Setting the Record Straight – ONCE AGAIN - On The Softwood Lumber Trade between Canada and the United States

By Russ Taylor, RUSS TAYLOR GLOBAL and David Elstone, SPAR TREE GROUP/ VIEW FROM THE STUMP

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Last year, the authors of this press release, David Elstone and Russ Taylor, set the record straight in response to claims by the US Lumber Coalition (USLC) that misrepresented the Canadian forest industry and its softwood lumber exports to the US market. Our previous responses to the USLC's claims are summarized at the end of this document.

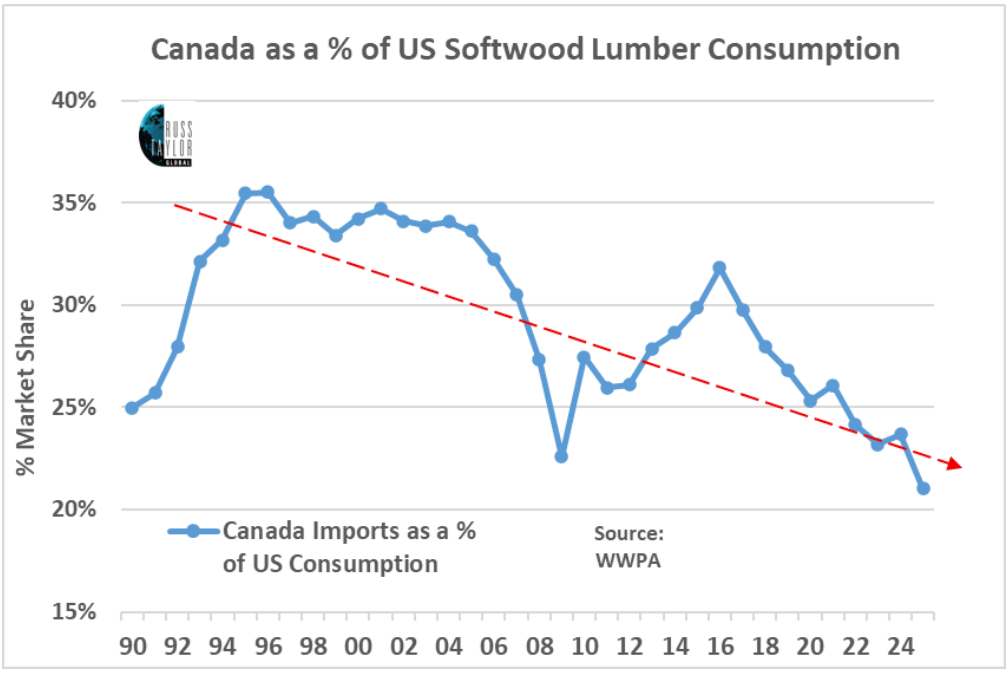
We find ourselves once again compelled to address the USLC 's inaccurate commentary about the Canadian softwood lumber trade with the US in their release, "*Canadian Imports Are Being Replaced by U.S. Production - A Direct Result of US Trade Law Enforcement & Section 232 Tariff* (March 24, 2026)".

USLC CLAIM #1

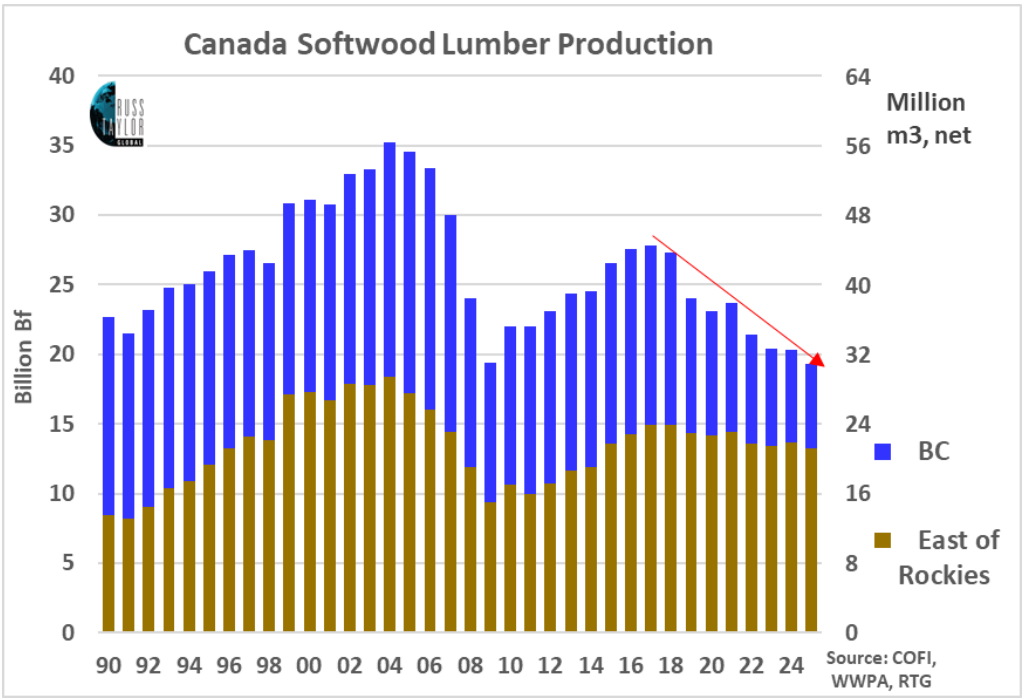
"*Strong U.S. trade law enforcement measures coupled with the appropriate application of Section 232 tariff measures have resulted in reducing Canada's softwood lumber market share in the U.S. from 32 percent in 2016 to an average of 18.6 percent over the most recent quarter of available data*."

AND "*Canada has for decades edged out US lumber production in order to maintain artificially high market share levels…*"

> **OUR RESPONSE:**
> Since October 2025, combined US duties and tariffs, averaging 45.6%, during flat periods of US demand coupled with low prices has meant that Canadian mills cannot compete until prices move higher. Consequently, it was inevitable that the highest cost producing regions in Canada would reduce shipments to the US. The USLC is endorsing these trade penalties which are essentially a **subsidy for US sawmills**. It is no wonder that the USLC would be trumpeting Canada's lower US market share.

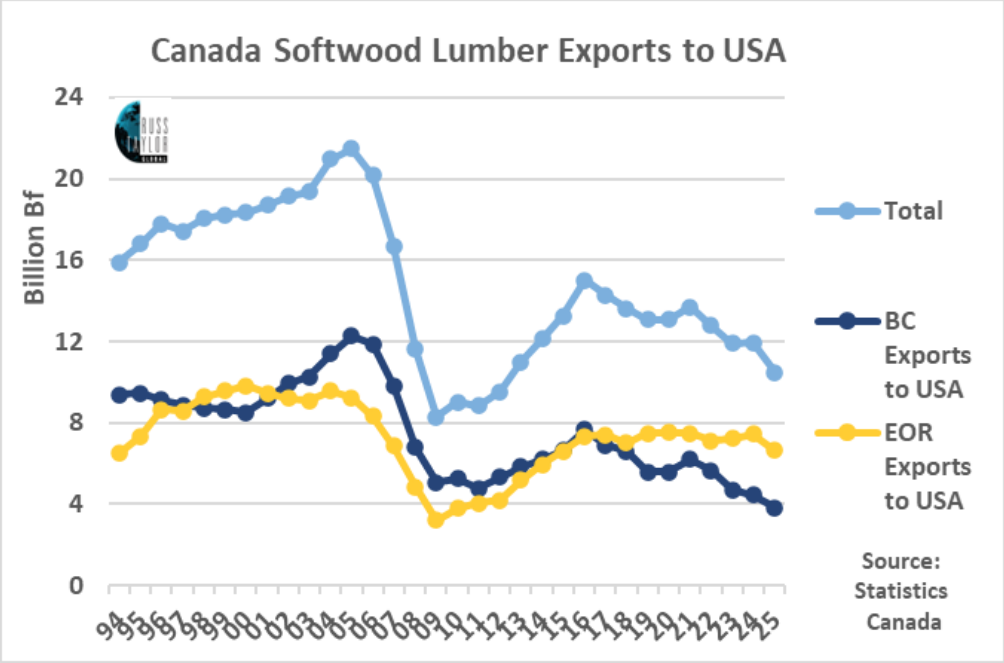


However, Canada's US market share has been in decline for over three decades. Market share decline **since 2016** is not just a result of duties and tariffs, rather it has largely been a function of declining lumber production in British Columbia (BC), with relatively flat production in the rest of Canada. This was outlined in our July 27, 2025, analysis and is updated below.



It is misleading to say lower BC production has only been a result of US softwood lumber duties and from a 10% tariff under Section 232. With a massive reduction in the available sawlog supply from public forests (harvest of 59.2 million m^3 in 2016 to 32.5 million m^3 in 2025), BC lumber output and exports have plummeted. The reality is BC has been facing log supply shortages since 2016 from many issues, but **the USLC never recognizes this.**

Lower lumber production from BC has resulted in lower exports to the US with relatively flat exports from the rest of Canada, as outlined below.



Note: EOR = East of Rockies

Again, BC is the main reason for reduced Canadian lumber exports to the US. With very high domestic log costs, BC has had the lowest sawmilling margins in North America since 2017, as such, it is difficult to accept the USLC claim that BC has "unfair prices… and dumps lumber in the US."

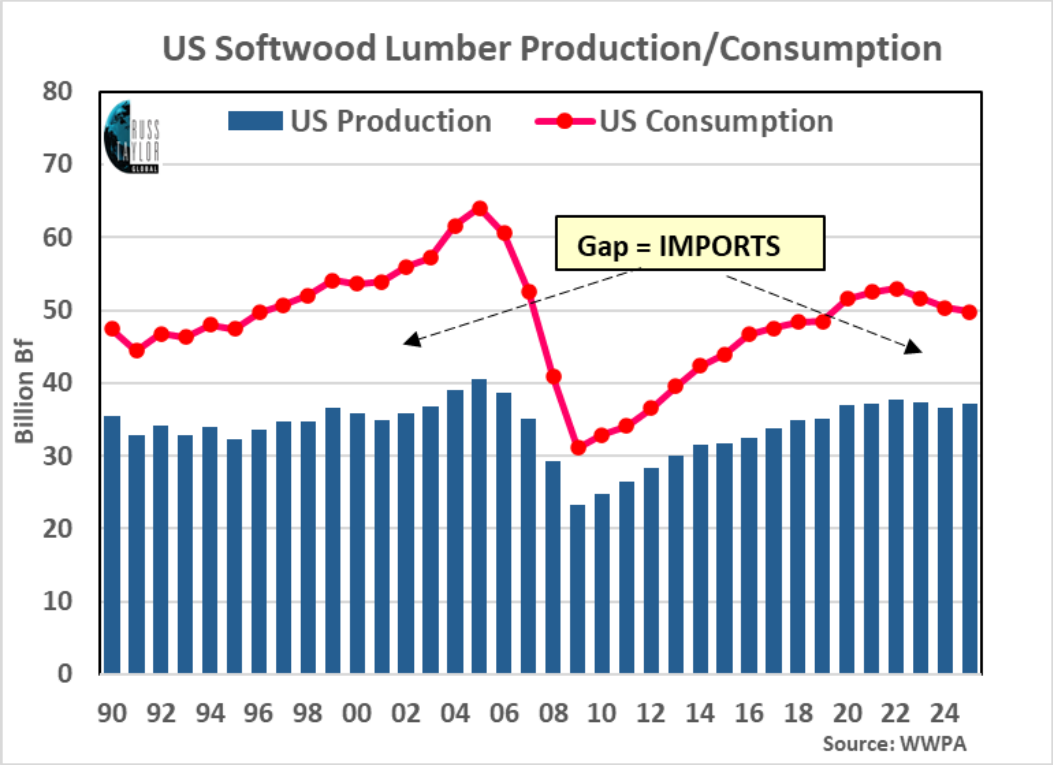
USLC CLAIM #2

"*Canada must address its harmful and disruptive massive excess lumber capacity by downsizing its lumber industry. Canada consumes roughly 7 billion board feet of lumber but has the capacity to produce close to 27 billion board feet of lumber. That excess lumber is systematically being dumped into the United States…*"

OUR RESPONSE:
So yes, Canadian lumber production of approximately 19 billion board feet (in 2025) easily exceeds Canadian domestic consumption of approximately 7 billion board feet (in 2025) according to data from the Western Wood Products Association (WWPA).

Canadian lumber production has always exceeded its consumption through much of the country's modern history – Canada has a relatively small population and a vast forest resource. Is a country supposed to limit their manufacturing capacity to only what their domestic market can potentially consume and ignore export markets? It is an absurd economic notion implied by the USLC' s excess supply comment.

The reality is that over the last 50 years, US lumber producers been not able to fully supply the US market demand. The huge gap between US production and consumption has ranged from a low of 12.0 billion bf in 1990 to a high of 23.6 billion bf in 2005 and was 12.7 billion bf in 2025.



The United States has benefited from a close trading relationship with Canada, especially through consistent access to economical and reliable lumber supplies. .

And it is not just Canadian lumber that has helped US home builders and buyers but there is also increasing US imports of lumber from Europe and Latin America.

That gap between US consumption and domestic supply exists today because US sawmills are operating close to full production – there is no "surplus production" without more logs, more workers, more capital - which are mostly domestic issues to effect any real change in production.

It is difficult to project US supply rising significantly in the short term when it takes time to build sawmills, it is difficult to find skilled workers, and log supply requires significant increases to the US public land harvest. As a result, the US still needs lumber imports from Canada and other countries – this is undeniable – especially when US lumber consumption starts to rise again (it has increased only marginally since 2016).

It is unfortunate that the USLC presents sector data to evoke emotional reactions rather than offer a clear supported analysis of the facts with defined assumptions. Doing so would be 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 that will penalize consumers. 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 has not been and is still not a threat to their long-term businesses' success.

PREVIOUS PRESS RELEASES:

The USLC's press release, "*U.S. Self-Reliance in Softwood Lumber Hamstrung by Canadian Unfair Trade* (July 2, 2025)" was followed by our joint release**, "*Setting the Record Straight On The Softwood Lumber Trade between Canada and the United States* (July 27, 2025)."**

A follow up exchange occurred, as the USLC responded with their "*U.S. Lumber Coalition Comments on Canadian Reaction to U.S. Trade Law Enforcement* (July 29, 2025)" and we replied to further inaccuracies and misquotes with **"*Correcting Statements By The US Lumber Coalition About Our July 27th News Release: "Setting the Record Straight On The Softwood Lumber Trade between Canada and the United States* (August 1, 2025)."**

Russ Taylor, RPF-ret, MBA.
RUSS TAYLOR GLOBAL
Vancouver, BC Canada
russtaylor@russtaylorglobal.com
www.russtaylorglobal.com

Russ Taylor has a 50+ year career in wood products operations, market analysis and intelligence. He has conducted work on timber, lumber and wood products assignments for hundreds of global industry clients and has travelled extensively (~100,000 miles per year) to key producing, exporting and importing countries around the world to obtain first-hand insights.

Russ established and operated *International WOOD MARKETS Group* for 28 years until 2020 and has published 45 multi-client reports, hundreds of articles and has made about 300 presentations all over the world. Russ continues to analyze global markets.

David Elstone, RPF, GDBA
Spar Tree Group/ View From The Stump
Roberts Creek, BC Canada
david@spartreegroup.com
www.spartreegroup.com
www.viewfromthestump.ca

David is a professional forester and a highly regarded forest industry expert with over thirty years of experience within the sector. David is the managing director of Spar Tree Group Inc., a business strategy consultancy firm, and the publisher of the *View From The Stump* newsletter as well as the associated blog, *Right From The Stump*.

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.