THE LUMBER DAILY

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Canadian Policy & BC Timber Supply Edition
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MARKET PULSE | Lumber $593.50 | WTI $101.28 (+7%) | Diesel $5.64 | S&P 6,824.66 | 10yr 4.29%

■ TOP STORIES

U.S. Commerce Department 7th review drops Canadian softwood combined duty rate to 24.83%

The United States Department of Commerce released preliminary determinations in its 7th annual administrative review of Canadian softwood lumber on April 9. The combined antidumping and countervailing duty rate fell to 24.83% for calendar year 2024 imports, down from roughly 35% under the 6th review. The reduction reflects updated subsidy and dumping calculations, not a policy shift. Final rates are expected later in 2026. The United States Lumber Coalition framed the result as continued confirmation of unfair Canadian subsidies and dumping. For Canadian producers, the preliminary cut narrows the duty gap but does not eliminate it. At 24.83% plus the 10% Section 232 global softwood tariff, the combined burden is still roughly 35%. That is better than 45%, but marginal British Columbia (BC) coastal and Interior mills still face difficult export economics into United States markets.

U.S. Forest Service headquarters moving to Salt Lake City; 50+ research stations closing nationwide

The Trump administration announced April 9 that the United States Forest Service (USFS) will relocate its headquarters from Washington, D.C. to Salt Lake City and replace its regional office structure with 15 state-based offices. More than 50 research stations will close across 31 states, including forestry and climate laboratories in Oregon, Washington, Minnesota, and North Carolina. The reorganization affects long-term timber supply research infrastructure, forest inventory and analysis data, and wildfire science programs that inform harvest planning and reforestation policy. For the industry, the immediate risk is disruption to Forest Inventory and Analysis (FIA) data collection at a time when accurate standing-timber estimates drive annual allowable cut (AAC) determinations, salvage planning, and private timberland valuations.

COFI 2026: BC Forest Minister announces fibre access reforms as industry calls crisis 'urgent'

The Council of Forest Industries (COFI) 2026 convention opened April 8 in Vancouver with more than 600 delegates under the theme 'Forestry is a Solution.' BC Forest Minister Ravi Parmar announced policy changes to BC Timber Sales aimed at freeing up new timber volume and outlined legislative changes to expand access to fire-damaged, insect-killed, and storm-damaged wood locked behind permitting bottlenecks. In a separate statement, BC forest chief executive officers issued a consensus message calling fibre access, land certainty, and regulatory reform 'urgent, not optional.' The convention runs through April 10 with panels on global markets, competitiveness, and product diversification.

■ DEEP DIVE: CANADIAN POLICY & BC TIMBER SUPPLY

The AAC gap: BC has the timber but cannot get it to the mill

BC's nominal annual allowable cut on public land stands at about 61.5 million cubic metres. Actual harvest has run at roughly half that level for the past two years. The gap is not a conservation choice. It is the accumulated result of permitting delays, First Nations consultation timelines, access road constraints, and log-cost economics that no longer work at current stumpage rates and market prices. Recent AAC determinations show regional cuts compounding the problem. Tree Farm Licence 49 in the Thompson-Okanagan was reduced 26.2% to 150,500 cubic metres in 2025. Interior beetle-kill salvage volumes that sustained mills for a decade are exhausted in most timber supply areas. Coastal operations face different constraints: steep terrain, environmental setbacks, and the loss of downstream chip outlets like the Crofton pulp mill. The result is a province with standing timber and idle mills, separated by a permitting and cost structure that neither can bridge alone.

Carney's $3.8B 'Force of Nature' — conservation pledge meets timber reality

Prime Minister Mark Carney launched a C$3.8 billion 'Force of Nature' conservation strategy pledging to protect 30% of Canada's land and water by 2030. The language frames forestry as compatible with conservation, but the specifics remain thin. No detail has emerged on how timber allocation will change under the new framework. Meanwhile, a leaked March 2026 letter from BC's Old Growth Technical Advisory Panel to the premier warned that deferral protections announced since 2021 are 'not achieving their original intent.' The panel reported that some of the 2.4 million hectares claimed as protected old growth have been planned for harvest or already cut. The contradiction is sharp. Federal policy promises more protection. Provincial practice is quietly eroding the protections already in place. For coastal operators who depend on second-growth timber adjacent to old-growth deferrals, the uncertainty freezes planning horizons and capital investment.

The subsidy spiral: C$2.1B in seven months and still not enough

Federal and provincial governments have committed more than C$2.1 billion in new forestry subsidies since September 2025, the largest Canadian forest sector support cycle in recent memory. BC introduced a stumpage deferral program that injects an estimated US$124 million to US$242 million in cash-flow relief to sawmills over 11 months by temporarily deferring timber royalty payments. Ottawa added C$500 million over three years for product and market diversification and C$50 million to reskill more than 6,000 displaced workers. The subsidies keep marginal mills running but do not fix the structural problems. Fibre access is still constrained. Permitting still takes years. Combined United States duties still exceed 45%. The risk is a subsidy treadmill: enough government money to prevent closures but not enough market signal to force the consolidation and retooling the sector needs.

Trade arithmetic: 7th review cuts duties but the math still does not work

The Commerce Department's 7th administrative review preliminary released April 9 dropped the combined antidumping and countervailing duty rate to 24.83%, down from roughly 35% under the 6th review. Add the 10% Section 232 global softwood tariff and the combined burden is still roughly 35%. That is materially better than the 45% producers faced under the prior rate, but marginal BC coastal and Interior mills still cannot ship profitably into United States markets without stumpage relief or currency tailwinds. Since 2022, at least 22 Canadian mills have closed permanently, more than 50 have reduced shifts or curtailed production, and over 5,600 direct jobs have been lost. Canada filed challenges under Chapter 10 of the Canada-United States-Mexico Agreement (CUSMA) in late 2025, but resolution timelines stretch into 2027 at the earliest. The federal Forest Sector Transformation Task Force is required to deliver its 90-day restructuring roadmap by April 18. That report will show whether Ottawa is prepared to fund managed consolidation or keep writing cheques to maintain the status quo.

■ WHAT YOU MISSED YESTERDAY

Thursday, April 9 — business, markets, and the broader economy.

- **Indices:** S&P 500 6,824.66 +0.62%, Dow 48,185.80 +0.58%, Nasdaq 22,822.42 +0.83%. Fourth consecutive up session.
- **Oil:** West Texas Intermediate (WTI) crude surged to $101.28 per barrel, up 7.28% on the session. The two-week Iran ceasefire announced Wednesday began fragmenting Thursday after Israel struck additional targets in Lebanon.
- **Diesel:** National average at $5.64 per gallon for the week of April 6. California still above $7.
- **Bonds:** 10-year Treasury yield at 4.29%, roughly flat.
- **Lumber:** Chicago Mercantile Exchange (CME) lumber futures opened at $593.50 per thousand board feet (MBF), up sharply from the prior session.

■ INDUSTRY & COMPANY NEWS

- **Western Forest Products extends Chemainus mill shutdown through end of 2026:** The Vancouver Island sawmill, idle since June 2025 with roughly 150 workers affected, will stay shuttered through at least December. The company cited United States tariffs, weak markets, and coastal log-supply challenges. The nearby Crofton pulp mill, a key chip outlet, closed in 2025.
- **BC natural resources employment down 9,300 jobs year over year:** Statistics Canada data for February 2026 show BC's natural resources sector shed 9,300 jobs compared to February 2025. The North Coast and Nechako region alone lost roughly 4,000 positions, a 12.5% year-over-year decline.
- **Big Tech now consuming 10% of all United States mass timber:** The International Mass Timber Conference in Portland (March 31 to April 2) reported that Amazon and Meta are driving major cross-laminated timber (CLT) expansion. Meta is building its first CLT administrative facility at an Aiken, South Carolina data center campus. Microsoft completed Northern Virginia's first CLT data center.
- **Canadian Forest Sector Task Force report due April 18:** The federal task force launched January 19 must deliver its 90-day restructuring roadmap next week. Ottawa has committed C$500 million over three years for product diversification and C$50 million to reskill more than 6,000 displaced workers.
- **Spruce-pine-fir (SPF) 2x4 at $490 per MBF, firming:** SPF dimension lumber prices ended the week of April 3 at $490 per thousand board feet (MBF), up 1% week over week and 4% month over month but still roughly 10% below year-ago levels. Order files stretching toward month-end.

■ CANADIAN TRADE & SUPPLY SNAPSHOT

INDICATOR	VALUE	TREND
CME Lumber (front month)	$593.50 / MBF	Up sharply, spring demand firming
WTI Crude (May)	$101.28 / bbl	+7.28% session; ceasefire fragmenting
National on-hwy diesel	$5.64 / gal	Up from $5.05 last week; CA $7+
CAD / USD	~1.385	Steady; COFI week range-bound
Cdn combined duties (US)	~35%	24.83% AD/CVD (7th rev) + 10% Sec 232
BC AAC utilization	~50%	Harvest at half of allowable cut
BC mill closures (since 2022)	22 permanent	50+ curtailed; 5,600+ jobs lost

■ THE BOTTOM LINE

Three things for your Friday. First, Commerce's 7th review preliminary dropped Canadian softwood duties to 24.83%, cutting the combined burden from roughly 45% to 35% when Section 232 is included. That helps but does not fix the math for marginal BC mills. Second, COFI 2026 confirmed the crisis is fibre access, not fibre supply. The 50% AAC utilization gap will not close on Minister Parmar's reforms alone, and the April 18 task force report is the next hard catalyst. Watch for language on managed consolidation versus open-ended subsidy. Third, lumber futures jumped above $590, WTI is back above $100 as the Iran ceasefire fragments, and diesel is at $5.64 nationally. Every supply chain in the industry is absorbing that cost, from BC loggers to Southeast truckers to Midwest retail yards.