pay huge premiums to secure the declining supplies of Canadian W-SPF lumber – even with combined US import duties on Canadian softwood lumber included (currently at 14.4%). When the combined antidumping and countervailing duties rise to an expected 34.5% (for “All Others”) in August/September, it could be that US consumers may be willing to pay even higher prices to obtain the Canadian W-SPF lumber that it prefers.

The message here is, imports of Canadian lumber into the US simply cannot be hurting US investments in lumber capacity when Canadian W-SPF lumber is being purchased at a substantial premium to US-produced lumber. Or in other words, Canada is not the source of unfair pricing or lower US sawmill utilization rates.

USLC CLAIM #5

"Anyone arguing against duties on unfairly traded Canadian lumber is in fact seeking to reverse the US industry's efforts to become self-sufficient in softwood lumber," stated Zoltan van Heyningen, Executive Director of the US Lumber Coalition. "Strong trade law enforcement is paramount to bringing about fair pricing for lumber to support future capacity increases, but also to keep existing capacity from being further curtailed."

RESPONSE:

The US industry's goal of becoming self-sufficient in softwood lumber production is a noble objective but is heavily flawed. Yes, there is under-utilized standing timber in the US that could be released from National Forests or other public lands, not to mention private forest lands. However, the supply chain and the labour required to increase timber harvesting (loggers, logging trucks, roads, Forest Service personnel, etc.) is something that would probably take decades to implement. If logs were available, then more sawmilling equipment and huge capital investments would be required to increase production of a lumber supply that is already trading at a price discount to Canadian lumber. [RESOURCEWISE](#) indicates that 70 new, large scale US sawmills would need to be constructed for the USA to achieve self-sufficiency.

“Fair pricing for lumber to support future capacity increases US capacity” may not seem to be working, but this is clearly a function of excess capacity installations creating excessive output in the US South. US lumber production is already too high for the US market's demand, resulting in very low SYP lumber prices that are currently near or below breakeven levels in the US South.

Canadian output and US imports of Canadian lumber continue to shrink, but SPF lumber prices are staying high (despite US import duties). Pointing fingers at Canada's lumber supply as a reason for the US lumber sector's problems is simply false logic as the evidence shows Canadian supply has been declining while it is surplus SYP lumber that is the current US market supply problem.

USLC CLAIM #6

"We continue to support President Trump prioritizing the strong enforcement of US trade laws against Canada, and we hope that he will take additional steps to accomplish his objective of making the United States fully self-reliant in softwood lumber," stated van Heyningen, concluding that "we reject the efforts of the National Association of Homebuilders (NAHB) to fight against President Trump's goal of US softwood lumber self-reliance and the alignment of the NAHB with Canadian interests in advancing the cause of unfairly traded Canadian lumber imports."

RESPONSE:

Any increase in duties or tariffs on imported Canadian lumber (or from any other country) will only result in an increase in the price of lumber to the US end-users. Indeed, inducing higher prices will be the intended result of these trade actions.

For decades, the US has consistently imported 30% of its softwood lumber needs from other countries, so any penalties against Canadian lumber will simply push construction lumber prices higher and promote imports from other countries as those from Europe. This is simple supply and demand dynamics that has always occurred in the US commodity lumber market.

Increasing the price of lumber to US builders, renovators and consumers, however, is never a good strategy – one that is echoed by the NAHB - and certainly not in the short term via import duties and/or tariffs.

The longer-term objective of making the US more self-reliant on domestic lumber is only a notional strategy at this point. Canada is already the high-cost supplier to the US market - in part from US import duties - and imposing higher duties (and tariffs) on imported Canadian lumber will only increase lumber prices to US consumers for years to come.

It is unfortunate that the USLC makes so many unsubstantiated claims, which are designed to simply evoke emotional reactions. A clear and supported analysis of the facts with defined assumptions is a much better way to improve the dialogue and create accurate communication.

The US and Canada need to work together to grow their collective share of wood products in the North American market and not to push for short-term, non-market duties and tariffs that will have potentially long-term consequences. Efforts to promote wood over steel and concrete are a much better longer-term strategy.

We have attempted to provide supporting data to our statements and analysis so US politicians and the US lumber sector can better learn that Canadian lumber is not a threat to their long-term businesses' success.

The authors are independent consultants and have received no funding or industry support for this article. We only serve to provide a more factual and balanced analysis without unnecessary or misleading language.

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David's consulting clientele and newsletter subscribers benefit from his unique background in BC forest policy and politics, the forest products sector and forest management by providing an independent perspective of the trends and issues affecting the British Columbia forest industry.