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Canada's New Softwood Lumber Subsidies Exceed C\$2 Billion – Solely to Prop Up Canada's Massive and Harmful Excess Lumber Exports: U.S. Lumber Coalition

Washington, D.C., April 2, 2026 – Canadian federal and provincial governments have announced over C\$2.1 billion worth of new taxpayer-funded subsidies for the Canadian forestry sector in the last seven months in response to the enforcement of U.S. antidumping and countervailing laws and imposition of President Trump's Section 232 tariff measures.

"Responding to U.S. trade law enforcement by doubling down on Canada's unfair trade practices is both reprehensible and counterproductive," stated Zoltan van Heyningen, Executive Director of the U.S. Lumber Coalition. "The continuation of dumping practices supported and sustained by growing Canadian taxpayer-funded subsidies for the softwood lumber industry will only result in higher antidumping and countervailing duties in the future, as the ongoing trade case captures today's unfair trade behavior."

"As services are being cut by Prime Minister Carney's and Canada's provincial governments because of budget constraints, Canadian taxpayers would do well to understand that subsidies provided to Canadian softwood lumber companies, many of whom are investing their resources in the United States, will be collected by the U.S. government in the form of antidumping and countervailing duties that end up in the U.S. Treasury," added van Heyningen.

"The more subsidies Canada provides to its industry, the more duties will get collected at the border for the United States to spend on its priorities. It is a cycle where Canada just keeps digging a deeper hole. Unfortunately, Canadian subsidies to prop up Canada's massive and disruptive excess lumber capacity are also acutely detrimental to the U.S. softwood lumber industry, U.S. workers, and U.S. forestry dependent communities," continued van Heyningen.

The U.S. Lumber Coalition will continue to fight for U.S. forestry workers, communities, and companies who are harmed by Canada's continued and growing unfair trade practices. The Coalition strongly supports President Trump's trade policy priorities, including the strong enforcement of U.S. trade laws and the President's focused and appropriate Section 232 tariff measures. The President's commitment to these priorities has set the stage to reshape the North American softwood lumber industry in favor of the United States and achieve the President's objective of self-reliance for our softwood lumber needs.

"Canada's softwood lumber market share has been pushed to lows not seen since the 1970s. U.S. trade law enforcement against unfairly traded Canadian imports has resulted in Canadian imports accounting for an average of 18.8 percent of the U.S. market since August 2025, down from 32 percent in 2016. Simultaneously, imports from other foreign sources are also trending lower. This translates to direct gains in the market for U.S. softwood lumber producers and workers, who are steadily increasing the supply of Made in USA. softwood lumber here at home," stated Mr. van Heyningen.

"We must continue to explore all trade law enforcement options to finish the job of permanently replacing unfairly traded Canadian softwood lumber imports that have long decimated U.S. jobs with

softwood lumber that is made in the U.S. More U.S. lumber produced by U.S. workers to build U.S. homes is the solution to a reliable and stable supply of lumber for the United States.”

- The cycle of Canadian subsidies (short video) – [Canada digging itself into a hole again](#).
- Canadian Prime Minister and Premiers [explicitly state that Canada subsidizes its lumber industry](#) on camera – and they want *more* subsidies.

U.S. Market Share by Source, 2010-2025

The U.S. industry has gained market share due to the increase in the AD/CVD duties and Section 232 tariff.



Source: WWPA.

About the U.S. Lumber Coalition

Video: [Building American Dreams](#)

The U.S. Lumber Coalition is an alliance of large and small softwood lumber producers from around the country, joined by their employees and woodland owners, working to address Canada’s unfair lumber trade practices. Our goal is to serve as the voice of the American lumber community and effectively address Canada’s unfair softwood lumber trade practices. The Coalition supports the full enforcement of the U.S. trade laws to allow the U.S. industry to invest and grow to its natural size without being impaired by unfairly traded imports. Continued full enforcement of the U.S. trade laws will strengthen domestic supply lines by maximizing long-term domestic production and lumber availability produced by U.S. workers to build U.S. homes. For more information, please visit the Coalition’s website at www.uslumbercoalition.org.

NEW CANADIAN SOFTWOOD SUBSIDIES TRACKER

Since August 2025, Canada announced an estimated C\$2.1 billion in forestry-specific subsidies. In total, Canada has pledged to make available more than C\$9.9 billion dollars to support the forestry industry.

Federal: C\$1.7 billion in Forestry Subsidies and making available more than C\$9.152 billion in total aid

- **Softwood Lumber Guarantee Program:** In August 2025, the GOC announced a plan to deliver \$700 million in loan guarantees through the Business Development Bank of Canada to “help companies confront immediate pressures facing the softwood lumber sector, which will give the sector needed liquidity to maintain and restructure, if necessary, their operations.” (<https://natural-resources.canada.ca/forest-forestry/forest-industry-trade/measures-transform-canada-softwood-lumber-industry>)

In November 2025, the GOC announced an additional \$500 million in funding for this program, resulting in a total of \$1.2 billion in loan guarantees available to Canadian softwood lumber producers. (<https://globalnews.ca/news/11543966/liberals-loans-lumber-producers-foreign-steel/>)

In January 2026, GreenFirst Forest Products Inc. announced that it received a \$30 million loan under this program “to support liquidity and ongoing operations amid continued market volatility in the North American lumber sector.” The loan will give the company “financial flexibility and provide additional runway as the Company continues to navigate challenging lumber market conditions while executing on its operational and strategic priorities.” (<https://greenfirst.ca/2026/01/greenfirst-secures-30-million-term-loan-under-federal-softwood-lumber-program/>)

In March 2026, Conifex Timber Inc. announced that one of its subsidiaries received a \$19 million loan under this program “to repay a bridge advance from Conifex’s existing senior secured timber lender.” (<https://www.globenewswire.com/news-release/2026/03/05/3249802/0/en/Conifex-Announces-Secured-Term-Loan-with-BDC-under-the-Softwood-Lumber-Guarantee-Program.html>)

- **NRCan Forest Industry Transformation Programs:** In August 2025, the GOC announced that it would commit \$500 million beginning in FY26 to “supercharge product and market diversification and make the industry more competitive globally.” This funding will be provided through programs including the Forest Innovation Program, Investments in Forest Industry Transformation, Green Construction Through Wood, the Indigenous Forestry Initiation, Expanding Market Opportunities program, and Forest Systems Information and Technology Enhancement program. (<https://natural-resources.canada.ca/forest-forestry/forest-industry-trade/measures-transform-canada...>)

- **Reskilling Package:** In September 2025, the GOC announced a new reskilling package created to train 50,000 workers to invest in Canadians through the federal government’s Labour Market Development Agreements with provinces and territories. The GOC pledged an additional \$450 million over the next three years to train employees, including “mid-career, long-tenured workers affected by U.S. tariffs and global market shifts.” (<https://www.pm.gc.ca/en/news/backgrounders/2025/09/05/prime-minister-carney-launches-new-measures-protect-build-and>)
- **Workforce Alliances and Sectoral Workforce Innovation Fund:** In September 2025, the government announced it would invest \$382 million over the next five years to “invest in projects tailored to local job markets to help businesses recruit and retain the workforce they need.” (<https://www.pm.gc.ca/en/news/backgrounders/2025/09/05/prime-minister-carney-launches-new-measures-protect-build-and>)
- **Workforce Innovation Fund:** In September 2025, the government announced it would provide \$50 million to fund “projects that help businesses in key sectors and regions recruit and retain the workforce they need.” (<https://www.pm.gc.ca/en/news/backgrounders/2025/09/05/prime-minister-carney-launches-new-measures-protect-build-and>)
- **Strategic Response Fund:** In September 2025, the GOC launched this new program to support “economic resilience” for “strategic sectors disproportionately exposed to U.S. tariffs and global trade risks.” “Now, the federal government is introducing and revamping SIF into a new \$5 billion fund, the Strategic Response Fund (SRF).” (<https://ised-isde.canada.ca/site/ised/en/programs-and-initiatives/strategic-response-fund>) (<https://funding.ryan.com/blog/government-funding/from-sif-to-srf-understanding-canadas-new-5b-strategic-response-fund/>)
- **Immediate Liquidity Relief:** In September 2025, the Business Development Bank of Canada announced that it would offer loans of \$2 - \$5 million for SMEs impacted by tariffs. The Bank will also offer “flexibilities to the Large Enterprise Tariff Loan Facility, including lower interest rates and longer maturities.” (<https://www.pm.gc.ca/en/news/backgrounders/2025/09/05/prime-minister-carney-launches-new-measures-protect-build-and>)
- **Regional Tariff Response Initiative:** This program was created earlier this year in March, and in September 2025, the GOC announced that it would significantly increase allocated funds from \$450 million to \$1 billion over the next three years to support businesses (particularly SMEs) directly or indirectly impacted by U.S. tariffs. (<https://www.pm.gc.ca/en/news/backgrounders/2025/09/05/prime-minister-carney-launches-new-measures-protect-build-and>)

- **New Buy Canadian Policy:** By November 2025, the GOC pledged to prioritize Canadian suppliers in federal spending and have amended its procurement requirements to require all federal agencies and Crown corporations to follow the Buy Canada Policy. The Policy includes Canadian softwood lumber. (<https://www.pm.gc.ca/en/news/backgrounders/2025/09/05/prime-minister-carney-launches-new-measures-protect-build-and>; https://www.pm.gc.ca/en/news/news-releases/2025/11/26/prime-minister-carney-announces-new-measures-protect-and-transform?utm_source=chatgpt.com)
- **Lumber Freight Subsidies:** In November 2025, the GOC announced that it would begin subsidizing the cost to move Canadian lumber domestically by paying half the cost of transporting lumber within Canada directly to freight companies. (<https://globalnews.ca/news/11543966/liberals-loans-lumber-producers-foreign-steel/>)
- **Workforce Tariff Response:** In February 2026, the federal government invested \$570 million over the next three years in the Workforce Tariff Response program. This funding was provided with the goal of “help[ing] up to 66,000 workers in vulnerable industries,” including softwood lumber workers. (<https://www.canada.ca/en/employment-social-development/programs/training-agreements/workforce-tariff-response.html#h2.3>)

Alberta

- **Regional Tariff Response Initiative for the Prairie Provinces (AB, MB, SK):** In September 2025, the Prairies Economic Development Canada initiated a program in response to the Regional Tariff Response Initiative strategy announced by the GOC earlier that month. This program is being administered to “protect Canadian businesses and workers from the impacts of tariffs.” (<https://www.canada.ca/en/prairies-economic-development/services/funding/regional-tariff-response-initiative.html>)

British Columbia: C\$192.5 million for the forestry industry specifically (including 170 million estimated for stumpage deferral), and more than C\$612.5 million in total

- **BC Manufacturing Jobs Fund:** In September 2025, the GBC announced \$2.5 million in funding for nine wood-product manufacturing businesses to plan or complete capital projects. (<https://news.gov.bc.ca/releases/2025FOR0039-000907>)
- **Regional Tariff Response Initiative:** In October 2025, as part of the GOC’s strategy announced in September, the GBC launched this program to “defend Canadian jobs, industries, and supply chains” and to “protect Canadian businesses and workers from the impact of tariffs.” Approved projects may receive \$200,000 to \$10 million in funding. Proposals from businesses in certain sectors, including forestry, will be prioritized. (<https://www.canada.ca/en/pacific-economic-development/services/funding/regional-tariff-response-initiative.html>)

- **Canada-British Columbia Workforce Tariff Response:** In January 2026, the GBC amended its Labor Market Development Agreement (LMDA) with the federal government, in which the GOC will “provide a time-limited, targeted funding increased under the Canada–British Columbia LMDA through the Canada–British Columbia Workforce Tariff Response for fiscal years 2025-2026 to 2027-2028, with reporting requirements extending to 2029-2030, to support workers and employers in steel, softwood lumber, and other directly and indirectly tariff-affected sectors.” (https://www.bclaws.gov.bc.ca/civix/document/id/oic/oic_cur/0002_2026).

In March 2026, it was announced that the GOC and GBC are investing \$70.4 million in this program over the next three years. The program will “support more than 8,000 workers in industries affected by global tariffs.”

(<https://www.hcamag.com/ca/specialization/leadership/704million-plan-bc-employers-get-funding-to-retrain-tariff-hit-workers/567710>)

- **Stumpage Payment Deferral Program:** In February 2026, as part of the Budget 2026 announcement, the GBC announced that “{t}o provide immediate cash flow relief to tenure holders, the Province is introducing a temporary Stumpage Payment Deferral Program, effective from Jan. 1, 2026, until Nov. 30, 2026.” (<https://news.gov.bc.ca/releases/2026FIN0003-000158>; https://www.bcbudget.gov.bc.ca/2026/pdf/2026_Budget_and_Fiscal_Plan.pdf)
- **Northern Development Initiative Trust:** In February 2026, as part of the Budget 2026 announcement, the GBC allocated \$20 million in funding to the Trust “to help employers and workers in both the forestry and steel industries.” (<https://news.gov.bc.ca/releases/2026FIN0003-000158>; https://www.bcbudget.gov.bc.ca/2026/pdf/2026_Budget_and_Fiscal_Plan.pdf)
- **Forestry Service Providers Compensation Fund:** In February 2026, as part of the Budget 2026 announcement, the GBC provided \$5 million in funding to this program “to provide relief to contractors left unpaid for their services in the event of a tenure holder’s insolvency.” (<https://news.gov.bc.ca/releases/2026FIN0003-000158>; https://www.bcbudget.gov.bc.ca/2026/pdf/2026_Budget_and_Fiscal_Plan.pdf)
- **BC Manufacturing and Processing Investment Tax Credit:** In February 2026, as part of the Budget 2026 announcement, “a new temporary manufacturing and processing investment tax credit for the manufacturing sector” will be introduced and will “provide a 15 per cent refundable tax credit for qualifying corporations.” (<https://news.gov.bc.ca/releases/2026FIN0003-000158>; https://www.bcbudget.gov.bc.ca/2026/pdf/2026_Budget_and_Fiscal_Plan.pdf)

- **BC Strategic Investment Fund:** In February 2026, the GBC announced that it is working on passing legislation that will provide \$400 million in funding to incentivize large private-sector projects, including in the forestry industry.
(<https://news.gov.bc.ca/releases/2026JEG0013-000188>;
https://www.bcbudget.gov.bc.ca/2026/pdf/2026_Budget_and_Fiscal_Plan.pdf)
- **FireSmart Community Funding and Supports Program:** As part of the Budget 2026 announcement, the GBC announced in February 2026 that it will be investing an additional \$15 million in the FireSmart Community Funding and Supports program to “reduce{} wildfire risk by funding planning, education, co-ordination and fuel-management activities on publicly owned and Crown land.”
(<https://news.gov.bc.ca/releases/2026FOR0004-000228>)

Manitoba

- **Canada-Manitoba Workforce Tariff Response:** In March 2026, the GOM announced that through the Workforce Tariff Response program, it would be receiving \$18.2 million over the next three years to “retrain displaced workers for high demand sectors, provide upskilling opportunities for current employees and support businesses as they adapt to new products and markets.” The fund will benefit workers in industries affected by tariffs, such as steel and lumber.
(https://www.gov.mb.ca/asset_library/en/budget2026/budget2026.pdf)
- **Tax Deferrals for Businesses Impacted by Tariffs and Wildfires:** In its Budget 2026 announcement in March, the GOM stated that would be providing “targeted tax deferrals for businesses impacted by tariffs and wildfires” to “give{} businesses flexibility to manage short-term financial pressures.”
(https://www.gov.mb.ca/asset_library/en/budget2026/budget2026.pdf)

Ontario: C\$103 million for the forestry industry specifically

- **Ontario Forest Access Roads Program:** In September 2025, the GOO announced a \$20 million increase in funding for Provincial Forest Access Roads program (already countervailed). (<https://www.northernontariobusiness.com/industry-news/forestry/ottawa-must-turn-talk-into-action-to-save-forestry-says-ontario-associate-minister-11270907>)

Ontario Sawmill Chip Support Program: In September 2025, the GOO announced a \$10 million increase in funding for Ontario Sawmill Chip Support program to help sawmills find “new, innovative markets for their wood chips.”
(<https://www.northernontariobusiness.com/industry-news/forestry/ottawa-must-turn-talk-into-action-to-save-forestry-says-ontario-associate-minister-11270907>)

- **Investments in Steel and Softwood Lumber Industries:** In September 2025, through the Federal Economic Development Agency for Northern Ontario, the government announced “a series of investments to strengthen the economy across Northern Ontario.” These initiatives will support “workers and businesses most affected by tariffs and trade disruptions.” (<https://www.woodworkingnetwork.com/news/canadian-news/ontario-economic-agency-announces-investments-steel-and-softwood-industries>)
- **Regional Tariff Response Initiative in Southern Ontario:** In October 2025, as part of the GOC’s strategy announced in September, the GOO launched the RTRI to help businesses across all sectors “overcome trade disruptions” caused by tariffs. Businesses can request funding ranging from \$125,000 to \$10 million. (<https://feddev-ontario.canada.ca/en/funding-southern-ontario/regional-tariff-response-initiative-southern-ontario>)
- **Northern Ontario Heritage Fund Corporation (NOHFC) Funding:** In February 2026, the GOO announced that it was investing \$1 million through the NOHFC “to help Kirkland Lake Forest Products install advanced manufacturing equipment at its mill in Kenogami.” This funding aims to “increase {the mill’s} competitiveness, boost productivity and protect the forestry sector,” and further explains that this funding comes “{a}t a time when U.S. tariffs are putting a strain on norther industries.” (<https://nohfc.ca/ontario-investing-1-million-to-upgrade-lumber-mill-in-kenogami/>)
- **Canada-Ontario Workforce Tariff Response:** In March 2026, the GOO announced that it would be investing \$228.8 million over the next three years, with support from the federal government, to help “up to 27,000 workers across the province retrain, upgrade their skills and stay competitive in key sectors of the economy, including softwood lumber, steel and automotive manufacturing.” (<https://news.ontario.ca/en/release/1007136/ontario-and-canada-investing-more-than-228-million-to-protect-workers-and-key-industries>)
- **Forest Sector Investment and Innovation Program (FSIIP):** In March 2026, the GOO announced that it will invest over \$72 million in the FSIIP program “to help Ontario forestry companies adopt innovative technologies to stay competitive in global markets.” The significant boost in funding is part of the government’s plan to “protect workers and businesses from tariffs and economic uncertainty.” (<https://budget.ontario.ca/2026/chapter-1a.html#:~:text=Investing%20in%20Ontario's%20Forest%20Biomass%20Program&text=Across%20its%20four%20streams%2C%20this,the%20program's%20launch%20in%202023>)

Quebec: C\$80 million for the forestry sector specifically

- **Strategic Response Fund:** In January 2026, the federal government announced that it was providing \$7.5 million through the Strategic Response Fund to “help Kap Paper Inc. complete a Front End Engineering Design (FEED) study to support a pivot in its operations toward growth markets.” (<https://www.canada.ca/en/innovation-science-economic-development/news/2026/01/government-of-canada-announces-funding-to-support-regional-sawmills-and-employment-in-northeast-ontario.html>)
- **Annual Royalty Fee for Sawmills Dropped:** In February 2026, the GOQ announced that it will “hold a ‘mini-reform’ of the province's forest regime to provide relief for sawmills and other businesses pressured by cumulative U.S. tariffs.” In doing so, the GOQ stated that it would “abolish the annual sawmill royalty – a move {the government} estimates will return roughly \$20 million a year to the sector.” (<https://www.cbc.ca/news/canada/montreal/quebec-forest-regime-mini-reform-9.7104351>)
- **Working Capital Assistance Program:** In March 2026, the GOQ announced that its Budget 2026-207 Plan includes providing \$60 million “for a working capital assistance program for wood processing businesses that will undertake investment projects to support their growth and adaptation.” The GOQ further explains that this “{g}overnment support for wood processing businesses, particularly sawmills, which are an essential link for the forestry sector, will benefit all workers in the sector.” (https://www.finances.gouv.qc.ca/Budget_and_update/budget/documents/Budget2627_BudgetPlan.pdf#page=44)
- **Temporary Holiday from Contributions to Health Services Fund:** In March 2026, the GOQ announced that its Budget 2026-207 Plan that, effective January 1, 2026, the agricultural, fishing, and forestry sectors will benefit from a two-year temporary holiday from contributions to the province’s Health Services Fund, which “enables them to free up liquidity that is essential for their ongoing operations, and helps keep workers employed.” It appears that this exemption will result in \$129 million savings for the forestry sector. (https://www.finances.gouv.qc.ca/Budget_and_update/budget/documents/Budget2627_BudgetPlan.pdf#page=44)

Saskatchewan

- **Canada-Saskatchewan Workforce Tariff Response:** In March 2026, the federal government and GOS announced that in partnership through the Workforce Tariff Response program, \$15.6 million over the next three years would be invested in Saskatchewan to “support workers and employers in the steel and softwood lumber sectors, as well as other directly and indirectly tariff-affected sectors.” The fund is expected to “support up to 1,800 workers” in the province to “build new skills and seize emerging opportunities.” (<https://www.canada.ca/en/employment-social->

[development/news/2026/03/governments-of-canada-and-saskatchewan-partner-to-protect-tariff-impacted-workers-and-strengthen-the-workforce0.html](https://www.saskatchewan.ca/government/news/2026/03/governments-of-canada-and-saskatchewan-partner-to-protect-tariff-impacted-workers-and-strengthen-the-workforce0.html))