

U.S. Trade Law Enforcement Results in Dramatic Growth of Domestic Lumber Supply



Enforcement of the U.S. Trade Laws is a win-win for America — The softwood lumber trade cases to offset Canadian lumber subsidies and unfair trade have resulted in more U.S. lumber being produced by U.S. workers to build U.S. homes. Every Administration since the Reagan Administration has investigated the lumber trade issue with the same conclusion — import duties are warranted because Canadian lumber producers are subsidized and unfairly trade in the U.S. market to the detriment of U.S. companies and workers. U.S. trade laws duties simply offset the subsidies that Canadian producers receive from their government and the resulting unfair trade, allowing U.S. lumber manufacturers to grow to their natural size.

Since the filing of the trade cases by the U.S. industry in 2016, U.S. sawmill investment and capacity expansion has been robust. The U.S. industry appears to be on track to have produced an additional 26 billion board feet of lumber through 2023, averaging 3.7 billion a year of added output. These increases have more than offset any decline in unfairly traded Canadian imports and are enough lumber to build 1.7 million single-family homes. The enforcement of U.S. trade laws will maximize long-term domestic production and lumber availability produced by U.S. workers to build U.S. homes.

U.S. companies continue to invest in expanding their production capabilities. Milling more lumber from American trees by American workers to build American homes also creates more American jobs, not just in the mills themselves but also in typically rural communities that support those workers.

Reality shows that claims by homebuilders that trade law enforcement has harmed U.S. homebuyers are wrong:



Lumber only makes up 1–5% of the cost of a new home — with price fluctuations having near zero impact on home buyers.



Lumber prices are currently at a similar level to where they were in 2016, before the trade cases went into effect. In fact at current levels, lumber prices have not even kept up with inflation since 2016.



The U.S. Census Bureau's average cost for a new home sold in January 2024 was \$534,300. About 15 thousand board feet of lumber is used to construct an average 2,500 square foot home. In late February 2024, the price of lumber was \$392 for a thousand board feet; thus, the total cost of lumber to the builder was \$5,880, or 1.1% of the price of an average new home.



One must look elsewhere for a solution to new home prices. Land cost, labor costs, and the free market reality of homebuilding demand that has boosted many homebuilding input prices.

Continued full enforcement of the U.S. trade laws is exactly what must happen to expand U.S. lumber manufacturing and availability to meet demand to build more American homes. Failure to fully enforce the trade laws would only undermine long-term confidence in expanding U.S. sawmilling capacity and jobs in the American softwood lumber industry.



For more information on the positive results of U.S. trade law enforcement on American softwood lumber production to supply U.S. homebuilding visit:

www.uslumbercoalition.org