U.S. LUMBER COALITION

Maritime Lumber Bureau

May 29, 2025

What is a “duty” & what is a “tariff”? And why does it matter?

What is the purpose of the trade case?

How long will the trade case last?

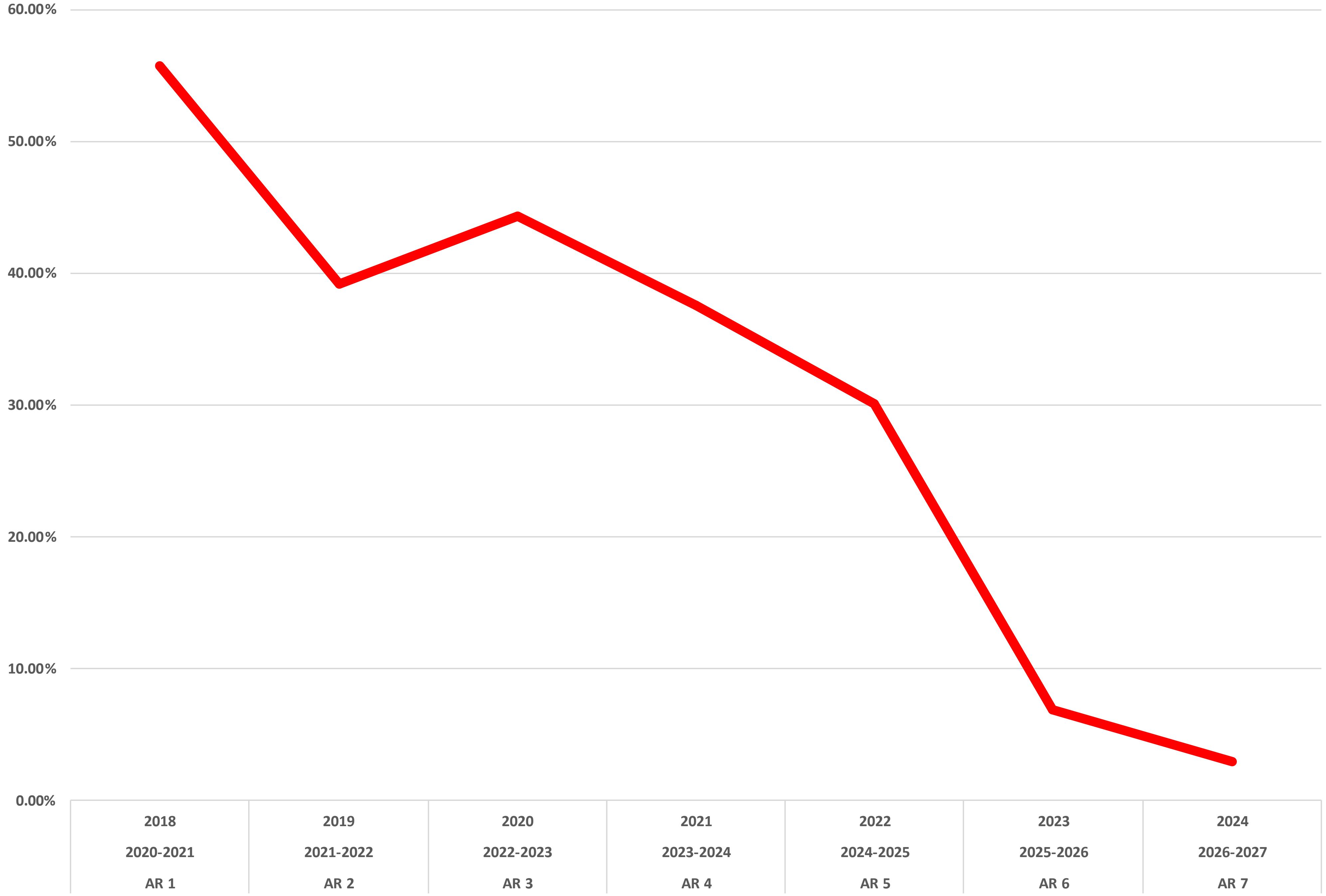
Administrative Review Results: Combined

	AR1 (2017/18)	AR2 (2019)	AR3 (2020)	AR4 (2021)	AR5 (2022)	*AR6Prelim (2023)*
Canfor	4.93%/4.62%	19.54%	5.87%	6.61%	16.58%	*46.48%*
West Fraser	8.16%/8.97%	11.14%	8.25%	9.25%	11.89%	*26.05%*
Resolute	19.86%/20.25%	29.66%	14.86%	8.05%	14.40%	*34.45%*
J.D. Irving	5.00%/4.23%	15.05%	14.00%	7.98%	11.54%	*34.45%*
Tolko	8.83%/8.99%	17.91%	8.59%	8.05%	17.27%	*34.45%*
All Others	**8.83%/8.99%**	**17.91%**	**8.59%**	**8.05%**	**14.40%**	***34.45%***

But Won’t Canadian Companies Just Get All Their Money (Duties Paid) Back?

(Hint: No)

Estimated Cumulative AD/CVD Duty Deposit Refund Percentage by Year & POR



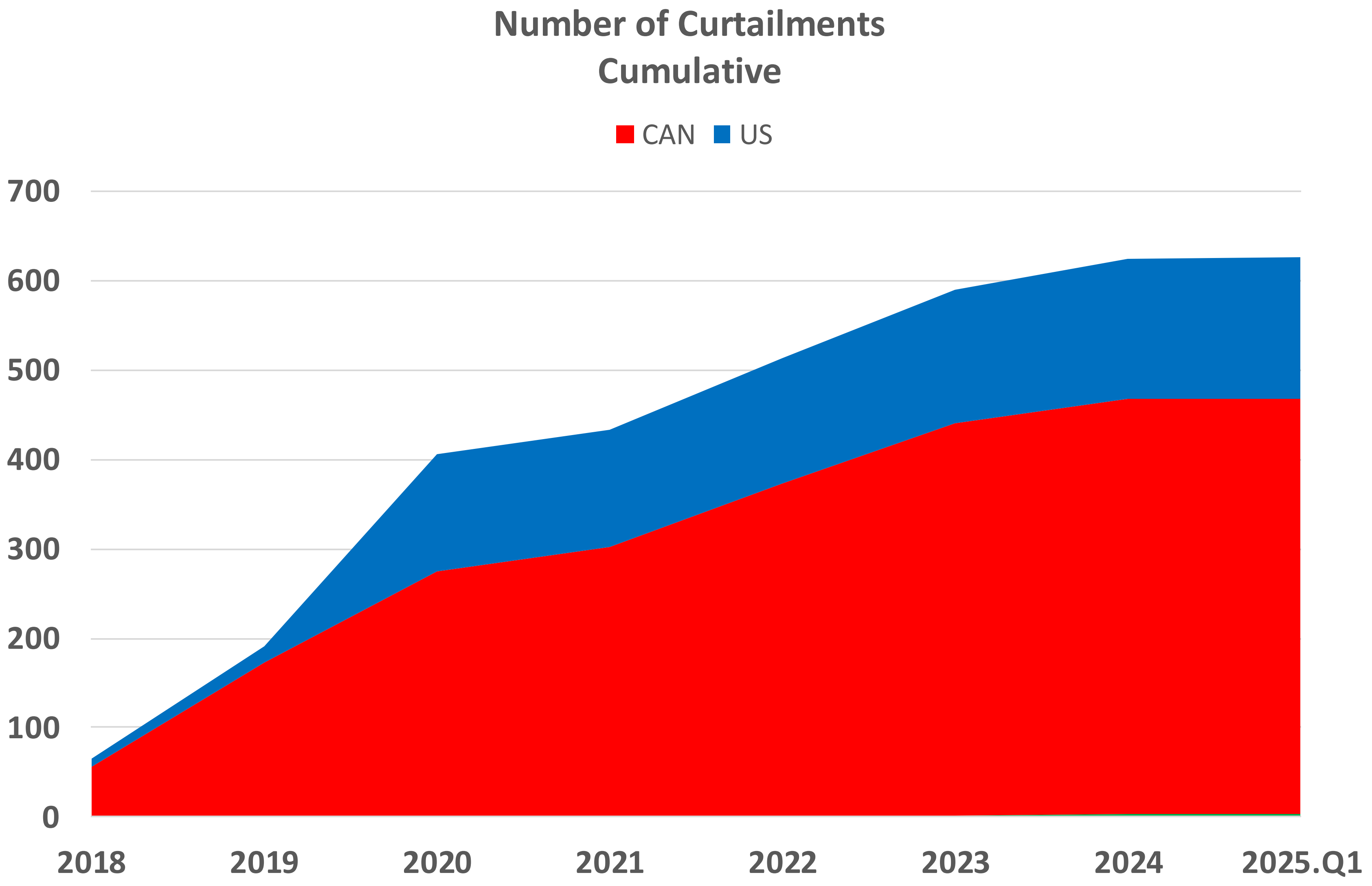
Estimated Liquidations

	Refunds/(Liability)	Refund Cumulative	US Treasury	US Treasury Cumulative
AR1 (17-18)	$800 million	$800 million	$639 million	$639 million
AR2 (2019)	$99 million	$903 million	$761 million	$1.4 billion
AR3 (2020)	$629 million	$1.5 billion	$520 million	$1.9 billion
AR4 (2021)	$154 million	$1.7 billion	$875 million	$2.8 billion
AR5 (2022)	$67 million	$1.8 billion	$1.3 billion	$4.1 billion
AR6 (2023)	*-$1.3 billion*	*$427 million*	*$1.8 billion*	*$5.8 billion*

Disclaimer: All figures are projected for illustrative purposes only and are subject to change.

Effect of the Trade Case

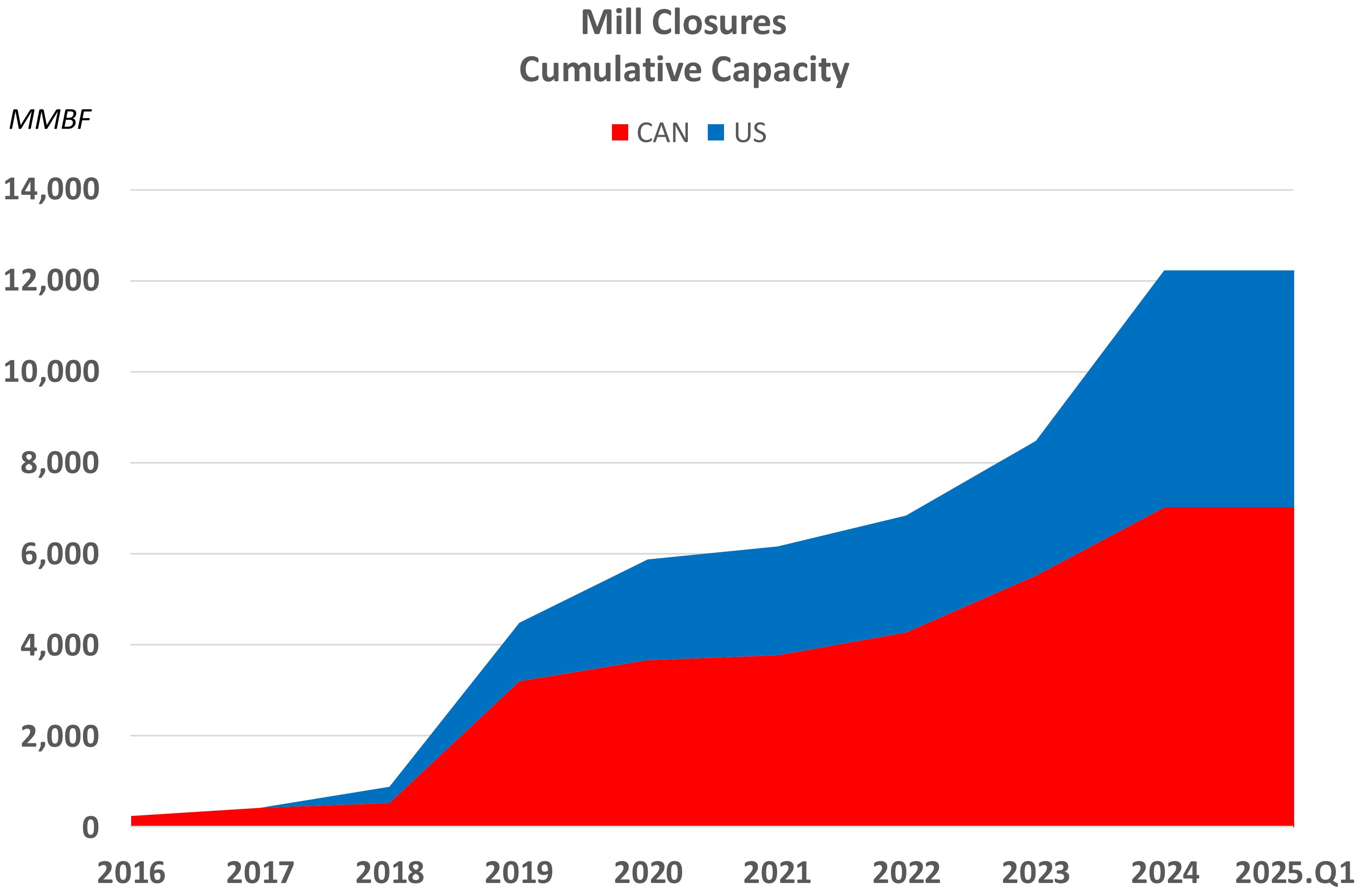
Canadian mills have accounted for 74% of curtailments since 2018.



Source: FEA sawmill database.

Effect of the Trade Case

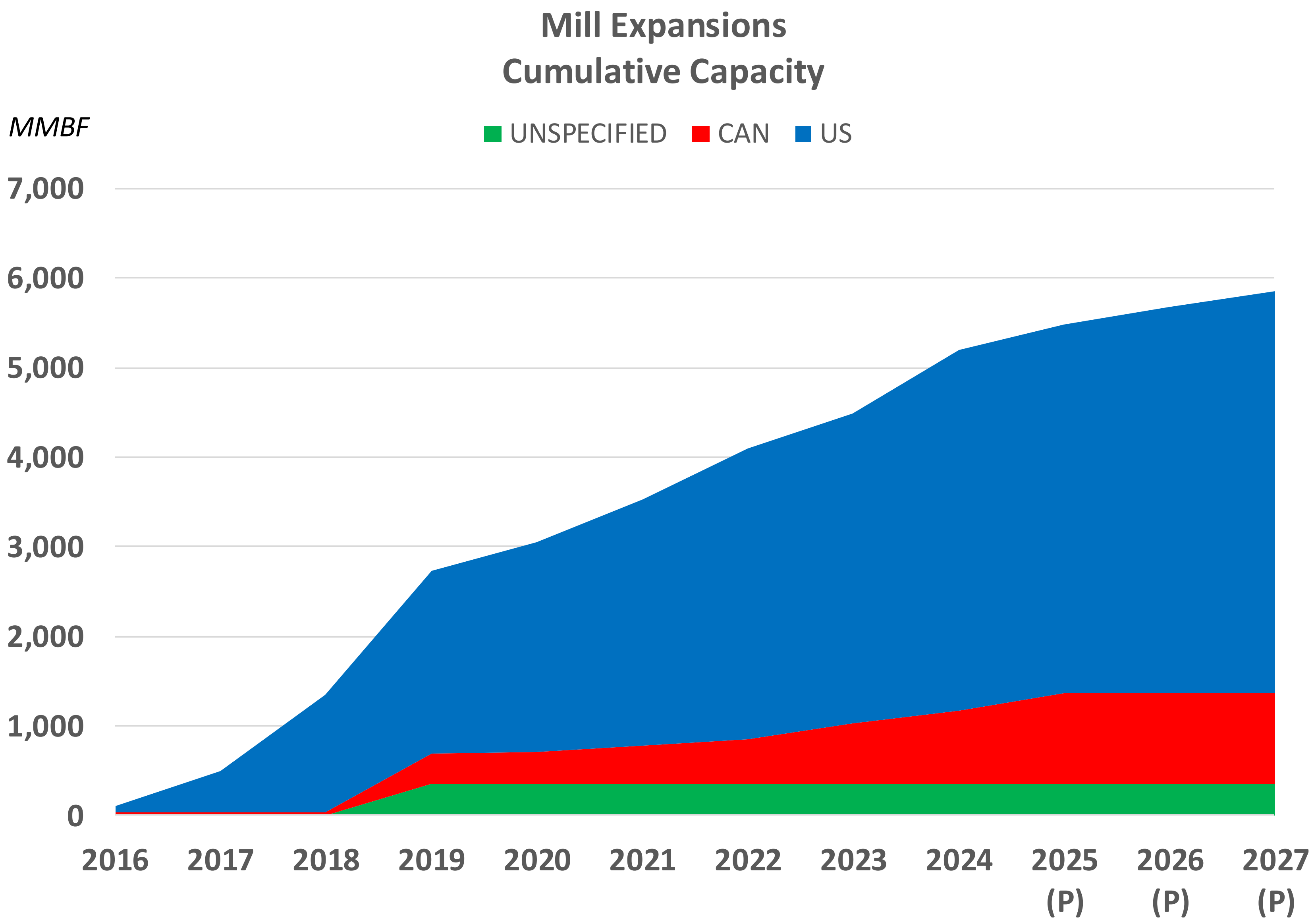
Canadian mills have accounted for 57% of mill closures by capacity since 2016.



Source: FEA sawmill database.

Effect of the Trade Case

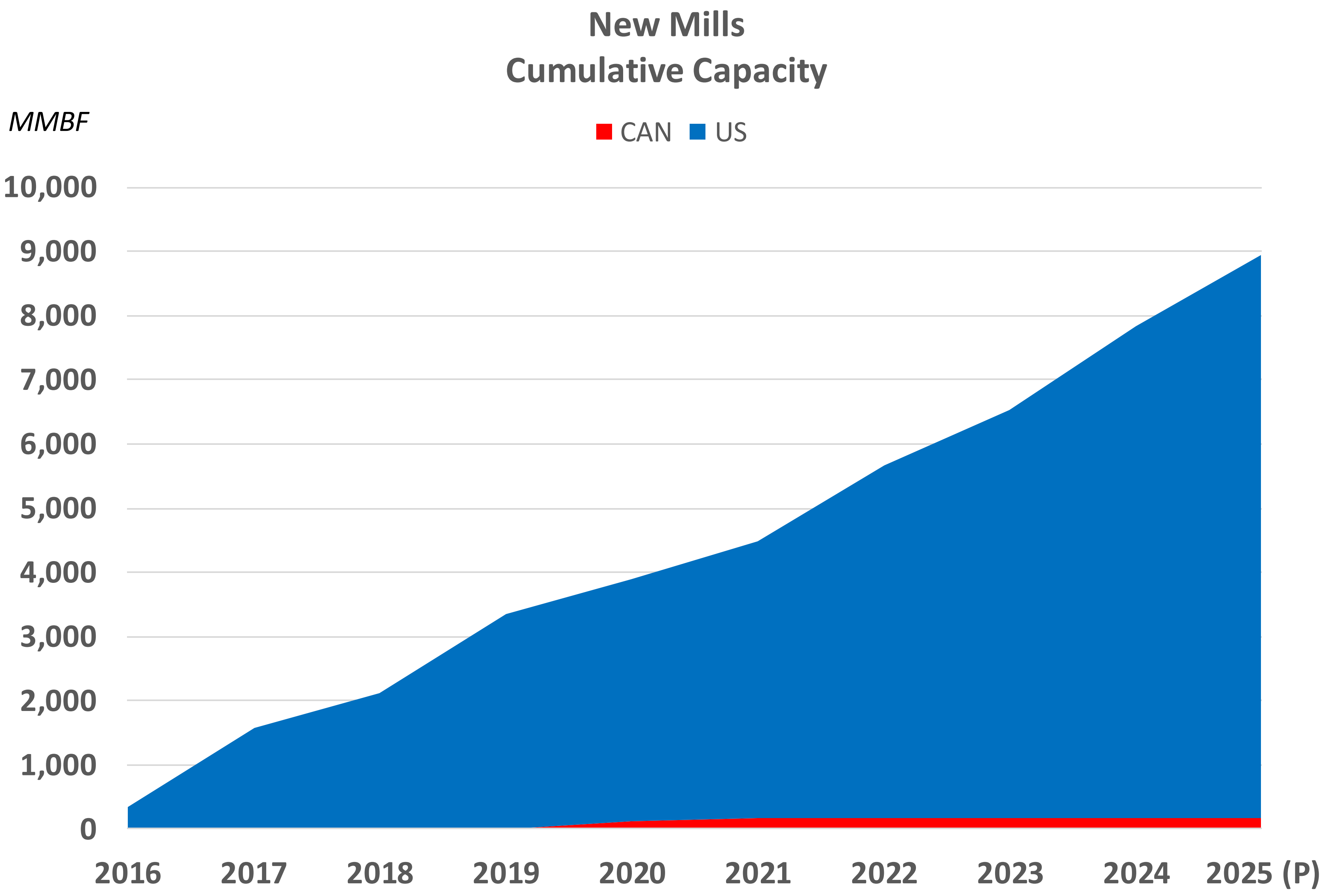
U.S. Mills Accounted for 77% of Mill Expansions Since 2016 While Canadian mills have accounted for Only 16%



Source: FEA sawmill database.

Effect of the Trade Case

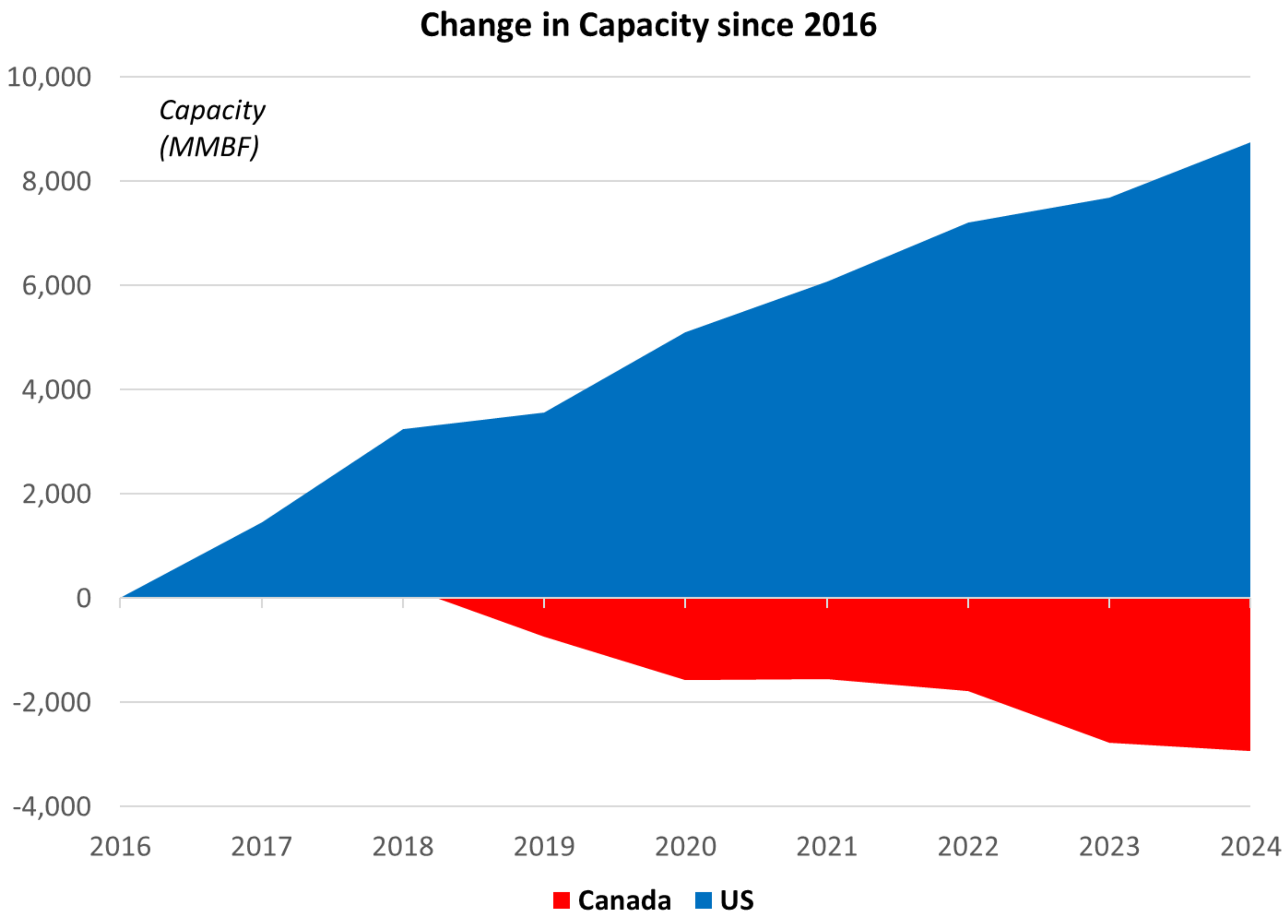
U.S. Mills Accounted for 98% of New Mills by Capacity since 2016 While Canadian Mills Accounted for Only 2%.



Source: FEA sawmill database.

Effect of the Trade Case

Canadian mills have lost 2.9 billion board feet in capacity while U.S. mills have gained 8.8 billion board feet in capacity since 2016.

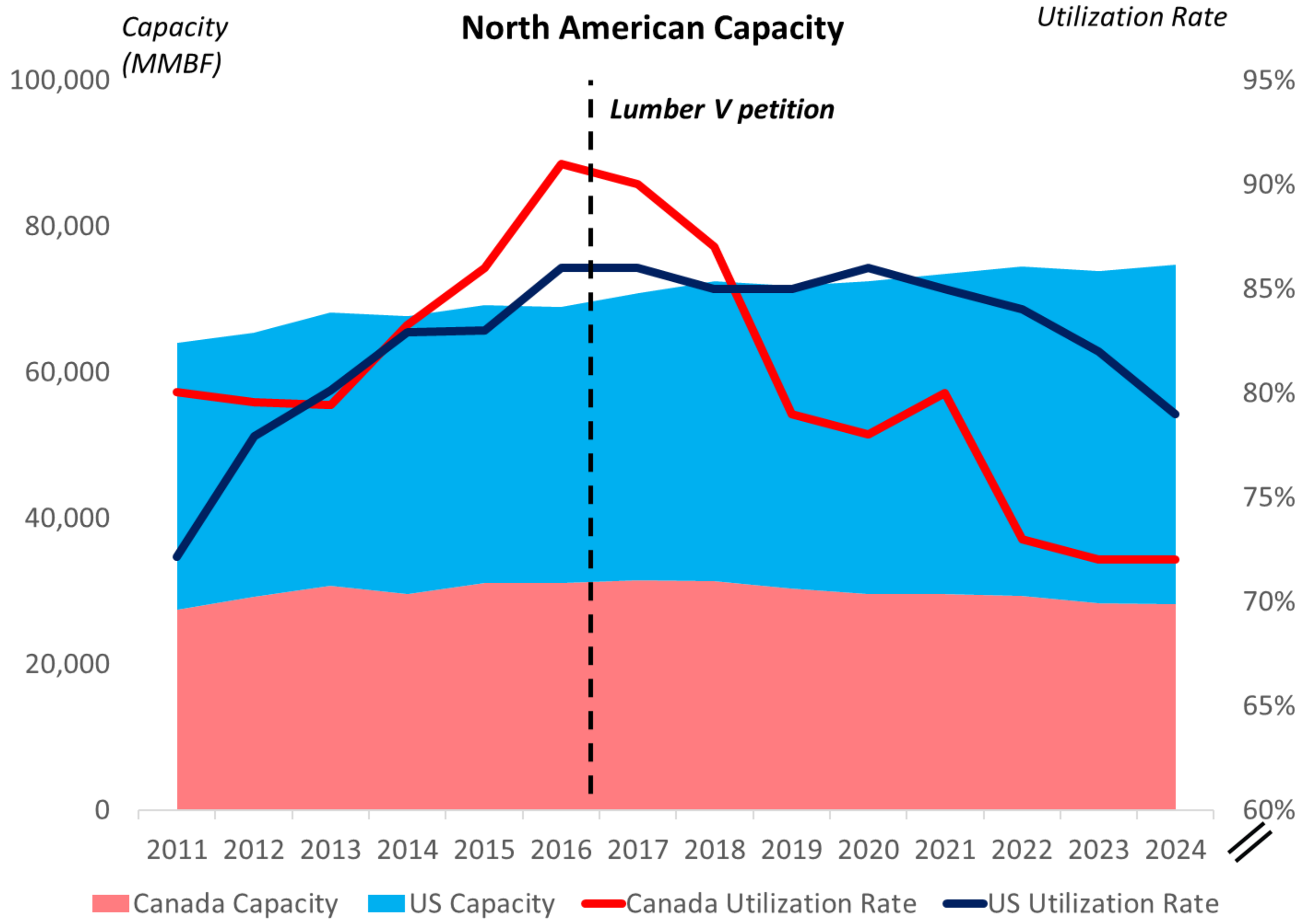


Source: WWPA.

Trends in Supply and Demand

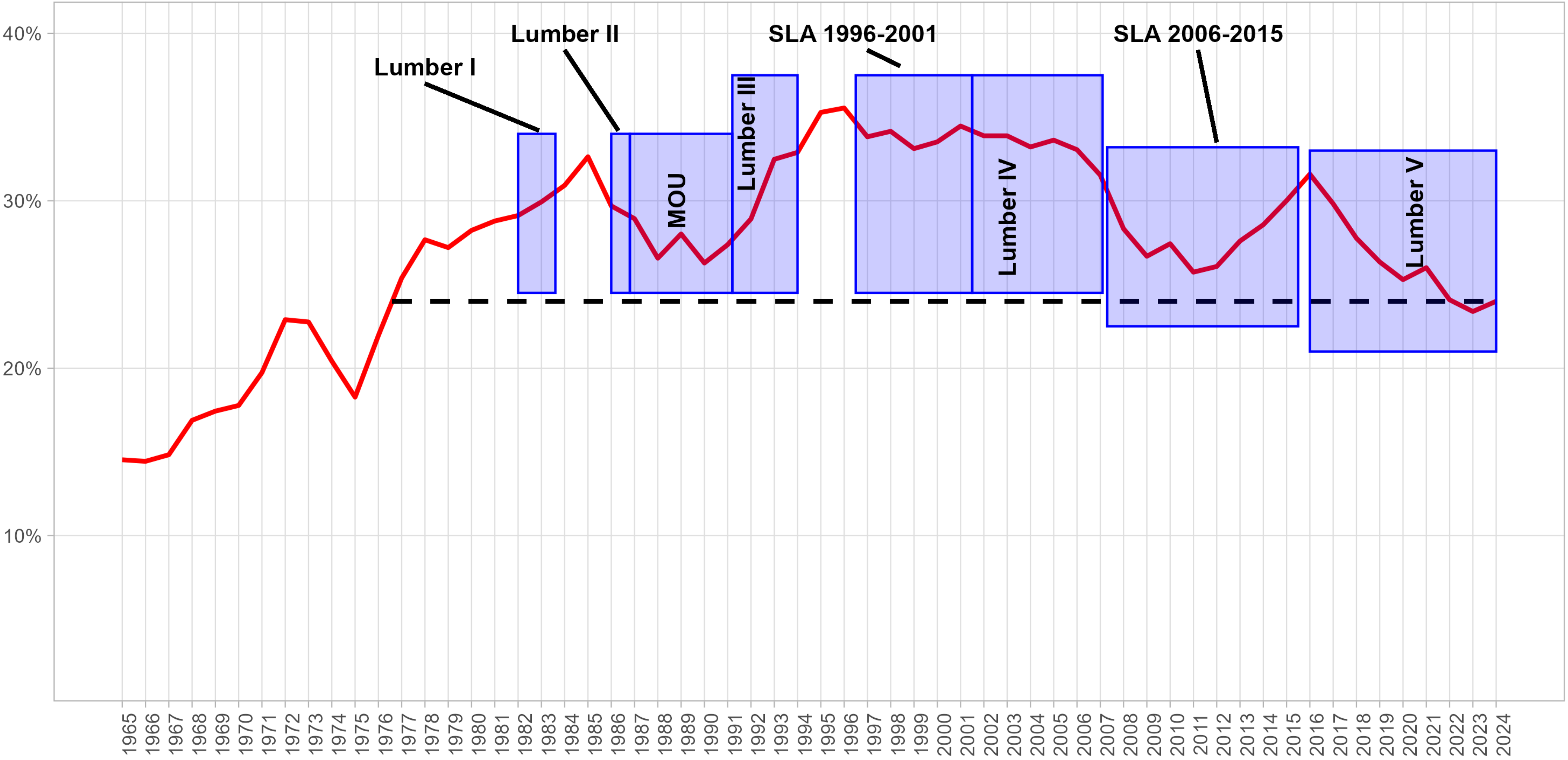
North American Capacity and Utilization Rates, 2011-2024

Prior to Lumber V, Canadian and U.S. utilization rates tracked each other, and Canada's was typically higher. Since 2016, Canadian utilization declined faster and remained well below US utilization.



Source: WWPA.

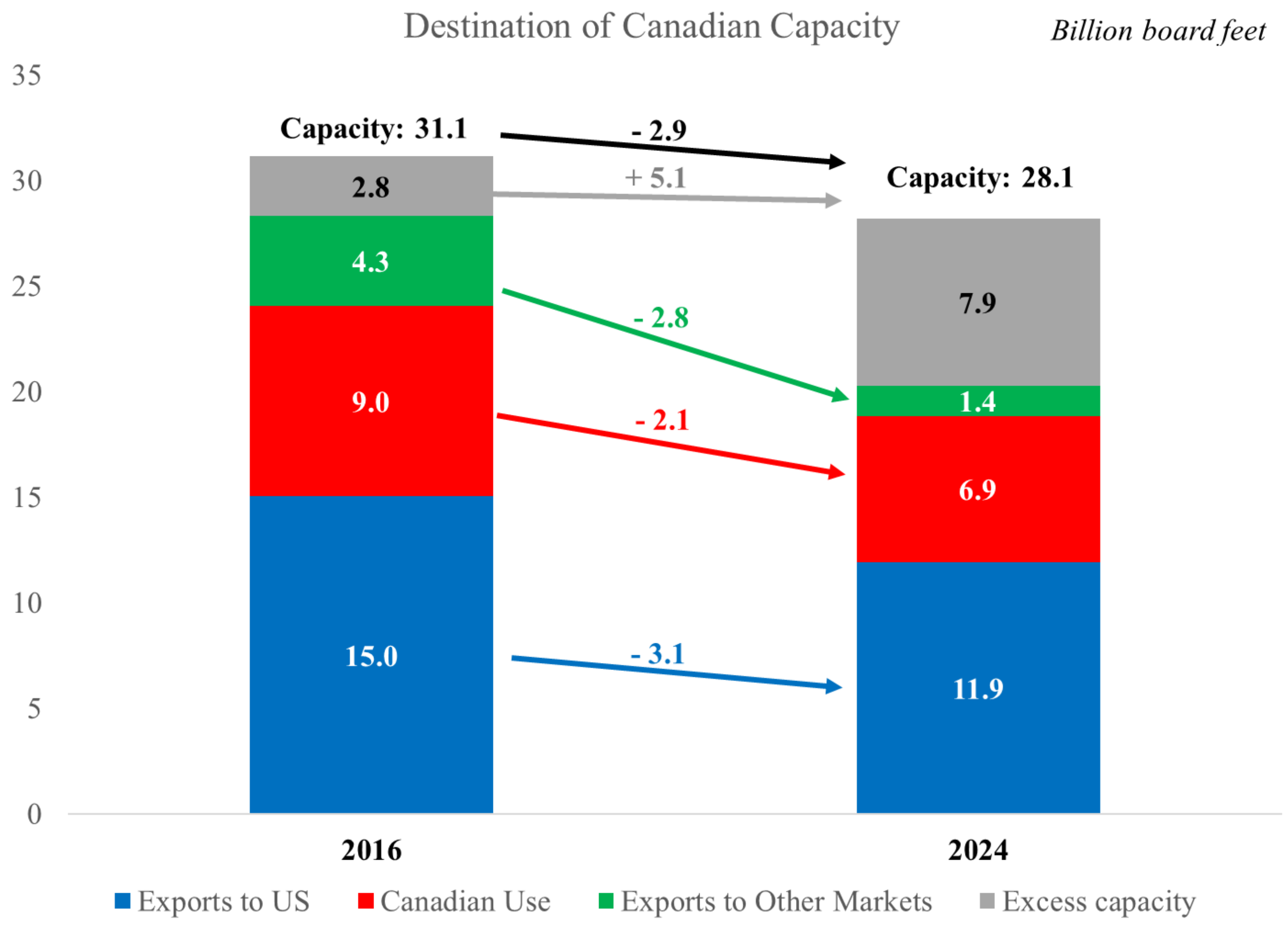
Current USLC Trade Cases Have Produced Lowest Import Penetrations Rates in Over 40 Years (1965-2024)



Why additional tariffs?

Effect of the Trade Case

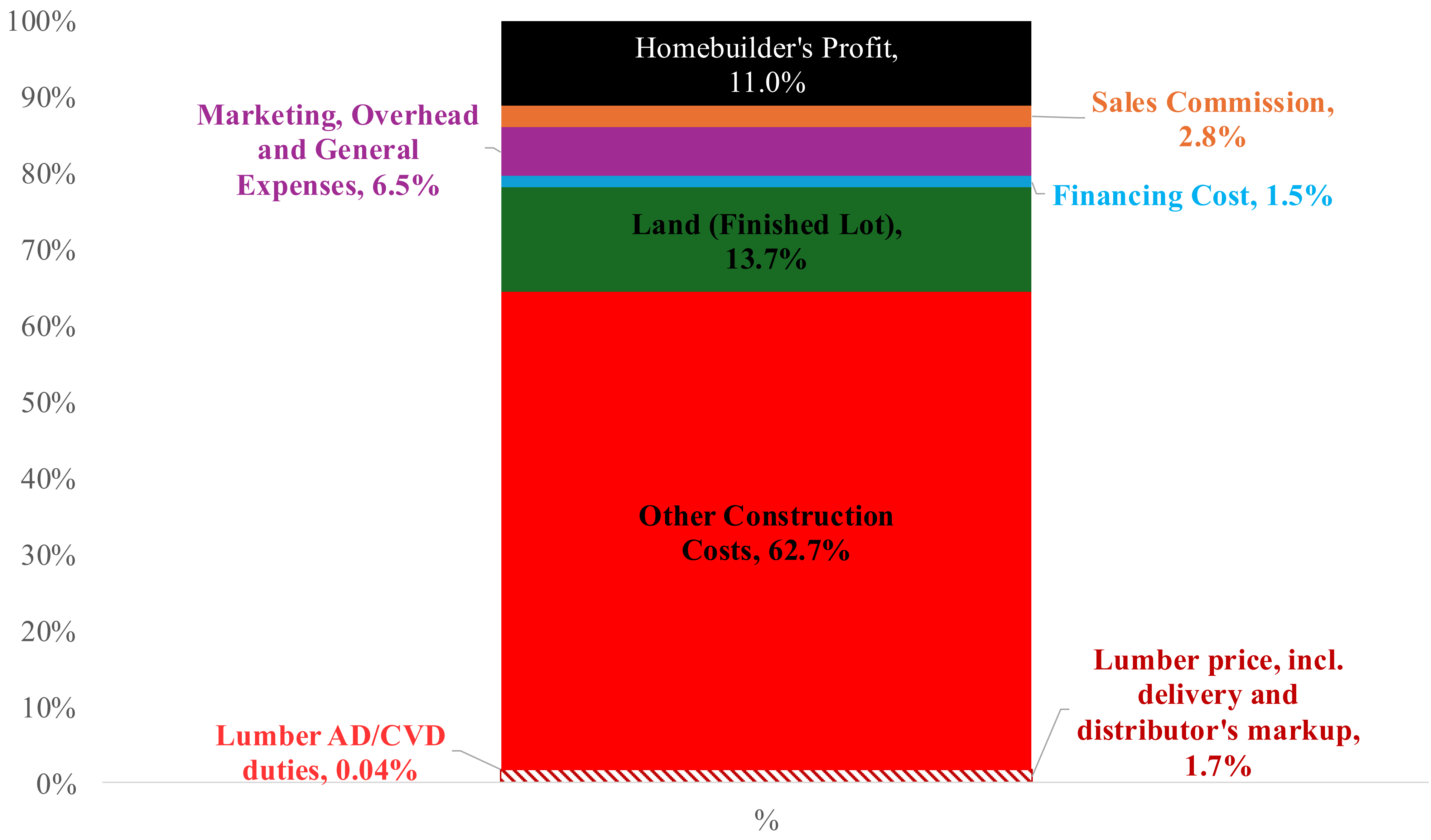
Canada's excess capacity has ballooned as sales volumes declined to each of its markets.



Source: WWPA.

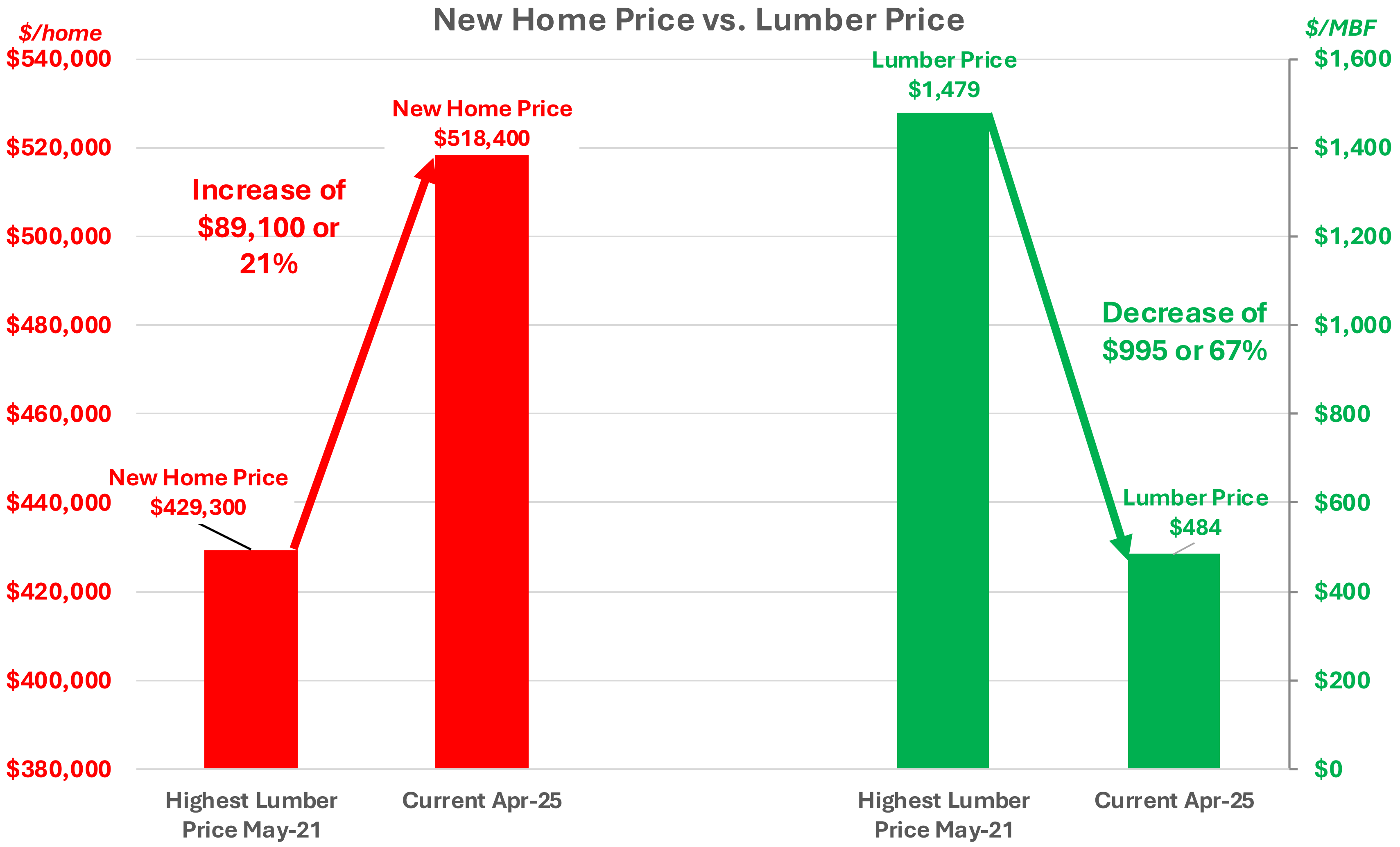
Canada & NAHB Talking Points: Lumber Drives Housing Costs … In America

Components of the Price of a New Home, 2024



Source: NAHB, Cost of Constructing a Home – 2024; Random Lengths. For lumber, assumes delivery costs of $70/mbf and a distributor's markup of 18 percent over the delivered price.

New home prices have increased 21% since May 2021 while lumber prices have decreased 67%.



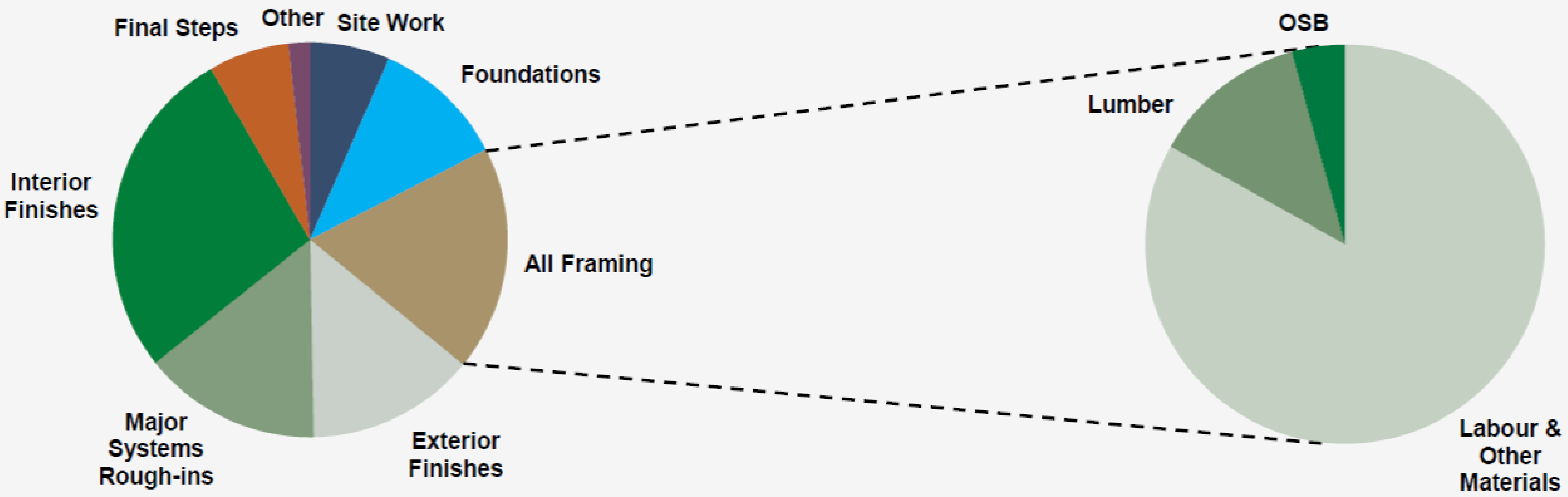
Sources: New Home Price - St. Louis FRB database (FRED) series ASPNHSUS; (Census Bureau, "New Residential Construction" mean sales price, not seasonally adjusted).
Lumber Price- Random Lengths Framing Composite price.

Lumber and OSB are Not Typically Significant Cost Factors for Home Builders

*Lumber and OSB products generally comprise 15-20% of the total labour and materials costs to frame a SF house; combined, lumber and OSB costs are typically ~3% of total construction costs and ~2% of new home selling prices***

Mix of Total Construction* Costs for SF Home (2013-2024)

Lumber & OSB Materials – Minor Proportion of Framing Costs



Source: NAHB Construction Cost surveys, West Fraser analysis

Lumber & OSB are modest contributors to new home construction costs and historically have experienced demand inelasticity in the new home building segment

* Construction costs include all labour and materials costs

** Used average of 2019 & 2024 house price and costing data to exclude COVID-related supply chain and pricing dynamics; assumes 15,000 fbm of lumber and 10,000 sf (3/8") of OSB consumed per 2,400-2,600 sf SF house, $500/MBFM lumber and $300/MSF (7/16") OSB prices.

Why Isn't There a New Softwood Lumber Agreement?

Percentage of U.S. AD/CVD cases that end up in a softwood lumber type agreement?

0.3 Percent

Put Another Way

99.7 Percent

Do Not End Up In An SLA Type Agreement

Percentage of Canadian AD/CVD cases that end up in a softwood lumber type agreement?

0 Percent

In Other Words

None

End Up In An SLA Type Agreement

U.S. LUMBER COALITION

“You are entitled to your system, but not our market too.” – Andrew Miller