

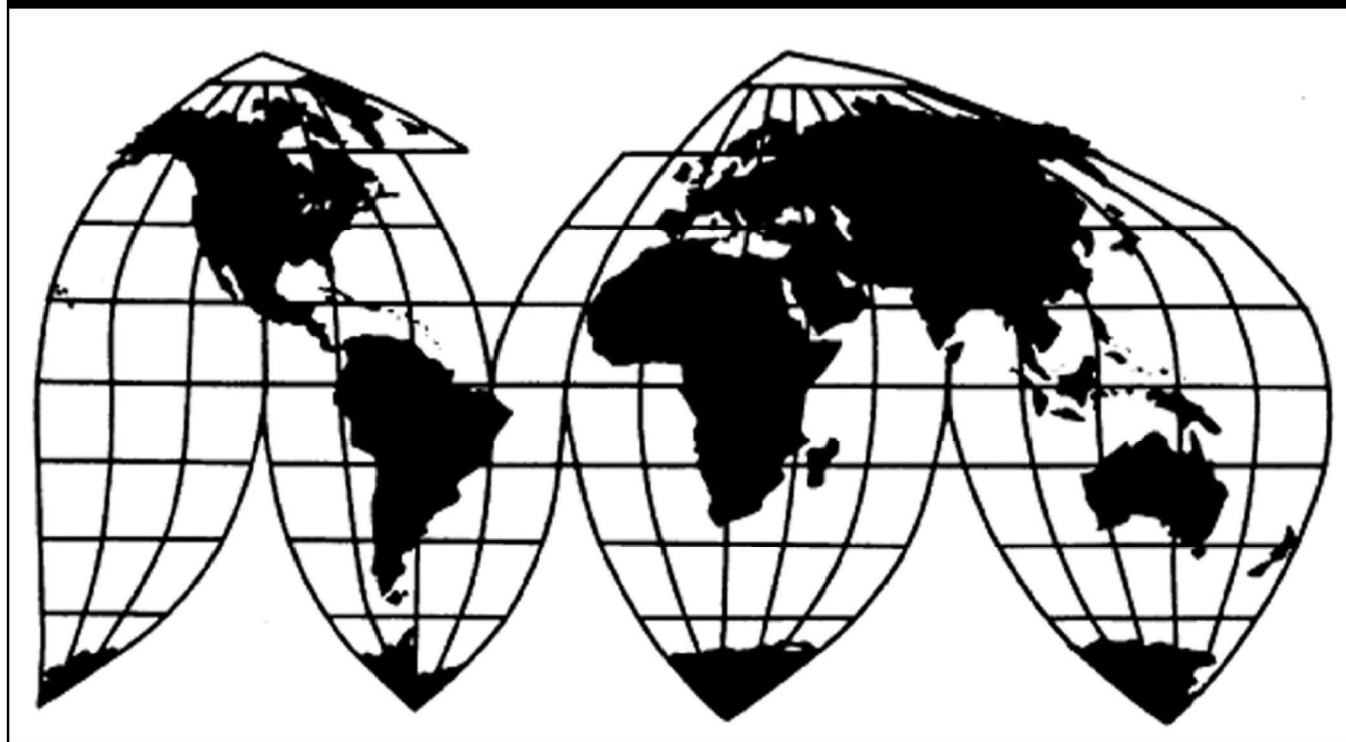
Softwood Lumber Products from Canada

Investigation Nos. 701-TA-566 and 731-TA-1342 (Review)

Publication 5479

December 2023

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

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Charles Cummings, Investigator

Sarah Scott, Industry Analyst

Cindy Cohen, Economist

Jennifer Brinckhaus, Accountant

Mara Alexander, Statistician

Christine Lee, Statistician

Jane Dempsey, Attorney

Elizabeth Haines, Supervisory Investigator

Special assistance from

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**Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436**

U.S. International Trade Commission

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CONTENTS

	Page
Determinations	1
Views of the Commission.....	3
Part I: Introduction	I-1
Background.....	I-1
The original investigations and remand proceeding.....	I-2
Previous and related investigations.....	I-4
Lumber I (Inv. No. 701-TA-197)	I-4
Lumber II (Inv. No. 701-TA-274)	I-5
Memorandum of Understanding	I-5
Lumber III (Inv. No. 701-TA-312)	I-6
Softwood Lumber Agreement of 1996.....	I-8
Lumber IV (Inv. Nos. 701-TA-414 and 731-TA-928)	I-9
Softwood Lumber Agreement of 2006.....	I-10
Summary data	I-11
Statutory criteria	I-14
Organization of report.....	I-16
Commerce's reviews	I-17
Administrative reviews.....	I-17
Changed circumstances reviews	I-19
Scope rulings.....	I-20
Five-year reviews.....	I-21
The subject merchandise	I-23
Commerce's scope	I-23
Tariff treatment	I-25
The product	I-26
Description and applications.....	I-26
Manufacturing processes	I-32
Domestic like product issues.....	I-34

CONTENTS

	Page
U.S. market participants.....	I-35
U.S. producers	I-35
U.S. importers.....	I-46
U.S. purchasers.....	I-52
Apparent U.S. consumption and market shares	I-53
Quantity.....	I-53
Value.....	I-56
U.S. shipments by pressure treatment and kiln-drying	I-59
Part II: Conditions of competition in the U.S. market.....	II-1
U.S. market characteristics.....	II-1
Channels of distribution	II-2
Geographic distribution	II-3
Supply and demand considerations.....	II-5
U.S. supply	II-5
U.S. demand	II-9
Substitutability issues.....	II-19
Factors affecting purchasing decisions.....	II-20
Purchase factor comparisons of domestic products, subject imports, and nonsubject imports	II-28
Comparison of U.S.-produced and imported softwood lumber	II-31
Elasticity estimates.....	II-33
U.S. supply elasticity.....	II-34
U.S. demand elasticity	II-34
Substitution elasticity	II-35

CONTENTS

	Page
Part III: Condition of the U.S. industry.....	III-1
Overview	III-1
Changes experienced by the industry	III-2
Anticipated changes in operations.....	III-21
Anticipated changes in available harvest/wood supply.....	III-23
Impact of COVID-19.....	III-25
U.S. production, capacity, and capacity utilization.....	III-30
Installed and practical capacity	III-30
Constraints on practical capacity	III-32
U.S. producers' capacity, production, and capacity utilization	III-37
Firm by firm average production capacity and production, capacity utilization, and production shares.....	III-40
Alternative products.....	III-46
U.S. producers' U.S. shipments and exports.....	III-47
U.S. producers' inventories	III-53
U.S. producers' imports from Canada.....	III-54
U.S. producers' reasons for imports.....	III-72
U.S. producers' purchases of imports from Canada	III-74
U.S. producers' reasons for purchasing, by firm	III-84
U.S. employment, wages, and productivity	III-85

CONTENTS

	Page
Financial experience of U.S. producers.....	III-87
Background.....	III-87
Operations on softwood lumber.....	III-89
Net sales.....	III-116
Cost of goods sold and gross profit or loss.....	III-117
SG&A expenses and operating income or loss.....	III-120
All other expenses and net income or loss.....	III-120
Variance analysis.....	III-121
Capital expenditures and research and development expenses.....	III-123
Assets and return on assets.....	III-128
Part IV: U.S. imports and the foreign industries.....	IV-1
U.S. imports.....	IV-1
Overview.....	IV-1
Imports from Canada and nonsubject countries.....	IV-2
U.S. importers' imports subsequent to March 31, 2023.....	IV-6
U.S. inventories of imported merchandise.....	IV-7
The industry in Canada.....	IV-9
Overview.....	IV-9
Operations on softwood lumber.....	IV-17
Exports.....	IV-90
Third-country trade actions.....	IV-92
Global market.....	IV-92

CONTENTS

	Page
Part V: Pricing data	V-1
Factors affecting prices	V-1
Raw material costs	V-1
Transportation costs to the U.S. market	V-4
U.S. inland transportation costs	V-4
Pricing practices	V-4
Pricing methods	V-4
Sales terms and discounts	V-6
Price leadership	V-6
Price data	V-7
Price trends	V-24
Price comparisons	V-24
Price data from <i>Random Lengths</i>	V-26
Prices in the U.S. market compared to non-U.S. markets	V-34
Appendixes	
A. Federal Register notices	A-1
B. List of hearing witnesses	B-1
C. Summary data	C-1
D. Firms' narratives on the impact of the orders and likely impact of revocation	D-1
E. U.S. shipments by geographic market and species	E-1

Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation Nos. 701-TA-566 and 731-TA-1342 (Review)

Softwood Lumber Products from Canada

DETERMINATIONS

On the basis of the record¹ developed in the subject five-year reviews, the United States International Trade Commission (“Commission”) determines, pursuant to the Tariff Act of 1930 (“the Act”), that revocation of the countervailing duty and antidumping duty orders on softwood lumber products from Canada would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

BACKGROUND

The Commission instituted these reviews on December 1, 2022 (87 FR 73778) and determined on March 6, 2023 that it would conduct full reviews (88 FR 16458, March 17, 2023). Notice of the scheduling of the Commission’s reviews and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* on April 18, 2023 (88 FR 23690). The Commission conducted its hearing on October 12, 2023. All persons who requested the opportunity were permitted to participate.

¹ The record is defined in § 207.2(f) of the Commission’s Rules of Practice and Procedure (19 CFR 207.2(f)).

Views of the Commission

Based on the record in these five-year reviews, we determine under section 751(c) of the Tariff Act of 1930, as amended (“the Tariff Act”), that revocation of the antidumping and countervailing duty orders on softwood lumber products from Canada would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

I. Background

Original Investigations. On November 25, 2016, the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (“Coalition”), a trade association a majority of whose members were domestic producers of softwood lumber, filed antidumping and countervailing duty petitions regarding imports of softwood lumber from Canada.¹ The Commission unanimously determined on December 7, 2017, that a domestic industry was materially injured by reason of imports of softwood lumber from Canada that had been found by the U.S. Department of Commerce (“Commerce”) to be sold in the United States at less than fair value (“LTFV”) and subsidized by the government of Canada.² On January 3, 2018, Commerce published the antidumping and countervailing duty orders on imports of softwood lumber from Canada.³

A number of respondents filed requests for panel review of the Commission’s final determinations pursuant to the North American Free Trade Agreement (“NAFTA”).⁴ On

¹ See *Softwood Lumber Products from Canada: Institution of Antidumping and Countervailing Duty Investigations and Scheduling of Preliminary Phase Investigations*, 81 Fed. Reg. 87,069 (Dec. 2, 2016). At that time, the Coalition’s members were as follows: U.S. Lumber Coalition, Inc.; Collum’s Lumber Products, L.L.C.; Hankins, Inc.; Potlatch Corp.; Rex Lumber Company; Seneca Sawmill Company; Sierra Pacific Industries (“Sierra Pacific”); Stimson Lumber Company; Swanson Group; Weyerhaeuser Company; Carpenters Industrial Council; Giustina Land and Timber Company; and Sullivan Forestry Consultants, Inc. *Id.* at 87,070.

² See *Softwood Lumber Products from Canada*, Inv. Nos. 701-TA-566 and 731-TA-1342 (Final), USITC Pub. 4749 at 1 (Dec. 2017) (“Original Determinations”).

³ See *Softwood Lumber Products from Canada: Antidumping Duty Order and Partial Amended Final Determination*, 83 Fed. Reg. 350 (Jan. 3, 2018); *Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 83 Fed. Reg. 347 (Jan. 3, 2018).

⁴ 19 U.S.C. § 1516a(g)(2). The NAFTA Complainants consisted of the government of Canada (“GOC”); governments of Alberta, British Columbia, Ontario, and Québec; British Columbia Lumber Trade Council (“BCLTC”); Alberta Softwood Lumber Trade Counsel (“ASLTC”); Canfor Corporation (“Canfor”); J.D. Irving; West Fraser Mills Ltd.; Western Forest Products Inc.; Resolute FP Canada Inc.

September 4, 2019, a NAFTA Chapter 19 Binational panel issued an interim decision and order affirming in part and remanding in part the Commission's determinations.⁵ On remand, the Commission reconsidered the relevant issues and again determined that an industry in the United States was materially injured by reason of subject imports from Canada.⁶ On May 22, 2020, the NAFTA panel issued a final decision and order affirming the Commission's remand determinations in their entirety.⁷

Current Reviews. The Commission instituted these first five-year reviews on December 1, 2022.⁸ The Coalition⁹ and Sierra Pacific responded to the notice of institution.¹⁰ In addition, the GOC and governments of Alberta, British Columbia, New Brunswick, Ontario, and Québec filed a joint response.¹¹ Respondent interested party responses were also filed on behalf of five Canadian trade associations¹² and several producers and exporters in Canada, U.S. importers of softwood lumber, and U.S. producers of softwood lumber.¹³ On March 6, 2023, the

("Resolute"); and the Conseil de l'Industrie forestière du Québec ("CIFQ") and Ontario Forest Industries Association ("OFIA") (collectively, "Central Canada").

⁵ *Softwood Lumber from Canada*, Secretariat File No. USA-CDA-2018-1903-03, Interim Decision and Order of the Panel (Sept. 4, 2019) ("Panel Interim Decision"). The NAFTA panel directed the Commission to reconsider its findings concerning conditions of competition (*i.e.*, business cycle and substitutability), post-petition data, subject import volume, and price effects. Panel Interim Decision at 115.

⁶ See *Softwood Lumber Products from Canada*, Inv. Nos. 701-TA-566 and 731-TA-1342 (Final) (Remand), USITC Pub. 5010 (Dec. 2019) ("Remand Determinations").

⁷ *Softwood Lumber from Canada*, Secretariat File No. USA-CDA-2018-1903-03, Final Decision and Order of the Panel (May 22, 2020) ("Panel Final Decision").

⁸ *Softwood Lumber Products from Canada; Institution of Five-Year Reviews*, 87 Fed. Reg. 73778 (Dec. 1, 2022).

⁹ Currently, the Coalition's members are as follows: U.S. Lumber Coalition, Inc.; Collum's Lumber Products, L.L.C.; Fox Lumber Sales, Inc.; Hankins, Inc.; Pleasant River Lumber Company; PotlatchDeltic; S.I. Storey Lumber Co., Inc.; Stimson Lumber Company; Swanson Group; Weyerhaeuser Company; Giustana Land and Timber Company; and Sullivan Forestry Consultants, Inc.

¹⁰ Coalition Response to Notice of Institution (Dec. 30, 2022); Sierra Pacific Response to Notice of Institution (Jan. 3, 2023).

¹¹ GOC Response to Notice of Institution (Jan. 3, 2023).

¹² The five Canadian trade associations were: ASLTC, BCLTC, New Brunswick Lumber Producers ("NBLP"), CIFQ, and OFIA. See ASLTC Response to Notice of Institution (Jan. 3, 2023); BCLTC Response to Notice of Institution (Jan. 3, 2023); NBLP Response to Notice of Institution (Jan. 3, 2023). Central Canada filed a joint response with Resolute. Resolute and Central Canada Response to Notice of Institution (Jan. 3, 2023).

¹³ These firms were: Canfor Corporation, Canadian Forest Products, Ltd., Canfor Wood Products Marketing, Ltd., and Canfor Southern Pine Inc. (collectively, "Canfor"); Carrier Forest Products Ltd. and Carrier Lumber Ltd. (collectively, "Carrier"); Conifex Fibre Marketing Inc. and Conifex Mackenzie Forest Products Inc. (collectively, "Conifex"); Dunkley Lumber Ltd. and Foothills Forest Products Inc., d/b/a

Commission found that the domestic interested party group and respondent interested party group responses were adequate, and therefore determined to conduct full reviews.¹⁴

The Coalition and Sierra Pacific (collectively, “Domestic Producers”) submitted prehearing and posthearing briefs and final comments.¹⁵ Representatives from the Coalition and Sierra Pacific appeared at the Commission’s hearing accompanied by counsel. Several respondent entities (collectively, “Joint Respondents”) also participated in these full reviews. The Commission received joint prehearing and posthearing briefs and final comments from the GOC; governments of Alberta, British Columbia, New Brunswick, Ontario, and Québec; BCLTC; NBLP; Canfor; Interfor Corporation; J.D. Irving, Limited; Tolko Industries Ltd.; and West Fraser Mills Ltd. (collectively, “Canadian Respondents”).¹⁶ In addition, Resolute and Central Canada filed joint prehearing and posthearing briefs and final comments.¹⁷ Representatives from the GOC and five provincial governments, as well as representatives from ASLTC, BCLTC, West

Edgewood Forest Products (collectively, “Dunkley”); Fontaine, Inc. and Stratton Lumber Inc. (“Fontaine”); Gorman Bros. Lumber Ltd. and Downie Timber Ltd. (collectively, “Gorman/Downie”); Interfor Corp. and Interfor Sales & Marketing Ltd. (collectively, “Interfor”); J.D. Irving, Ltd. and Irving Forest Products, Inc. (collectively, “J.D. Irving”); Olympic Industries ULC (“Olympic”); Resolute; Sinclar Group Forest Products Ltd. (“Sinclar”); Tolko Industries Ltd. and Tolko Marketing and Sales Ltd. (collectively, “Tolko”); West Fraser Mills Ltd. and its affiliated companies West Fraser Timber Co. Ltd., Blue Ridge Lumber Inc., Sundre Forest Products Inc., Manning Forest Products Ltd., Sunpine Inc., and West Fraser Alberta Holdings Ltd (collectively, “West Fraser”); and Western Forest Products Inc. and Western Lumber Sales Limited (collectively, “WFP”). See Canfor Response to Notice of Institution (Jan. 3, 2023); Carrier Forest Products Ltd. Response to Notice of Institution (Jan. 3, 2023); Carrier Lumber Ltd. Response to Notice of Institution (Jan. 3, 2023); Conifex Response to Notice of Institution (Jan. 3, 2023); Dunkley Response to Notice of Institution (Jan. 3, 2023); Fontaine Response to Notice of Institution (Dec. 31, 2022); Gorman/Downie Response to Notice of Institution (Jan. 3, 2023); Interfor Response to Notice of Institution (Jan. 3, 2023); J.D. Irving Response to Notice of Institution (Jan. 3, 2023); Olympic Response to Notice of Institution (Jan. 3, 2023); Sinclar Response to Notice of Institution (Jan. 3, 2023); Tolko Response to Notice of Institution (Jan. 3, 2023); West Fraser Response to Notice of Institution (Jan. 3, 2023); WFP Response to Notice of Institution (Jan. 3, 2023). As previously noted, Resolute filed a joint response with Central Canada. See Resolute and Central Canada Response to Notice of Institution (Jan. 3, 2023).

¹⁴ See Softwood Lumber Products from Canada; Notice of Commission Determination to Conduct Full Five-Year Reviews, 88 Fed. Reg. 16,458 (March 17, 2023).

¹⁵ Coalition Prehearing Br. (Oct. 2, 2023); Coalition Posthearing Br. (Oct. 23, 2023); Coalition Final Comments (Nov. 20, 2023); (Sierra Pacific Prehearing Br. (Oct. 2, 2023); Sierra Pacific Posthearing Br. (Oct. 23, 2023); Sierra Pacific Final Comments (Nov. 20, 2023).

¹⁶ Canadian Respondents Prehearing Br. (Oct. 2, 2023); Canadian Respondents Posthearing Br. (Oct. 23, 2023); Canadian Respondents Final Comments (Nov. 20, 2023).

¹⁷ Resolute and Central Canada Prehearing Br. (Oct. 2, 2023); Resolute and Central Canada Posthearing Br. (Oct. 23, 2023); Resolute and Central Canada Final Comments (Nov. 20, 2023). West Fraser submitted a posthearing declaration. West Fraser Posthearing Submission (Oct. 23, 2023).

Fraser, Canfor, Resolute, and Central Canada also appeared at the Commission's hearing accompanied by counsel.

In these reviews, U.S. industry data are based on questionnaire responses from 50 U.S. producers that are estimated to have accounted for 69.9 percent of U.S. production of softwood lumber in 2022, and data from Western Wood Products Association ("WWPA") publications.¹⁸ U.S. import data and related information are based on official Commerce statistics and the questionnaire responses of 137 U.S. importers of softwood lumber that are estimated to have accounted for 92.6 percent of subject imports from Canada and 78.5 percent of total U.S. imports in 2022.¹⁹ ²⁰ Foreign industry data and related information are based on

¹⁸ Confidential Report, Memorandum INV-VV-096 (Nov. 8, 2023) ("CR")/Public Report, *Softwood Lumber Products from Canada*, Inv. Nos. 701-TA-566 and 731-TA-1342 (Review), USITC Pub. 5479 (Dec. 2023) ("PR") at III-1. This estimate is based on data published by WWPA, estimating U.S. production of softwood lumber in 2022 to be 37.8 billion board feet. Comparatively, responding U.S. producers collectively reported approximately 26.4 billion board feet of production in 2022. CR/PR at III-1 n.2.

¹⁹ CR/PR at IV-1. The following U.S. Harmonized Tariff Schedule ("HTSUS") statistical reporting numbers were used in calculating import coverage: 4407.10.01.01, 4407.10.01.02, 4407.10.01.15, 4407.10.01.16, 4407.10.01.17, 4407.10.01.18, 4407.10.01.19, 4407.10.01.20, 4407.10.01.42, 4407.10.01.43, 4407.10.01.44, 4407.10.01.45, 4407.10.01.46, 4407.10.01.47, 4407.10.01.48, 4407.10.01.49, 4407.10.01.52, 4407.10.01.53, 4407.10.01.54, 4407.10.01.55, 4407.10.01.56, 4407.10.01.57, 4407.10.01.58, 4407.10.01.59, 4407.10.01.64, 4407.10.01.65, 4407.10.01.66, 4407.10.01.67, 4407.10.01.68, 4407.10.01.69, 4407.10.01.74, 4407.10.01.75, 4407.10.01.76, 4407.10.01.77, 4407.10.01.82, 4407.10.01.83, 4407.10.01.92, 4407.10.01.93, 4407.11.00.01, 4407.11.00.02, 4407.11.00.42, 4407.11.00.43, 4407.11.00.44, 4407.11.00.45, 4407.11.00.46, 4407.11.00.47, 4407.11.00.48, 4407.11.00.49, 4407.11.00.52, 4407.11.00.53, 4407.12.00.01, 4407.12.00.02, 4407.12.00.17, 4407.12.00.18, 4407.12.00.19, 4407.12.00.20, 4407.12.00.58, 4407.12.00.59, 4407.13.00.00, 4407.14.00.00, 4407.19.00.01, 4407.19.00.02, 4407.19.00.54, 4407.19.00.55, 4407.19.00.56, 4407.19.00.57, 4407.19.00.64, 4407.19.00.65, 4407.19.00.66, 4407.19.00.67, 4407.19.00.68, 4407.19.00.69, 4407.19.00.74, 4407.19.00.75, 4407.19.00.76, 4407.19.00.77, 4407.19.00.83, 4407.19.00.92, 4407.19.00.93, 4407.19.05.00, 4407.19.06.00, 4407.19.10.01, 4407.19.10.02, 4407.19.10.54, 4407.19.10.55, 4407.19.10.56, 4407.19.10.57, 4407.19.10.64, 4407.19.10.65, 4407.19.10.66, 4407.19.10.67, 4407.19.10.68, 4407.19.10.69, 4407.19.10.74, 4407.19.10.75, 4407.19.10.76, 4407.19.10.77, 4407.19.10.82, 4407.19.10.83, 4407.19.10.92, 4407.19.10.93, 4409.10.05.00, 4409.10.10.20, 4409.10.10.40, 4409.10.10.60, 4409.10.10.80, 4409.10.20.00, 4409.10.90.20, 4409.10.90.40, 4418.99.10.00.

²⁰ Based upon information provided in Forest Economic Advisors ("FEA") and WWPA publications, correspondence with two of the largest importers of softwood lumber from Europe over the period of review (***), and a comparison of import data reported in the questionnaire responses with proprietary, Census-edited Customs records, a net to nominal conversion factor of 1.57 was applied for U.S. import quantities from Europe. CR/PR at IV-1 n.2; Canadian Respondents Prehearing Br. at Exhibit 31; WWPA Lumber Track Reports, EDIS Doc. 808558; Correspondence with ***, EDIS Doc. 806383; Correspondence with ***, EDIS Doc. 806384; Staff Conversion Factor Calculations, EDIS Doc. 808677.

the questionnaire responses of 162 producers/exporters in Canada that are estimated to have accounted for 89.9 percent of softwood lumber production in Canada in 2022.²¹

II. Domestic Like Product and Industry

A. Domestic Like Product

In making its determination under section 751(c) of the Tariff Act, the Commission defines the “domestic like product” and the “industry.”²² The Tariff Act defines “domestic like product” as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this subtitle.”²³ The Commission’s practice in five-year reviews is to examine the domestic like product definition from the original investigations and consider whether the record indicates any reason to revisit the prior findings.²⁴

Commerce has defined the scope of the antidumping and countervailing duty orders in these five-year reviews as follows:

. . . softwood lumber, siding, flooring and certain other coniferous wood (softwood lumber products). The scope includes:

Coniferous wood, sawn, or chipped lengthwise, sliced or peeled, whether or not planed, whether or not sanded, or whether or not finger-jointed, of an actual thickness exceeding six millimeters.

Coniferous wood siding, flooring, and other coniferous wood (other than moldings and dowel rods), including strips and friezes for parquet flooring, that is continuously shaped (including, but not limited to, tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded) along any of its edges, ends, or faces,

²¹ CR/PR at IV-9.

²² 19 U.S.C. § 1677(4)(A).

²³ 19 U.S.C. § 1677(10); *see, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int’l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int’l Trade 1996); *Torrington Co. v. United States*, 747 F. Supp. 744, 748-49 (Ct. Int’l Trade 1990), *aff’d*, 938 F.2d 1278 (Fed. Cir. 1991); *see also* S. Rep. No. 249, 96th Cong., 1st Sess. 90-91 (1979).

²⁴ *See, e.g., Internal Combustion Industrial Forklift Trucks from Japan*, Inv. No. 731-TA-377 (Second Review), USITC Pub. 3831 at 8-9 (Dec. 2005); *Crawfish Tail Meat from China*, Inv. No. 731-TA-752 (Review), USITC Pub. 3614 at 4 (July 2003); *Steel Concrete Reinforcing Bar from Turkey*, Inv. No. 731-TA-745 (Review), USITC Pub. 3577 at 4 (Feb. 2003).

whether or not planed, whether or not sanded, or whether or not end-jointed.

Coniferous drilled and notched lumber and angle cut lumber.
Coniferous lumber stacked on edge and fastened together with nails, whether or not with plywood sheathing.

Components or parts of semi-finished or unassembled finished products made from subject merchandise that would otherwise meet the definition of the scope above.

Finished products are not covered by the scope of this order. For the purposes of this scope, finished products contain, or are comprised of, subject merchandise and have undergone sufficient processing such that they can no longer be considered intermediate products, and such products can be readily differentiated from merchandise subject to this order at the time of importation. Such differentiation may, for example, be shown through marks of special adaptation as a particular product. The following products are illustrative of the type of merchandise that is considered 'finished,' for the purpose of this scope: I-joists; assembled pallets; cutting boards; assembled picture frames; garage doors.

The following items are excluded from the scope of this order:

Softwood lumber products certified by the Atlantic Lumber Board as being first produced in the Provinces of Newfoundland and Labrador, Nova Scotia, or Prince Edward Island from logs harvested in Newfoundland and Labrador, Nova Scotia, or Prince Edward Island.

U.S.-origin lumber shipped to Canada for processing and imported into the United States if the processing occurring in Canada is limited to one or more of the following: (1) Kiln drying; (2) planing to create smooth-to-size board; or (3) sanding.

Box-spring frame kits if they contain the following wooden pieces—two side rails, two end (or top) rails and varying numbers of slats. The side rails and the end rails must be radius-cut at both ends. The kits must be individually packaged and must contain the exact number of wooden components needed to make a particular box-spring frame, with no further processing required.

None of the components exceeds 1" in actual thickness or 83" in length.¹

Radius-cut box-spring-frame components, not exceeding 1" in actual thickness or 83" in length, ready for assembly without further processing. The radius cuts must be present on both ends of the boards and must be substantially cut so as to completely round one corner.²⁵

The scope definition has not changed since the original investigations.

Softwood lumber relates to a wide variety of products such as boards, planks, timbers, framing materials, flooring, and siding produced from coniferous species of trees.²⁶ The major species groups used to produce softwood lumber products in the United States are, in descending order of U.S. consumption, southern yellow pine ("SYP"),²⁷ spruce-pine-fir ("SPF"),²⁸ Douglas fir ("DF"), hem-fir ("HF"),²⁹ and ponderosa pine.³⁰

Softwood lumber is derived from a tree log by lengthwise sawing, which in its original sawed condition, has at least two approximately parallel flat longitudinal-sawed surfaces, and can be rough, dressed, or worked.³¹ It is classified as green or dried according to its moisture content, and is measured and sold in the North American market by the "board foot."³² Softwood lumber is readily workable, has a high strength-to-weight ratio, and is moderately

²⁵ Certain Softwood Products from Canada: Final Results of the Expedited Sunset Review of the Antidumping Duty Order, 88 Fed. Reg. 20,479 (Apr. 6, 2023); Certain Softwood Products from Canada: Final Results of the Expedited Sunset Review of the Countervailing Duty Order, 88 Fed. Reg. 19,613 (Apr. 3, 2023); Issues and Decision Memorandum for the Final Results of the Expedited First Sunset Review of the Antidumping Duty Order on Certain Softwood Lumber Products from Canada (Mar. 31, 2023), EDIS Doc. 808562; Issues and Decision Memorandum for the Final Results of the Expedited Sunset Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada (Mar. 24, 2023), EDIS Doc. 808562.

²⁶ CR/PR at I-26.

²⁷ SYP is a species combination comprised primarily of Loblolly, Longleaf, Shortleaf, and Slash pines. Various subspecies are also included in this group. CR/PR at I-27.

²⁸ SPF is a species combination with similar characteristics that have been grouped for production and marketing. The principal species in the Western SPF (W-SPF) group are white spruce, Engelmann spruce, Lodgepole pine, and Alpine fir. The principal species in the Eastern SPF (E-SPF) group are red spruce, black spruce, Jack pine, and Balsam fir. CR/PR at I-27.

²⁹ HF is a species combination that includes California red fir, grand fir, noble fir, Pacific silver fir, Shasta fir, white fir, and western hemlock. CR/PR at I-27.

³⁰ CR/PR at I-27.

³¹ CR/PR at I-26.

³² CR/PR at I-27. A "board foot" is the quantity of lumber contained in, or derived from (by drying, dressing, or working, or any combination of these processes), a piece of rough green lumber 1" in thickness, 12" in width, and 12" in length, or the equivalent of such piece in other dimensions. *See id.*

durable; hence it is widely used in the construction, shipping, and manufacturing industries.³³ Most producers of softwood lumber classify softwood lumber into seven major categories: (1) studs (lumber used in framing, building walls with little or no trimming before they are set in place); (2) dimension lumber (lumber that is from 2" to 5" thick and is 2" or more in width); (3) stress grades (lumber having assigned working stress and modulus of elasticity values in accordance with accepted basic principles of grading and meeting the provisions of the American Softwood Lumber Standard); (4) timbers (lumber that is at least 5" in dimension); (5) boards (lumber less than 2" in nominal thickness and 1" or more in width); (6) selects (high quality lumber graded for appearance); and (7) shop (lumber that is graded for the number of sizes of cuttings that can be used for the manufacture of other products).³⁴

In the original investigations, the Commission defined a single domestic like product, consisting of softwood lumber that was coextensive with the scope.³⁵ In doing so, the Commission analyzed whether cedar/redwood and Eastern White Pine ("EWP") should each be defined as a domestic like product separate from other softwood lumber products, applying the six factors it normally considers for its like product analysis. It found that while there were similarities and differences between and among cedar/redwood lumber, EWP, and other softwood lumber species in terms of physical characteristics and uses, the softwood lumber products were interchangeable and used in the same applications; produced using the same manufacturing facilities, production processes, and employees; and sold through overlapping channels of distribution. Further, the Commission found that differences between the three categories of softwood lumber products, primarily in customer and producer perceptions and prices, did not provide clear dividing lines differentiating either cedar/redwood lumber or EWP from other types of softwood lumber.³⁶

The Commission also considered whether bed frame components should be defined as a separate domestic like product. It found that while there may be some distinctions between bed frame components and other softwood lumber products in terms of physical characteristics, use, and producer and customer perceptions, they were not unique from other further processed softwood lumber products. It concluded that bed frame components were

³³ CR/PR at I-28.

³⁴ CR/PR at I-26. Of these categories, studs and dimension lumber represent the largest categories of U.S. and Canadian lumber. *See id.*

³⁵ Original Determinations, USITC Pub. 4749 at 9.

³⁶ Original Determinations, USITC Pub. 4749 at 10-15.

part of a range of softwood lumber products comprising a single domestic like product, rather than a separate domestic like product.³⁷

In these reviews, the Domestic Producers argue that the Commission should again define a single domestic like product, coextensive with the scope, as it did in the original investigations.³⁸ No party argues for a different definition, and no party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires.³⁹ There is no new information on the record of these reviews indicating that the pertinent characteristics and uses of softwood lumber have changed since the original investigations so as to warrant revisiting the domestic like product definition.⁴⁰

Accordingly, we again define a single domestic like product consisting of all softwood lumber, coextensive with Commerce's scope definition.

B. Domestic Industry

Section 771(4)(A) of the Tariff Act defines the relevant industry as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."⁴¹ In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

These reviews raise the issue of whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise

³⁷ Original Determinations, USITC Pub. 4749 at 15-16 n.56. The Commission declined to consider certain other untimely respondent arguments that appearance grade products and Old-Growth Coastal Timber were separate domestic like products, observing that no respondent requested collection of separate data on these products in comments on the draft questionnaires. The Commission further found that respondents failed to provide a clear definition of appearance grade products, and the record was ambiguous about whether a domestic industry for Old-Growth Coastal Timber even existed. *See id.* at 8-9 nn.21 & 22.

³⁸ Coalition Prehearing Br. at 7; Sierra Pacific Prehearing Br. at 4.

³⁹ *See* CR/PR at I-34.

⁴⁰ *See* CR/PR at I-26-33.

⁴¹ 19 U.S.C. § 1677(4)(A). The definitions in 19 U.S.C. § 1677 are applicable to the entire subtitle containing the antidumping and countervailing duty laws, including 19 U.S.C. §§ 1675 and 1675a. *See* 19 U.S.C. § 1677.

or which are themselves importers.⁴² Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.⁴³

In the original final determinations, the Commission found that seven domestic producers – *** – qualified for possible exclusion under the related parties provision. It found that appropriate circumstances existed to exclude only *** and *** from the definition of the domestic industry.⁴⁴ Specifically, the Commission, observing that both firms had large ratios of subject imports relative to their domestic production and also accounted for sizeable shares of overall imports of subject merchandise, found that their principal interest lied in importation rather than in domestic production. In addition, for ***, the Commission observed that it may have benefitted from its importation of subject merchandise.⁴⁵ Accordingly, the Commission defined the domestic industry to include all domestic producers of softwood lumber, except *** and ***.⁴⁶

In these current reviews, 15 domestic producers may qualify for possible exclusion under the related parties provision. All 15 domestic producers share corporate affiliations with subject producers/exporters, and 12 of these 15 producers share corporate affiliations with U.S.

⁴² See *Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331-32 (Ct. Int'l Trade 1989), *aff'd mem.*, 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

⁴³ The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

- (1) the percentage of domestic production attributable to the importing producer;
- (2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);
- (3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;
- (4) the ratio of import shipments to U.S. production for the imported product; and
- (5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326-31 (Ct. Int'l Trade 2015), *aff'd*, 839 F.3d 1377 (Fed. Cir. 2018); see also *Torrington Co. v. United States*, 790 F. Supp. at 1168.

⁴⁴ Confidential Original Determinations, EDIS Doc. 789387, at 23-27. The Commission observed that while the ratio of subject imports to domestic production varied among the remaining four U.S. producers, it never exceeded 70 percent on an annual basis, no party argued for their exclusion, their principal interest appeared to be in domestic production, and there was no indication that their imports shielded these four domestic producers from subject imports to any significant degree. *Id.*

⁴⁵ Confidential Original Determinations, EDIS Doc. 789387, at 25.

⁴⁶ Confidential Original Determinations, EDIS Doc. 789387, at 28-29.

importers of subject merchandise. Moreover, three of these producers also directly imported subject merchandise from Canada during the period of review.⁴⁷

⁴⁷ Additionally, the record indicates that three U.S. producers – ***, ***, and *** – that did not share a corporate affiliation with a subject producer/exporter or importer and did not themselves import subject merchandise purchased subject merchandise during the period of review. CR/PR at Tables III-31-33. A domestic producer shall be considered to be a related party if it directly or indirectly controls an exporter, importer, or third party. 19 U.S.C. § 1677(4)(B). A domestic producer that does not itself import subject merchandise or does not share a corporate affiliation with an importer may nonetheless be deemed a related party if it controls a purchaser of large volumes of subject imports. See Statement of Administrative Action (“SAA”) at 858. The Commission has found such control to exist, for example, where the domestic producer’s purchases were responsible for a predominant proportion of an importer’s subject imports and the importer’s subject imports were substantial. See, e.g., *Iron Construction Castings from Brazil, Canada, and China*, Inv. Nos. 701-TA-248, 731-TA-262-263, 265 (Fourth Review), USITC Pub. 4655 at 11 (Dec. 2016); *Chlorinated Isocyanurates from China and Spain*, Inv. Nos. 731-TA-1082-1083 (Second Review), USITC Pub. 4646 at 12 (Nov. 2016).

*** reported purchases of imported softwood lumber from Canada totaling *** thousand board feet (“mbf”) in 2017, *** mbf in 2018, *** mbf in 2019, *** mbf in 2020, *** mbf in 2021, *** mbf in 2022, and *** mbf in interim 2023, compared with *** mbf in interim 2022. CR/PR at Table III-31. *** reported purchases of imported softwood lumber from Canada totaling *** mbf in 2017, *** mbf in 2018, *** mbf in 2019, *** mbf in 2020, *** mbf in 2021, *** mbf in 2022, and *** mbf in interim 2023, compared with *** mbf in interim 2022. CR/PR at Table III-32. *** reported purchases of imported softwood lumber from Canada totaling *** mbf in 2017, *** mbf in 2018, *** mbf in 2019, *** mbf in 2020, *** mbf in 2021, *** mbf in 2022, and *** mbf in interim 2023, compared with *** mbf in interim 2022. CR/PR at Table III-33. The purchases of subject softwood lumber by ***, ***, and *** do not appear to be from importers of large volumes of subject imports, though not all of the identified importers provided a response to the Commission’s U.S. importer questionnaire. *** U.S. Producer Questionnaire Response at II-12 & II-13; *** U.S. Producer Questionnaire Response at II-12 & II-13; *** U.S. Producer Questionnaire Response at II-12 & II-13. Moreover, each producer’s total purchases accounted for less than *** percent of total subject imports in each year of the period of review. CR/PR at Tables III-31-33.

Based on the available record evidence and in the absence of contrary arguments, we find that none of these domestic producers qualify for possible exclusion as a related party on account of their purchases of subject imports. Commissioners Karpel and Kearns further note that even if they were subject to possible exclusion, appropriate circumstances would not exist to do so given that the ratio of each of the producers’ purchases to their U.S. production was *** percent or lower throughout the period of review, indicating that their primary interest lies in domestic production, and there is also no evidence that these producers’ inclusion would skew the domestic industry data. CR/PR at Tables III-31-33.

Commissioner Karpel also notes that questionnaire data were not available with respect to certain U.S. importers to calculate whether purchases of subject imports by ***, ***, and *** comprised a predominant share of those importers’ total subject imports. For those importers that did file questionnaires, the data show that purchases by ***, ***, and ***, for the most part, did not constitute predominant shares of importers’ subject imports. For example, *** identified ***, ***, ***, ***, ***, ***, and *** as the sources of its purchases of subject imports. The Commission, however, did not receive an importer questionnaire response from ***, only received an importer

Neither Domestic Producers nor Joint Respondents argue for the exclusion of any firm from the definition of the domestic industry.⁴⁸ Given this, and the large number of domestic producers that are subject to the related parties provision, we provide: (1) a combined analysis for the 12 firms that are subject to the related parties provision by virtue of their affiliations with subject producers/exporters and U.S. importers of subject merchandise; and (2) separate analyses for the three firms that not only had affiliations with subject producers/exporters, but also directly imported subject merchandise from Canada during the period of review. As analyzed below, we find that appropriate circumstances do not exist to exclude any domestic producer from the domestic industry as a related party in these reviews.

***. These 12 domestic producers may be subject to possible exclusion because they may meet the definition of a related party due to their affiliations with Canadian softwood lumber producers/exporters and U.S. importers of subject merchandise.⁴⁹

The ratios of subject imports by these firms' respective affiliates to their domestic production ranged from being under 100 percent (*i.e.*, ***)⁵⁰ to being over 100 percent (*i.e.*, ***)⁵¹ in 2022. Despite the relatively higher ratios for certain of the domestic producers, all but one firm, ***, increased their domestic production and/or capacity over the period of review,⁵²

questionnaire response from ***'s affiliate ***, and *** did not report any imports in 2017, the year in which *** reportedly purchased *** mbf of softwood lumber from that firm. With respect to the other U.S. importers from which *** purchased subject imports, ***'s purchases did not constitute a predominant proportion of any firm's subject imports because the purchases account for no more than *** percent of the importers' subject imports in any year. *** U.S. Producer Questionnaire Response at II-13; *** U.S. Importer Questionnaire Response at II-5a; *** U.S. Importer Questionnaire Response at II-5a; *** U.S. Importer Questionnaire Response at II-5a, *** U.S. Importer Questionnaire Response at II-5a.

⁴⁸ Coalition Posthearing Br. at C-13-18, D-26-27; Sierra Pacific Posthearing Br. at Responses to Questions pp. 1-5; Canadian Respondents Prehearing Br. at 10-19; Canadian Respondents Posthearing Br. at Responses to Questions pp. 153-157.

⁴⁹ The statute provides that a domestic producer may be a related party if it directly or indirectly controls an exporter or importer of subject imports or an exporter or importer of subject imports controls it, amongst other things. 19 U.S.C. § 1677(4)(B)(ii). These 12 companies' affiliations with exporters and/or importers of subject merchandise are contained in their questionnaire responses. ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, and *** U.S. Producer Questionnaire Responses at I-5 & I-6.

⁵⁰ CR/PR at Tables III-15, III-17-18, III-24-25, III-27.

⁵¹ CR/PR at Tables III-16, III-20-23, III-28.

⁵² ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, and *** U.S. Producer Questionnaire Responses at II-3a. ***'s practical softwood lumber capacity remained the same while its domestic production fluctuated over the period of review. *** U.S. Producer Questionnaire Response at II-3a.

and all firms made substantial capital investments to their U.S. production facilities.⁵³ Moreover, none of these firms directly imported subject merchandise from Canada, and all but one firm, ***, did not purchase subject merchandise during the period of review.⁵⁴ There is also no evidence on the record that these producers' affiliations with subject producers/exporters and/or U.S. importers of subject merchandise shielded their domestic production operations from subject import competition, or otherwise benefitted their operations such that their inclusion in the domestic industry would skew industry data.⁵⁵ Based on the foregoing factors, and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry as related parties.⁵⁶

***. *** is subject to possible exclusion under the related parties provision because it is affiliated, through common ownership, with a producer and exporter of softwood lumber in Canada, ***,⁵⁷ and because it imported subject merchandise during the period of review.⁵⁸

⁵³ ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, and *** U.S. Producer Questionnaire Responses at III-13a; *see also* CR/PR at Table III-43.

⁵⁴ ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, and *** U.S. Producer Questionnaire Responses at II-12 & II-14.

⁵⁵ ***, ***, ***, ***, ***, ***, and **** the continuation of the orders while ***, ***, ***, ***, and *** take ***. CR/PR at Table I-10.

⁵⁶ We note that in the original investigations, *** was excluded from the domestic industry under the related parties provision. The facts on the record of these reviews, however, support a different conclusion. *** was the *** domestic producer in 2022, accounting for *** percent of domestic production that year and *** continuation of the orders. CR/PR at Table I-10. Unlike in the original investigations when *** consistently imported large volumes of subject imports and accounted for a substantial share of overall imports of subject merchandise from Canada, the firm neither imported nor purchased subject merchandise during the period of review. *** U.S. Producer Questionnaire Response at II-12 & II-14. While its affiliate imported subject merchandise, the affiliate's subject imports declined over the period of review as *** increased its domestic production, resulting in a decline in the ratio of subject imports by its affiliate to its domestic production from *** percent in 2017 to *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, and *** percent in 2022. The ratio was lower in interim 2023, at *** percent, than in interim 2022, at *** percent. CR/PR at Table III-15. We further observe that *** made significant capital investments in its domestic production operations during the period of review, which included *** and ***. *** U.S. Producer Questionnaire Response at II-2a. In 2022, ***. Canadian Respondents Prehearing Br. at 16 & ***. There is also no evidence on the record that ***'s affiliations shielded it from subject import competition or otherwise benefitted its operations such that its inclusion in the domestic industry would skew industry data. Given this, we find that appropriate circumstances do not exist for its exclusion from the domestic industry as a related party.

⁵⁷ *** U.S. Producer Questionnaire Response at I-5 & I-6.

⁵⁸ *** U.S. Importer Questionnaire Response.

*** accounted for *** percent of domestic production in 2022, ranking among the smallest U.S. producers that year.⁵⁹ ***'s subject imports totaled *** mbf in 2017, *** in 2018, *** mbf in 2019, *** mbf in 2020, *** mbf in 2021, *** mbf in 2022, and *** mbf in January-March 2023 ("interim 2023"), compared with *** mbf in January-March 2022 ("interim 2022").⁶¹ ***'s U.S. production of softwood lumber increased from *** mbf in 2017 to *** mbf in 2018, decreased to *** mbf in 2019, increased to *** mbf in 2020, and then decreased to *** mbf in 2021, and *** mbf in 2022. It was *** mbf in interim 2023, compared with *** mbf in interim 2022.⁶² The ratio of ***'s subject imports to its domestic production was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, *** percent in 2022, and *** percent in interim 2023, compared with *** percent in interim 2022.⁶³ *** indicates that its reason for importing was ***.⁶⁴ The firm reported capital expenditures totaling \$*** in 2017, \$*** in 2018, \$*** in 2019, \$*** in 2020, \$*** in 2021, \$*** in 2022, and \$*** in interim 2023, compared with \$*** in interim 2022.⁶⁵

As *** increased its imports of softwood lumber from Canada and reduced its production and practical softwood lumber capacity,⁶⁶ the ratio of its subject imports to its domestic production was consistently large and increased over the period of review. While this suggests that ***'s principal interest may have been in importation, other factors indicate that appropriate circumstances do not exist for its exclusion from the domestic industry. *** made *** capital investments in its domestic production operations that totaled \$*** during the full years of the period of review, reflecting a significant commitment to its domestic production.⁶⁷ Moreover, there is no evidence that its affiliation with *** shielded *** from subject import competition or otherwise benefitted its domestic operations such that its inclusion in the domestic industry would skew the industry data.⁶⁸ Further, the record does not indicate that *** benefitted from its subject imports to the extent that it would skew the data. On balance,

⁵⁹ CR/PR at Table I-10.

⁶⁰ *** the continuation of the orders. CR/PR at Table I-10.

⁶¹ CR/PR at Table III-19.

⁶² CR/PR at Table III-19.

⁶³ CR/PR at Table III-19.

⁶⁴ CR/PR at Table III-30.

⁶⁵ *** U.S. Producer Questionnaire Response at III-13a.

⁶⁶ ***'s practical softwood lumber capacity increased from *** mbf in 2017 and 2018 to *** mbf in 2019, before declining to *** mbf in 2020, *** mbf in 2021, and *** mbf in 2022. It was *** mbf in interim 2023, compared with *** mbf in interim 2023. *** U.S. Producer Questionnaire Response at II-3a.

⁶⁷ *** U.S. Producer Questionnaire Response at III-13a.

⁶⁸ We further note that *** accounted for a relatively small share of domestic production such that its exclusion would not have significantly altered the industry's performance trends.

and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

***. *** is subject to possible exclusion under the related parties provision because it is the parent company of ***, a producer and exporter of softwood lumber from Canada, and because *** imported subject merchandise during the period of review.⁶⁹

*** accounted for *** percent of domestic production in 2022, ranking it among the smallest responding U.S. producers that year.⁷⁰ ⁷¹ ***'s subject imports totaled *** mbf in 2017, *** in 2018, *** mbf in 2019, *** mbf in 2020, *** mbf in 2021, *** mbf in 2022, and *** mbf in interim 2023, compared with *** mbf in interim 2022.⁷² ***'s U.S. production of softwood lumber decreased from *** mbf in 2017 to *** mbf in 2018, increased to *** mbf in 2019, and then decreased to *** mbf in 2020, *** mbf in 2021, and *** mbf in 2022. It was *** mbf in interim 2023, compared with *** mbf in interim 2022.⁷³ The ratio of ***'s subject imports to its domestic production was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, *** percent in 2022, and *** percent in interim 2023, compared with *** percent in interim 2022.⁷⁴ *** indicates it imports ***.⁷⁵ It indicates that the orders ***.⁷⁶ The firm reported capital expenditures totaling \$*** in 2017, \$*** in 2018, \$*** in 2019, \$*** in 2020, \$*** in 2021, \$*** in 2022, and \$*** in interim 2023, compared with \$*** in interim 2022.⁷⁷

Based upon ***'s declining ratio of subject imports to domestic production and its significant capital investments in its domestic production operations, we find that the firm's principal interest is in domestic production. Its volume of domestic production far exceeded its volume of subject imports throughout period of review. *** also made significant capital investment in its domestic production operations that included ***.⁷⁸ Moreover, there is no evidence that its affiliation with *** shielded *** from subject import competition or otherwise benefitted ***'s domestic operations such that its inclusion in the domestic industry would

⁶⁹ *** U.S. Producer Questionnaire Response at I-5 & I-6; *** U.S. Importer Questionnaire Response. *** also purchased *** mbf of softwood lumber from Canada in 2017. *** U.S. Producer Questionnaire Response at II-12.

⁷⁰ CR/PR at Table I-10.

⁷¹ *** *** the continuation of the orders. CR/PR at Table I-10.

⁷² CR/PR at Table III-26.

⁷³ CR/PR at Table III-26.

⁷⁴ CR/PR at Table III-26.

⁷⁵ CR/PR at Table III-30.

⁷⁶ *** U.S. Producer Questionnaire Response at II-17.

⁷⁷ *** U.S. Producer Questionnaire Response at III-13a.

⁷⁸ *** U.S. Producer Questionnaire Response at III-13b.

skew the industry data.⁷⁹ Further, the record does not indicate that *** benefitted from its subject imports to the extent that it would skew the data. For all these reasons, and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

***. *** is subject to possible exclusion under the related parties provision because it is affiliated with ***, a softwood lumber producer and exporter in Canada,⁸⁰ and because *** imported subject merchandise during the period of review.⁸¹

*** accounted for *** percent of domestic production in 2022 with *** U.S. mills across *** states,⁸² and was the *** of the reporting U.S. producers that year in terms of U.S. production volume.⁸³ *** imported subject merchandise from Canada in each year of the period of review, totaling *** mbf in 2017, *** mbf in 2018, *** mbf in 2019, *** mbf in 2020, *** mbf in 2021, *** mbf in 2022, and *** mbf in interim 2023, compared with *** mbf in interim 2022.⁸⁴ ***'s U.S. production of softwood lumber increased from *** mbf in 2017 to *** mbf in 2018, *** mbf in 2019, *** mbf in 2020, *** mbf in 2021, before declining to *** mbf in 2022. It was *** mbf in interim 2023, compared with *** mbf in interim 2022.⁸⁵ The ratio of ***'s subject imports to its domestic production was *** percent in 2017, *** percent in 2018, *** percent in 2019, *** percent in 2020, *** percent in 2021, *** percent in 2022, and *** percent in interim 2023, compared with *** percent in interim 2022.⁸⁶ As its reason for importing, *** explains that ***.⁸⁷ The firm reported capital expenditures of \$*** in 2017, \$*** in 2018, \$*** in 2019, \$*** in 2020, \$*** in 2021, \$*** in 2022, and \$*** in interim 2023, compared with \$*** in interim 2022.⁸⁸

Given ***'s low ratio of subject imports to domestic production throughout the period of review, its significant capital investments in its domestic production operations, and its status as *** responding domestic producer, we find that ***'s principal interest is in domestic production. ***'s practical softwood lumber capacity⁹⁰ and domestic production increased

⁷⁹ Moreover, ***. CR/PR at III-87 n.25.

⁸⁰ *** U.S. Producer Questionnaire Responses at I-5 & I-6.

⁸¹ CR/PR at Table III-29; *** U.S. Importer Questionnaire Response at II-5a.

⁸² CR/PR at Table I-10. Specifically, *** has mills in ***.

⁸³ CR/PR at Table I-10.

⁸⁴ *** *** the continuation of the orders. CR/PR at Table I-10.

⁸⁵ CR/PR at Table III-29.

⁸⁶ CR/PR at Table III-29.

⁸⁷ CR/PR at Table III-29.

⁸⁸ CR/PR at Table III-30.

⁸⁹ CR/PR at Table III-43.

⁹⁰ ***'s practical softwood lumber capacity increased from *** mbf in 2017 and 2018 to ***

between 2017 to 2022, as it made *** capital investments in its domestic production operations. In addition, there is no evidence that its affiliation with *** shielded *** from subject import competition or otherwise benefitted its domestic production operations such that its inclusion in the domestic industry would skew the industry data. Further, the record does not indicate that *** benefitted from its subject imports to the extent that it would skew the data. For all these reasons, and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

Based on the foregoing, and consistent with our definition of a single domestic like product, we define the domestic industry as consisting of all domestic producers of softwood lumber.

III. Revocation of the Antidumping and Countervailing Duty Orders Would Likely Lead to Continuation or Recurrence of Material Injury Within a Reasonably Foreseeable Time

A. Legal Standards

In a five-year review conducted under section 751(c) of the Tariff Act, Commerce will revoke an antidumping or countervailing duty order unless: (1) it makes a determination that dumping or subsidization is likely to continue or recur and (2) the Commission makes a determination that revocation of the antidumping or countervailing duty order “would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time.”⁹¹ The Statement of Administrative Action (SAA) to the Uruguay Round Agreements Act (URAA), states that “under the likelihood standard, the Commission will engage in a counterfactual analysis; it must decide the likely impact in the reasonably foreseeable future of an important change in the status quo – the revocation or termination of a proceeding and the elimination of its restraining effects on volumes and prices of imports.”⁹² Thus, the likelihood standard is prospective in nature.⁹³ The U.S. Court of International Trade has found that “likely,” as used in

mbf in 2019 and 2020, *** mbf in 2021, and *** mbf in 2022. It was *** mbf in interim 2022 and interim 2023. *** U.S. Producer Questionnaire Response at II-3a.

⁹¹ 19 U.S.C. § 1675a(a).

⁹² SAA at 883-84. The SAA states that “{t}he likelihood of injury standard applies regardless of the nature of the Commission’s original determination (material injury, threat of material injury, or material retardation of an industry). Likewise, the standard applies to suspended investigations that were never completed.” *Id.* at 883.

⁹³ While the SAA states that “a separate determination regarding current material injury is not necessary,” it indicates that “the Commission may consider relevant factors such as current and likely

the five-year review provisions of the Act, means “probable,” and the Commission applies that standard in five-year reviews.⁹⁴

The statute states that “the Commission shall consider that the effects of revocation or termination may not be imminent, but may manifest themselves only over a longer period of time.”⁹⁵ According to the SAA, a “‘reasonably foreseeable time’ will vary from case-to-case, but normally will exceed the ‘imminent’ timeframe applicable in a threat of injury analysis in original investigations.”⁹⁶

Although the standard in a five-year review is not the same as the standard applied in an original investigation, it contains some of the same fundamental elements. The statute provides that the Commission is to “consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the orders are revoked or the suspended investigation is terminated.”⁹⁷ It directs the Commission to take into account its prior injury determination, whether any improvement in the state of the industry is related to the order or the suspension agreement under review, whether the industry is vulnerable to material injury if an order is revoked or a suspension agreement is terminated, and any findings by Commerce regarding duty absorption pursuant to 19 U.S.C. § 1675(a)(4).⁹⁸ The statute further provides

continued depressed shipment levels and current and likely continued {sic} prices for the domestic like product in the U.S. market in making its determination of the likelihood of continuation or recurrence of material injury if the order is revoked.” SAA at 884.

⁹⁴ See *NMB Singapore Ltd. v. United States*, 288 F. Supp. 2d 1306, 1352 (Ct. Int’l Trade 2003) (“‘likely’ means probable within the context of 19 U.S.C. § 1675(c) and 19 U.S.C. § 1675a(a)”), *aff’d mem.*, 140 Fed. Appx. 268 (Fed. Cir. 2005); *Nippon Steel Corp. v. United States*, 26 CIT 1416, 1419 (2002) (same); *Usinor Industeel, S.A. v. United States*, 26 CIT 1402, 1404 nn.3, 6 (2002) (“more likely than not” standard is “consistent with the court’s opinion;” “the court has not interpreted ‘likely’ to imply any particular degree of ‘certainty’”); *Indorama Chemicals (Thailand) Ltd. v. United States*, 26 CIT 1059, 1070 (2002) (“standard is based on a likelihood of continuation or recurrence of injury, not a certainty”); *Usinor v. United States*, 26 CIT 767, 794 (2002) (“‘likely’ is tantamount to ‘probable,’ not merely ‘possible’”).

⁹⁵ 19 U.S.C. § 1675a(a)(5).

⁹⁶ SAA at 887. Among the factors that the Commission should consider in this regard are “the fungibility or differentiation within the product in question, the level of substitutability between the imported and domestic products, the channels of distribution used, the methods of contracting (such as spot sales or long-term contracts), and lead times for delivery of goods, as well as other factors that may only manifest themselves in the longer term, such as planned investment and the shifting of production facilities.” *Id.*

⁹⁷ 19 U.S.C. § 1675a(a)(1).

⁹⁸ 19 U.S.C. § 1675a(a)(1). Commerce has not issued any duty absorption findings since imposition of the orders. See CR/PR at I-12 n.12.

that the presence or absence of any factor that the Commission is required to consider shall not necessarily give decisive guidance with respect to the Commission's determination.⁹⁹

In evaluating the likely volume of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether the likely volume of imports would be significant either in absolute terms or relative to production or consumption in the United States.¹⁰⁰ In doing so, the Commission must consider "all relevant economic factors," including four enumerated factors: (1) any likely increase in production capacity or existing unused production capacity in the exporting country; (2) existing inventories of the subject merchandise, or likely increases in inventories; (3) the existence of barriers to the importation of the subject merchandise into countries other than the United States; and (4) the potential for product shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.¹⁰¹

In evaluating the likely price effects of subject imports if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider whether there is likely to be significant underselling by the subject imports as compared to the domestic like product and whether the subject imports are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of the domestic like product.¹⁰²

In evaluating the likely impact of imports of subject merchandise if an order under review is revoked and/or a suspended investigation is terminated, the Commission is directed to consider all relevant economic factors that are likely to have a bearing on the state of the industry in the United States, including but not limited to the following: (1) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity; (2) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment; and (3) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or

⁹⁹ 19 U.S.C. § 1675a(a)(5). Although the Commission must consider all factors, no one factor is necessarily dispositive. SAA at 886.

¹⁰⁰ 19 U.S.C. § 1675a(a)(2).

¹⁰¹ 19 U.S.C. § 1675a(a)(2)(A-D).

¹⁰² See 19 U.S.C. § 1675a(a)(3). The SAA states that "{c}onsistent with its practice in investigations, in considering the likely price effects of imports in the event of revocation and termination, the Commission may rely on circumstantial, as well as direct, evidence of the adverse effects of unfairly traded imports on domestic prices." SAA at 886.

more advanced version of the domestic like product.¹⁰³ All relevant economic factors are to be considered within the context of the business cycle and the conditions of competition that are distinctive to the industry. As instructed by the statute, we have considered the extent to which any improvement in the state of the domestic industry is related to the order under review and whether the industry is vulnerable to material injury upon revocation.¹⁰⁴

B. Conditions of Competition and the Business Cycle

In evaluating the likely impact of the subject imports on the domestic industry if an order is revoked, the statute directs the Commission to consider all relevant economic factors “within the context of the business cycle and conditions of competition that are distinctive to the affected industry.”¹⁰⁵ The following conditions of competition inform our determinations.

1. Original Investigations

a. Demand Conditions

In the original investigations, the Commission found that U.S demand was derived primarily from demand for residential construction activity for new home construction and repairs and renovations on existing homes, nonresidential construction, and non-construction uses; in turn, these end-use demands were affected by the general strength of the overall U.S. economy, cyclical trends in the housing market, and seasonality of housing starts and remodeling.¹⁰⁶ The Commission found that the softwood lumber market was therefore subject to both an annual business cycle (reflecting the seasonality of the housing and remodeling markets) and a larger macro-economic cycle (reflecting the multi-year boom-and-bust cycles of the housing market). Observing an uptick in demand for softwood lumber during the period of investigation, the Commission found that this increase was principally due to the continued recovery of the housing and repair/remodeling markets following the 2008-2009 recession, with housing starts in 2015 surpassing the pre-recession highs of 2008.¹⁰⁷

¹⁰³ 19 U.S.C. § 1675a(a)(4).

¹⁰⁴ The SAA states that in assessing whether the domestic industry is vulnerable to injury if the order is revoked, the Commission “considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they may also demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.” SAA at 885.

¹⁰⁵ 19 U.S.C. § 1675a(a)(4).

¹⁰⁶ Original Determinations, USITC Pub. 4749 at 27; Remand Determinations, USITC Pub. 5010 at 3-4.

¹⁰⁷ Remand Determinations, USITC Pub. 5010 at 4.

Apparent U.S. consumption of softwood lumber increased from 42.5 million mbf in 2014 to 44.0 million mbf in 2015 and 47.0 million mbf in 2016, and was 24.4 million mbf in January-June 2017 (“interim 2017”), compared with 23.5 million mbf in January-June 2016 (“interim 2016”).¹⁰⁸

b. Supply Conditions

Regarding supply, the Commission found that the domestic softwood lumber industry was fairly large and dispersed, with the majority of U.S. production concentrated in the South and West, which accounted for 53 percent and 42 percent of U.S. softwood lumber production, respectively, in 2016.¹⁰⁹ The Commission observed that in the South, the timber supply was mainly SYP primarily harvested from intensively managed plantations by industrial and non-industrial private land owners, while in the West, the timber supply was DF, HF, and SPF, with as much as one-half of the commercial timber supply in the West harvested from large tracts on public lands.¹¹⁰

The Commission found that the domestic industry’s capacity declined from 2014 to 2016,¹¹¹ and that while the domestic industry was historically the largest supplier of softwood lumber to the U.S. market, generally accounting for between 60 and 70 percent of apparent U.S. consumption, the industry’s share of the market had declined from *** percent in 2014 to *** percent in 2016, and was *** percent in interim 2017.¹¹² Meanwhile, subject imports from Canada, which were historically the second largest source of supply to the U.S. softwood lumber market, increased their share of apparent U.S. consumption from 28.4 percent in 2014 to 31.8 percent in 2016, and was 29.8 percent in interim 2017.¹¹³ Nonsubject imports, which were a smaller source of supply to the U.S. market, accounted for 2.8 percent to 3.8 percent of the market during the period of investigation.¹¹⁴

¹⁰⁸ Original Determinations, USITC Pub. 4749 at 28.

¹⁰⁹ Original Determinations, USITC Pub. 4749 at 28-29.

¹¹⁰ Original Determinations, USITC Pub. 4749 at 29.

¹¹¹ Remand Determinations, USITC Pub. 5010 at 5-8. Based on WWPA data, the domestic industry’s capacity declined from *** mbf in 2014 and 2015 to *** mbf in 2016. Confidential Remand Determinations, EDIS Doc. 809165, at 10.

¹¹² Confidential Original Determinations, EDIS Doc. 789387, at 42.

¹¹³ Original Determinations, USITC Pub. 4749 at 29.

¹¹⁴ Original Determinations, USITC Pub. 4749 at 30.

c. Substitutability and Other Conditions

The Commission found at least a moderate degree of substitutability between the domestic like product and subject imports from Canada.¹¹⁵ The Commission accounted for the fact that species common to both countries constituted approximately 41 percent of U.S. production and about 95 percent of Canadian production in 2015. While recognizing that there were differences in the mix of species that predominated in the United States and Canada, and that some regional preferences may have affected the ease with which they could be substituted, the Commission found that questionnaire responses, survey information from the National Association of Home Builders (“NAHB”), and other record information demonstrated that subject imports and the domestic like product nevertheless competed against each other in virtually all of the same end-use applications and in all regions of the United States.¹¹⁶ Further, the majority of U.S. producers described softwood lumber from domestic and Canadian sources as being always or frequently interchangeable, and the majority of U.S. importers and purchasers described them as being sometimes interchangeable.¹¹⁷ Purchasers cited price most frequently as the first-most important factor in purchasing decisions.¹¹⁸ Purchasers also reported that they or their customers frequently or sometimes used or were willing to substitute other species for preferred species in various end-use applications, including framing/wall studs, headers, floor joists, roof trusses, roof rafters, fencing, and shipping/packaging.¹¹⁹

The Commission also considered the Softwood Lumber Agreement (“SLA”) between the governments of the United States and Canada, which was in effect from October 12, 2006 through October 12, 2015, to be another relevant condition of competition.¹²⁰ Under the SLA, Commerce rescinded then ongoing antidumping and countervailing administrative reviews and revoked the antidumping and countervailing duty orders on softwood lumber from Canada that

¹¹⁵ Original Determinations, USITC Pub. 4749 at 31; Remand Determinations, USITC Pub. 5010 at 8-12.

¹¹⁶ Original Determinations, USITC Pub. 4749 at 31-32; Remand Determinations, USITC Pub. 5010 at 11-12. Specifically, the Commission found that in the United States, the leading species of softwood lumber produced (in descending order) were SYP, DF, HF, and SPF, followed by a variety of other lumber species, including Western Red Cedar (“WRC”). For the Canadian sources of subject exports, SPF was the predominant species of softwood lumber, followed by WRC, DF, HF, and then by a variety of other lumber species. Original Determinations, USITC Pub. 4749 at 30.

¹¹⁷ Original Determinations, USITC Pub. 4749 at 31; Remand Determinations, USITC Pub. 5010 at 8.

¹¹⁸ Remand Determinations, USITC Pub. 5010 at 10.

¹¹⁹ Remand Determinations, USITC Pub. 5010 at 11.

¹²⁰ Original Determinations, USITC Pub. 4749 at 25-27.

were in place at the time the agreement was signed. In addition, a majority of U.S. producers agreed to waive their rights to pursue antidumping or countervailing duty investigations on softwood lumber from Canada throughout the duration of the agreement and for one year after its expiration. In exchange, Canada agreed to impose export restrictions – a combination of export taxes and quotas that varied by region – when prices fell below a specified level.¹²¹

2. Current Reviews

a. Demand Conditions

U.S. demand for softwood lumber continues to be driven primarily by residential construction activity, both for new homes and repairs and renovations on existing homes.¹²² Specific end uses for such applications include internal and external frames, trusses, mouldings, boards, columns, decking, furring, I-beams, concrete form, siding and trim.¹²³ As most responding firms (48 of 50 U.S. producers, 114 of 135 importers, and 25 of 27 purchasers) report, the U.S. softwood lumber market also continues to be subject to business cycles.¹²⁴ With home building and renovation occurring in the middle of the year, firms report that demand for softwood lumber is seasonal, falling in the fourth quarter and increasing in the first quarter as customers begin to build their lumber supplies. In addition, firms report that demand for softwood lumber also relates to demand in the housing market, which, in turn, is influenced by interest rates, the overall economy, demographics, and the age of housing stock.¹²⁵

Most responding U.S. producers and purchasers and a plurality of responding importers reported an increase in U.S. demand for softwood lumber from January 2017 to December 2019, and an even higher number of firms reported that U.S. demand increased from January

¹²¹ Original Determinations, USITC Pub. 4749 at 25-26. While recognizing the SLA to be a relevant condition of competition, the Commission rejected arguments by the respondents that the agreement established baselines for price (composite price of \$355) and volume (apparent U.S. consumption of subject imports of 34 percent) that should be used as a standard against which to assess whether the industry suffered injury. The Commission emphasized its independent obligation to investigate the actual facts and data collected concerning industry performance and to consider the legal arguments presented by the parties in the investigations for its injury analysis. *See id.* at 26-27.

¹²² CR/PR at II-11. According to WWPA, in 2022, remodeling and repair accounted for about 40 percent of U.S. consumption of softwood lumber, new housing accounted for about 35 percent, and nonresidential construction and other uses accounted for the remainder. *See id.* Reported non-construction uses include fence pickets, mattress and bed frame foundations, docks, outdoor furniture, saunas, reels, pallets, and crates. CR/PR at II-10 n.11.

¹²³ CR/PR at II-10.

¹²⁴ CR/PR at II-11.

¹²⁵ CR/PR at II-11.

2020 to December 2022.¹²⁶ Most responding U.S. producers and importers, however, reported a decline in U.S. demand since January 1, 2023 and anticipated that this trend will continue; responding purchasers were split on whether demand increased or decreased since January 1, 2023 and whether they anticipate these trends to continue.¹²⁷ Data from the U.S. Census Bureau show that housing starts increased each year from 2017 to 2021, and then declined in 2022 to a level that remained 29.1 percent higher than in 2017.¹²⁸ Available data for January-September 2023 indicate that annualized housing starts in 2023 have been lower than in 2022 in every region of the United States.¹²⁹ The Leading Indicator of Remodeling Activity (“LIRA”) also show slowing demand with respect to remodeling in 2023 and further expected reductions in 2024.^{130 131} Additional information on the record also indicates that demand for softwood

¹²⁶ CR/PR at Table II-8. Specifically, 23 of 39 responding U.S. producers, 61 of 133 responding U.S. importers, and 18 of 27 responding purchasers reported that demand for softwood lumber steadily increased/fluctuated up between 2017 and 2019, while 35 of 40 U.S. producers, 115 of 139 U.S. importers, and 21 of 27 purchasers reported that demand increased between 2019 and 2022. *See id.*

¹²⁷ CR/PR at Table II-9. Specifically, 22 of 39 responding U.S. producers and 71 of 136 U.S. importers reported a decline in U.S. demand since January 1, 2023 and anticipated this trend to continue. Eleven of 27 responding purchasers reported a decline in U.S. demand since January 1, 2023 and anticipated this trend to continue, 11 purchasers reported an increase in U.S. demand since January 1, 2023 and anticipated this trend to continue, and five purchasers reported no change. *See id.*

¹²⁸ CR/PR at II-11, Figure II-1, Table II-5. By region, the U.S. South experienced the highest growth from 2017 to 2022 (39.3 percent), followed by the Northeast (27.6 percent), West (18.3 percent), and Midwest (14.6 percent). CR/PR at II-11.

¹²⁹ CR/PR at II-11.

¹³⁰ CR/PR at II-13, Table II-6. In addition, the Joint Center for Housing Studies reports an expected decrease in improvements and repairs to owner-occupied homes at “a moderate rate over the coming year.” Similarly, the NAHB/Westlake Royal Remodeling Market Index, another measure of remodeling, fell in the third quarter of 2023 to 65, its lowest levels since the third quarter of 2020. CR/PR at II-13.

¹³¹ The Domestic Producers and Joint Respondents agree that during the period of review, the COVID-19 pandemic caused a surge in demand for new homes and renovation projects, which in turn resulted in a spike in demand for softwood lumber, but that housing starts slowed beginning in 2022. Coalition Prehearing Br. at 12-13; Sierra Pacific Prehearing Br. at 10; Canadian Respondents Prehearing Br. at 21-24. While the Domestic Producers contend that a decline in homebuilder optimism, housing starts, and remodeling activity, as well as rising interest rates, suggest that demand for softwood lumber is likely to remain weak at least through the reasonably foreseeable future, Joint Respondents argue otherwise, pointing to the lower supply of housing compared to demand as well as FEA’s lumber forecast and favorable outlook expressed by officials of U.S. producers Potlatch and Weyerhaeuser as evidence that demand will strengthen. Coalition Prehearing Br. at 14; Sierra Pacific Prehearing Br. at 10, 15-18; Coalition Posthearing Br. at B10-B17; Sierra Pacific Posthearing Br. at Responses to Questions pp. 26-31; Canadian Respondents Prehearing Br. at 24-25, Exhibits 3-4, 15-18; Canadian Respondents Posthearing Br. at Responses to Questions pp. 148-152, Exhibit 24.

lumber has softened and will remain at relatively weaker levels at least through 2024, but may increase thereafter.¹³²

Apparent U.S. consumption of softwood lumber by quantity increased in each full year of the period of review and was 10.6 percent higher in 2022, at 53.0 million mbf, than in 2017, at 47.9 million mbf.¹³³ Apparent U.S. consumption was 1.5 percent lower in interim 2023, at 12.8 million mbf, than in interim 2022, at 13.0 million mbf.¹³⁴

b. Supply Conditions

During the period of review, the domestic industry was the largest supplier of softwood lumber to the U.S. market. As apparent U.S. consumption increased by 10.6 percent from 2017 to 2022, the domestic industry increased its market share by 1.7 percentage points. Its share of apparent U.S. consumption increased from 67.0 percent in 2017 to 68.1 percent in 2018, and 69.5 percent in 2019, declined to 69.2 percent in 2020 and 68.0 percent in 2021, and then increased to 68.7 percent in 2022. It was 69.4 percent in interim 2023, compared with 69.9 percent in interim 2022.¹³⁵

The softwood lumber industry continues to be relatively diffuse, with most softwood sawmill enterprises operating only one establishment.¹³⁶ As in the original investigations, the majority of domestic softwood lumber production in 2022 occurred in the southern and western regions of the United States.¹³⁷ Approximately *** percent of the sawmills in the

¹³² See, e.g., Canadian Respondents Prehearing Br. at Exhibit 15 pp. 46 (***); Canadian Respondents Posthearing Br. at Exhibit 24 p. 61 (***); West Fraser Posthearing Submission at Exhibit 7 p. 44 (FEA reporting that softwood lumber consumption will “continue to weaken in 2023,” and “will remain relatively weak through 2024,” but by 2025 the decline in consumption will end and remain on an “upward trajectory through 2027”); Coalition Prehearing Br. at Exhibit 3 pp. 9, 17 (Canfor reporting that “North American lumber market conditions faced continued downward pressure through most of the second quarter of 2023,” and “looking ahead, the outlook for North America remains uncertain as positive longer-term lumber market fundamental continue to be challenged by short-term affordability constraints”).

¹³³ CR/PR at I-53, Table I-14. Apparent U.S. consumption increased from 47.9 million mbf in 2017 to 48.6 million mbf in 2018, 48.7 million mbf in 2019, 51.8 million mbf in 2020, 52.6 million mbf in 2021, and 53.0 million mbf in 2022. It was 12.8 million mbf in interim 2023, compared with 13.0 million mbf in interim 2022. *Id.*

¹³⁴ CR/PR at I-53, Table I-14.

¹³⁵ CR/PR at Table I-14.

¹³⁶ CR/PR at I-29.

¹³⁷ CR/PR at I-29. According to the WWP, in 2022, 58.6 percent of U.S. softwood lumber production occurred in the U.S. South, 37.2 percent in the U.S. West, and 4.2 percent in regions categorized as “Other U.S.” See *id.*

United States were located in the southeast region that year.¹³⁸ During the period of review, several domestic producers reported mill/plant openings, expansions, and acquisitions, as well as some mill/plant closures and production curtailments.¹³⁹ Most U.S. producers, 31 of 49, reported that they had not experienced supply constraints since January 1, 2017, although certain producers reported timber supply disruptions due to weather related events or environmental regulations, as well as constraints related to labor shortages.¹⁴⁰ A number of those that did report constraints, explained that demand exceeded supply during the COVID-19 pandemic and that they had experienced labor and supply chain challenges.¹⁴¹ Collectively, the domestic industry's practical softwood lumber capacity increased in each full year of the period of review for an overall increase of 14.7 percent from 2017 to 2022.¹⁴² The domestic industry's capacity utilization decreased irregularly from 86.0 percent in 2017 to 84.0 percent in 2022.¹⁴³

Subject imports were the second largest source of supply to the U.S. market by quantity during the period of review. Subject imports' market share declined overall by 5.7 percentage points from 2017 to 2022. Their market share declined from 29.8 percent in 2017 to 27.8 percent in 2018, 26.4 percent in 2019, and 25.3 percent in 2020, increased to 26.0 percent in

¹³⁸ CR/PR at I-29-30.

¹³⁹ CR/PR at III-8, Table III-2. Specifically, ten domestic producers reported mill/plant openings, 20 reported expansions, 11 reported acquisitions, two reported consolidations, seven reported mill/plant closures, three reported prolonged shutdowns, and 16 reported production curtailments. *Id.*

¹⁴⁰ CR/PR at III-8, Table III-2. Specifically, 13 U.S. producers reported timber supply disruptions related to weather or force majeure events, eight reported timber supply disruptions related to environmental protection regulations, 26 reported labor shortages, and 15 reported other changes. *Id.*

¹⁴¹ CR/PR at II-9. Many purchasers (17 of 27) reported supply constraints, particularly during 2020 to 2022. They stated that demand spikes combined with low production during the pandemic decreased the availability of lumber and caused producers to put customers on allocation, amongst other things. *See id.*

¹⁴² CR/PR at III-37. WWPA data show that the domestic industry's practical softwood lumber capacity increased from 39.3 million mbf in 2017 to 41.1 million mbf in 2018, 41.4 million mbf in 2019, 42.9 million mbf in 2020, 43.9 million mbf in 2021, and 45.0 million mbf in 2022. WWPA data were unavailable for the interim periods. *See id.* Based on questionnaires, the domestic industry's practical softwood lumber capacity increased by 20.0 percent from 2017 to 2022 from 26.5 million mbf in 2017 to 27.7 million mbf in 2018, 28.1 million mbf in 2019, 29.1 million mbf in 2020, 30.8 million mbf in 2021, and 31.8 million mbf in 2022; it was 8.0 million mbf in interim 2022 and interim 2023. CR/PR at Table III-8.

¹⁴³ CR/PR at Table III-8. WWPA data show that the domestic industry's capacity utilization rate decreased from 86.0 percent in 2017 to 85.0 percent in 2018 and 2019, increased to 86.0 percent in 2020, and then decreased to 85.0 percent in 2021 and 84.0 percent in 2022. WWPA data were unavailable for the interim periods. *See id.* Based on questionnaires, the domestic industry's capacity utilization rate increased from 86.0 percent in 2017 to 87.4 percent in 2018, decreased to 86.6 percent in 2019, increased to 87.2 percent in 2020, and then decreased to 84.6 percent in 2021 and 83.0 percent in 2022; it was 81.8 percent in interim 2023, compared with 84.4 percent in interim 2022. *See id.*

2021, and then declined to 24.1 percent in 2022; it was 22.1 percent in interim 2023, compared with 23.6 percent in interim 2022.¹⁴⁴ Most responding Canadian producers reported changes in factors that reduced their supply of softwood lumber during the period of review, including reduced availability of logs and high fiber costs, labor shortages, wildfires, climate change, reduced transportation availability (*e.g.*, railcar), higher transportation costs, adverse weather conditions, insect infestations (mountain pine beetle and spruce budworm), and Canadian government and First Nations policies and regulations.¹⁴⁵ Most importers, 80 of 135, also reported that they had experienced supply constraints.¹⁴⁶ They reported that during the COVID-19 pandemic, they experienced labor and supply chain challenges as demand exceeded supply. They further pointed to reduced log supply, duties, labor shortages, production of more value-added products limiting lumber availability, and transportation difficulties (a shortage of truck drivers, truck blockades, reduced rail workforce, and extreme weather) as resulting in supply constraints.¹⁴⁷ Practical softwood lumber capacity in Canada decreased by 7.8 percent from 2017 to 2022, and was 2.3 percent lower in interim 2023, compared with interim 2022.¹⁴⁸ Canadian producers' production, however, also declined, leading to decreased capacity utilization rates, from 91.4 percent in 2017 to 84.7 percent in 2022, and a lower capacity utilization rate in interim 2023, at 82.4 percent, than in interim 2022, at 87.4 percent.¹⁴⁹

Nonsubject imports were the smallest source of supply to the U.S. market during the period of review. Nonsubject imports' market share increased by 4.0 percentage points from 2017 to 2022, from 3.2 percent in 2017 to 4.1 percent in 2018 and 2019, 5.5 percent in 2020, 6.0 percent in 2021, and 7.2 percent in 2022; it was 8.5 percent in interim 2023, compared with 6.5 percent in interim 2022.¹⁵⁰ The largest sources of nonsubject imports were countries in Europe, specifically Germany, which accounted for 8.6 percent of total imports, Sweden, which

¹⁴⁴ CR/PR at Table I-14.

¹⁴⁵ CR/PR at II-7.

¹⁴⁶ CR/PR at II-8. Eighty of 130 U.S. importers reported that they had experienced supply constraints. *See id.*

¹⁴⁷ CR/PR at II-9. As noted above, many purchasers (17 of 27) reported supply constraints, particularly during 2020 to 2022, as demand spikes combined with low production during the pandemic decreased the availability of lumber and caused producers to put customers on allocation. *See id.*

¹⁴⁸ CR/PR at IV-81, Table IV-13. The Canadian industry's practical softwood lumber capacity decreased from 24.7 million mbf in 2017 to 24.4 million mbf in 2018, 23.5 million mbf in 2019, 22.8 million mbf in 2020, increased to 22.9 million mbf in 2021, decreased to 22.7 million mbf in 2022, and was 5.7 million mbf in interim 2023, compared with 5.9 million mbf in interim 2022. *See id.*

¹⁴⁹ CR/PR at Table IV-13. The Canadian industry's capacity utilization rate was 91.4 percent in 2017, 93.3 percent in 2018, 87.3 percent in 2019, 87.2 percent in 2020, 91.4 percent in 2021, 84.7 percent in 2022, and 82.4 percent in interim 2023, compared with 87.4 percent in interim 2022. *See id.*

¹⁵⁰ CR/PR at Table I-14.

accounted for 3.7 percent, Romania, which accounted for 2.1 percent, and Austria, which accounted for 2.0 percent.¹⁵¹

c. Substitutability and Other Conditions

We continue to find that there is at least a moderate degree of substitutability between the domestic like product and subject imports.¹⁵² The major factors driving substitutability, including purchaser ratings that U.S. and Canadian softwood lumber are comparable across multiple purchase factors, have not changed considerably since the original investigations.¹⁵³ Most responding U.S. producers reported that the domestic like product and subject imports were always interchangeable, and most importers and purchasers reported they were frequently or sometimes interchangeable.¹⁵⁴ While a plurality of purchasers reported that they and their customers usually base purchasing decisions on species,¹⁵⁵ most responding purchasers reported that domestic and subject softwood lumber were comparable with respect to 21 of the 22 purchasing factors, including on species availability and species suitability for end use.¹⁵⁶ Moreover, most purchasers, 15 of 26, reported that they or their customers had changed the species purchased for a particular end use since January 1, 2017, with a number of these purchasers reporting that they or their customers switched between SYP, SPF, DF, and/or HF based on price and availability.^{157 158}

¹⁵¹ CR/PR at II-8. Collectively, Germany, Sweden, Romania, and Austria accounted for 70.9 percent of nonsubject imports in 2022. *See id.*

¹⁵² CR/PR at II-19. In arriving at our substitutability finding, we do not rely on the quantitative elasticity estimate set forth on CR/PR at II-35. As explained in our remand determinations in the original investigations, while quantified elasticity estimates have been a tool available to the Commission, the court has repeatedly recognized that the Commission may reasonably reach a conclusion based instead upon an evaluation of the actual facts in the record. Remand Determinations, USITC Pub. 5010 at 15 (citing *Altx, Inc. v. United States*, 370 F.3d 1108, 1122 (Ct. Int'l Trade 2004)). In these reviews, we rely on the qualitative record evidence as support for our substitutability finding.

¹⁵³ CR/PR at II-35.

¹⁵⁴ CR/PR at Table II-17.

¹⁵⁵ CR/PR at II-20.

¹⁵⁶ CR/PR at Tables II-12, II-16. The exception was susceptibility to treatment, a factor that was rated by most responding purchases as not being an important factor. *See id.*

¹⁵⁷ CR/PR at II-25.

¹⁵⁸ Joint Respondents argue that the record evidence indicates that there is a lower-than-moderate degree of substitutability between the domestic like product and subject imports. Canadian Respondents Prehearing Br. at 30-36. They continue to claim, as they did during the original investigations, that significant differences in characteristics and end uses exist between SYP, the species predominantly produced by U.S. producers, and SPF, the species predominantly produced by producers in Canada. Canadian Respondents Prehearing Br. at 30-33. As discussed above, however, most market

We also continue to find that price is an important factor in purchasing decisions, along with availability and quality. Purchasers most frequently cited price (26 firms), availability (21 firms), and quality (20 firms) as among the three most important factors in purchasing decisions, and reported price most frequently as the first-most important factor.¹⁵⁹ Most purchasers, 15 of 27, further reported that they usually purchase the lowest-priced product, and four purchasers reported that they always purchase the lowest-priced product.¹⁶⁰ Additionally, most purchasers, 23 of 26, named price as a very important factor in purchasing decisions, although a greater number of responding purchasers, 25 of 26, reported that availability was also very important in purchasing decisions.¹⁶¹ When asked how often they compare prices across species groupings, 11 firms reported that they always or usually do, 10 firms reported that they sometimes do, three reported that they rarely do, and four reported that they never do; most purchasers, 21 of 26, reported that they always or usually compare prices within a species grouping.¹⁶² Finally, most U.S. producers reported that differences other than price were never significant when comparing the domestic like product and subject

participants reported that the domestic like product and subject imports were at least sometimes interchangeable, and most purchasers reported that they or their customers had changed species purchased for a particular end use based on price and availability during the period of review. Further, Domestic Producers submitted requests for quotes by customers, including one from a large purchaser (***), and information contained in leading industry publications showing that purchasers substituted between species and were sensitive to price and availability. Coalition Prehearing Br. at 25-29 & Exhibits 14-19; Sierra Pacific Prehearing Br. at 27, Exhibits 39-42; Sierra Pacific Posthearing Br. at Responses to Questions pp. 34-36, Exhibits 31 & 52-53.

Joint Respondents maintain that regional differences and differences in pressure treatment between the domestic like product and subject imports further limit their substitutability. Canadian Respondents Prehearing Br. at 33-35; Canadian Respondents Posthearing Br. at Responses to Questions pp. 119-121, 158-161. The record shows, however, that domestic producers and importers reported selling softwood lumber to all U.S. regions. CR/PR at Table II-2. Moreover, a vast majority (*** percent) of U.S. shipments reported by U.S. producers and *** U.S. shipments of subject imports reported by U.S. importers were not pressure treated by the responding firms. CR/PR at Table I-16. While some portion of U.S. producers' shipments are believed to have been ultimately pressure treated by other firms, the exact quantity is unknown, and, in any event, does not undercut the record evidence discussed above demonstrating that customers substituted between SYP and SPF. Moreover, most responding purchasers reported that chemical treatment status and susceptibility to treatment were not important purchasing factors. CR/PR at II-22, Table II-12.

¹⁵⁹ CR/PR at II-21 and Table II-11. *** and ***, two of the largest responding purchasers, cited price as one of their top three purchasing factors. CR/PR at II-22.

¹⁶⁰ CR/PR at II-22. Of the remaining firms, five reported that they sometimes purchase the lowest-priced product, and four firms reported that they rarely do. No purchasers reported that they never purchase the lowest-priced product. *See id.*

¹⁶¹ CR/PR at Table II-12.

¹⁶² CR/PR at II-25, Table II-13.

softwood lumber, while a plurality of importers and purchasers reported that such differences were sometimes and frequently significant, respectively.^{163 164}

The direct raw material input to softwood lumber is saw logs.¹⁶⁵ Saw log prices for SYP increased by *** percent between the first quarter of 2017 and the first quarter of 2023, peaking in the fourth quarter of 2022; DF saw log prices increased by *** percent over that period, peaking in the first quarter of 2022; and whitewood (*i.e.*, SPF) saw log prices increased by *** percent between the first quarter of 2018 (the first quarter for which data were available) and the first quarter of 2023, peaking in the second quarter of 2022.¹⁶⁶

C. Likely Volume of Subject Imports

1. The Original Investigations

In the original investigations, the Commission found that the volume of subject imports and the increase in that volume were significant both in absolute terms and relative to consumption in the United States.¹⁶⁷ The volume of subject imports rose by 23.8 percent over the period of investigation, from 12.1 million mbf in 2014 to 13.2 million mbf in 2015 and 15.0 million mbf in 2016. It was 7.3 million mbf in interim 2017, compared with 7.0 million mbf in interim 2016.¹⁶⁸ The volume of subject imports increased at a rate faster than apparent U.S.

¹⁶³ CR/PR at II-33, Table II-18. Twenty-eight of 47 producers reported that differences other than price were never significant, seven reported that they were sometimes significant, six reported that they were frequently significant, and six reported that they were always significant. Forty-four of 121 importers reported that differences other than price were sometimes significant, 36 reported that they were frequently significant, 26 reported that they were always significant, and 15 reported that they were never significant. Eleven of 24 purchasers reported that differences other than price were frequently significant, eight reported that they were sometimes significant, three reported that they were never significant, and two reported that they were always significant. *Id.*

¹⁶⁴ Differences reported included logistics, delivery time, freight rates, market proximity, reliability of transport, consistency of supply, exchange rates, and customer service. CR/PR at II-33.

¹⁶⁵ CR/PR at V-1.

¹⁶⁶ CR/PR at V-1, Figure V-1, Table V-1. SYP and DF saw log prices increased slightly in the second quarter of 2023 from the first quarter of 2023, while whitewood saw log prices decreased slightly. Hemlock saw log prices were only available from 2017 and 2018 and followed the same trend as DF saw log prices in those years. *See id.*

¹⁶⁷ Original Determinations, USITC Pub. 4749 at 33; Remand Determinations, USITC Pub. 5010 at 18. The Commission found there was a significant post-petition change in subject import prices in 2017 that was related to the pendency of the investigations. It therefore reduced the weight it accorded to the volume, price effects, and impact of subject imports in interim 2017, pursuant to 19 U.S.C. § 1677(7)(I). Original Determinations, USITC Pub. 4749 at 55 n.203; Remand Determinations, USITC Pub. 5010 at 16.

¹⁶⁸ Original Determinations, USITC Pub. 4749 at 33; Remand Determinations, USITC Pub. 5010 at 16-18.

consumption, and subject imports consequently increased their share of apparent U.S. consumption from 28.4 percent in 2014 to 30.0 percent in 2015 and 31.8 percent in 2016. Their market share was higher in interim 2017, at 29.8 percent, than in interim 2016, at 29.6 percent. By contrast, the domestic industry's market share declined from *** percent in 2014 to *** percent in 2015, and *** percent in 2016. Its market share was lower in interim 2017, at *** percent, than in interim 2016, at *** percent.¹⁶⁹ Pointing to the record evidence demonstrating that subject imports and the domestic like product were used in the same end-use applications, the Commission rejected respondents' argument that there was limited overlap in competition for subject imports and the domestic like product during the period of investigation, which in respondents' view, mitigated or eliminated the significance of subject import volumes.¹⁷⁰

2. The Current Reviews

During the period of review, subject imports declined, but maintained a significant presence in the U.S. market. Subject import volume decreased from 14.3 million mbf in 2017 to 13.5 million mbf in 2018 and 12.9 million mbf in 2019, increased to 13.1 million mbf in 2020 and 13.7 million mbf in 2021, and decreased to 12.8 million mbf in 2022, for an overall decline of 10.5 percent over the full years of the review period.¹⁷¹ Subject imports were 2.8 million mbf in interim 2023, compared with 3.1 million mbf in interim 2022.¹⁷² Subject imports' share of apparent U.S. consumption decreased from 29.8 percent in 2017 to 27.8 percent in 2018, 26.4 percent in 2019, and 25.3 percent in 2020, increased to 26.0 percent in 2021, and decreased to 24.1 percent in 2022, for an overall decline of 5.7 percentage points over the full years of the period of review. Subject import market share was 22.1 percent in interim 2023, compared with 23.6 percent in interim 2022.¹⁷³ We find that the disciplining effects of the orders played an important role in the overall declines in subject import volume and market share during the period of review.¹⁷⁴

¹⁶⁹ Confidential Original Determinations, EDIS Doc. 789387, at 48; Confidential Remand Determinations, EDIS Doc. 809165, at 27.

¹⁷⁰ Remand Determinations, USITC Pub. 5010 at 18-20.

¹⁷¹ CR/PR at IV-2, Table IV-1.

¹⁷² CR/PR at Table IV-1.

¹⁷³ CR/PR at Table I-14.

¹⁷⁴ Joint Respondents, citing to Dr. Barry Goodwin's expert report, argue that the lack of correlation between subject import volumes and duty rates over the period of review demonstrates, in their view, the orders' purported lack of effectiveness. Canadian Respondents' Prehearing Br. at 39-46, Exhibit 5 (Goodwin Expert Report). Joint Respondents overlook, however, that the existence of the

The record indicates that the softwood lumber industry in Canada maintains the ability to export significant quantities of softwood lumber to the United States upon revocation of the orders. The subject industry's practical softwood lumber capacity,¹⁷⁵ despite declining by 7.8 percent, nevertheless remains substantial.¹⁷⁶ Indeed, subject imports continued to account for nearly a quarter of the U.S. market at the end of the period of review, notwithstanding the reported declines in capacity and declines in subject import volume following imposition of the orders. Responding subject producers reported that their collective practical softwood lumber capacity declined from 24.7 million mbf in 2017 to 24.4 million mbf in 2018, 23.5 million mbf in 2019, and 22.8 million mbf in 2020, increased to 22.9 million mbf in 2021, and then declined to 22.7 million mbf in 2022; it was 5.7 million mbf in interim 2023, compared with 5.9 million mbf in interim 2022.¹⁷⁷ In 2022 alone, the subject industry possessed practical softwood lumber capacity equivalent to 42.9 percent of apparent U.S. consumption.¹⁷⁸

Subject producers also possess the ability to increase their exports to the United States. Subject producers reported excess practical capacity ranging from 1.6 million mbf in 2018 (equivalent to 3.4 percent of apparent U.S. consumption that year) to 3.5 million mbf in 2022 (equivalent to 6.6 percent of apparent U.S. consumption that year), and their capacity

orders themselves impacted the behavior of Canadian producers and exporters as they sought to minimize duty rates and therefore affected subject import volumes and prices. Indeed, several Canadian producers confirmed that imposition of the orders caused a reduction of exports to the United States. CR/PR at D-43-61 (*e.g.*, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, ***, and ***). Industry publications also reported on how the orders impacted Canadian softwood lumber market share and prices. *See, e.g.*, Coalition Prehearing Br. at Exhibit 6 p. 96 (** stating how **); Canadian Respondents Prehearing Br. at Exhibit 15 p. 51 (**).

We further note that notwithstanding changes to the dumping margins and countervailing duty rates, Commerce has determined that revocation of the orders would lead to dumping at a margin up to 7.28 percent, the highest rate calculated in the original investigations, and subsidy rates of 13.96 percent for Canfor Corporation and its cross-owned affiliates; 3.58 percent for J.D. Irving, Limited and its cross-owned affiliates; 19.19 percent for Resolute FP Canada Inc. and its cross-owned affiliates; 20.28 percent for Tolko Marketing and Sales Ltd. and its cross-owned affiliates; 18.68 percent for West Fraser Mills Ltd. and its cross-owned affiliates; and a 19.62 percent "all others" rate. CR/PR at Tables I-6-7.

¹⁷⁵ As defined in the questionnaires, "practical softwood lumber capacity" captures the level of production of softwood lumber that firms could reasonably have expected to attain. It accounts for existing capital investments; product mix; normal downtime, maintenance, repair and clean-up; existing labor force; availability of material inputs; and actual number of shifts and hours operated; and is limited to softwood lumber. *See* Foreign Producer Questionnaire at II-3a.

¹⁷⁶ CR/PR at IV-81, Table IV-13.

¹⁷⁷ CR/PR at Table IV-13.

¹⁷⁸ CR/PR at Tables I-14 & IV-13.

utilization was lower in interim 2023, at 82.4 percent, than in interim 2022, at 87.4 percent.¹⁷⁹ Subject producers also reported substantial end-of-period inventories that fluctuated but increased by 11.5 percent from 1.7 million mbf in 2017 to 1.9 million mbf in 2022 (both equivalent to 3.6 percent of apparent U.S. consumption in their respective years).¹⁸⁰ Given their substantial excess capacity and inventories, we find that subject producers have the ability to increase their already significant exports of softwood lumber to the United States after revocation.¹⁸¹

¹⁷⁹ CR/PR at Table IV-11. Subject producers reported that their softwood lumber production increased from 22.5 million mbf in 2017 to 22.7 million mbf in 2018, decreased to 20.5 million mbf in 2019 and 19.9 million mbf in 2020, increased to 20.9 million mbf in 2021, and decreased to 19.3 million mbf in 2022; their production was 4.7 million mbf in interim 2023, compared with 5.1 million mbf in interim 2022. Subject producers' capacity utilization rate fluctuated and decreased overall. It was 91.4 percent in 2017, 93.3 percent in 2018, 87.3 percent in 2019, 87.2 percent in 2020, 91.4 percent in 2021, 84.7 percent in 2022, and 82.4 percent in interim 2023, compared with 87.4 percent in interim 2022. CR/PR at Table IV-13.

¹⁸⁰ CR/PR at IV-81, Table IV-13. Subject producers' inventories were 2.1 million mbf in interim 2023, compared with 2.4 million mbf in interim 2022. Joint Respondents point to seasonality and recent buildup of lower-grade lumber previously earmarked for the Asian market as being responsible for the higher inventory levels in interim 2023. Canadian Respondents Prehearing Br. at 82. Other than the arguments set forth in their brief, Joint Respondents fail to provide any evidence supporting their assertions concerning the alleged composition of their inventories with respect to types and grades of lumber in interim 2023. Furthermore, Joint Respondents' arguments do not purport to explain the 11.5 percent increase in subject producers' inventories from 2017 to 2022. Subject producers' inventory levels in 2022 (1.9 million mbf) were comparable to those in 2016, the end of the original period of investigation (1.9 million mbf). See Original Determinations, USITC Pub. 4749 at Table VII-4.

U.S. inventories of subject merchandise were also present in the United States in appreciable amounts that increased by 11.0 percent from 2017 to 2022. CR/PR at IV-7. U.S. importers' inventories of subject imports were 242,186 mbf in 2017, 221,828 mbf in 2018, 201,250 mbf in 2019, 181,151 mbf in 2020, 222,145 mbf in 2021, and 268,856 mbf in 2022. Importer inventories were 283,019 mbf in interim 2023, compared with 226,425 mbf in interim 2022. CR/PR at Table IV-3. U.S. importers' inventory levels in 2022 (268,856 mbf) were higher than those in 2016 (***) mbf, the end of the original period of investigation. See Original Staff Report, EDIS Doc. 789383, at Table VII-7. Joint Respondents claim that Canfor's increased reliance upon its vendor management program, under which Canfor stocks inventory at the customer's location but retains title to the lumber until the customer actually withdraws it from inventory for sale at its stores, in large part explains the increase in inventories in 2022 and between the interim periods. Canadian Respondents Posthearing Br. at Responses to Questions pp. 164-166. However, *** accounted for only *** percent of U.S. importers' end-of-period inventories in 2022, and its increased reliance upon its vendor management program fails to explain the entirety of the increase in inventories over the period of review. CR/PR at Table IV-13; Canfor U.S. Importer Questionnaire Response at II-5a.

¹⁸¹ While five responding subject producers reported being able to shift production from out-of-scope merchandise to softwood lumber, they reported that softwood lumber already accounted for between 99.9 percent and 100.0 percent of production on shared equipment that is also used to produce out-of-scope merchandise over the period of review. CR/PR at IV-89, Table IV-15.

Joint Respondents argue that subject imports will not increase from current levels in the reasonably foreseeable future, but rather will decline because wildfires, insect infestations, government protections for old-growth forests and wildlife, and recognition of First Nations territorial claims collectively have impacted available timber supply in Canada.¹⁸² The parties submitted voluminous information and provided hearing testimony pertaining to these issues, including information on declining Annual Allowable Cuts (“AACs”) (*i.e.*, the amount of timber that can be harvested each year),¹⁸³ including in British Columbia, the largest lumber-producing province in Canada.¹⁸⁴ Joint Respondents state that from 2014, the beginning of the period of investigation, to 2017, the beginning of the period of review, British Columbia’s AAC levels declined from 81.7 million m³ to 62.7 million m³, and by 2023, its AAC levels had declined further to 60.4 million m³.¹⁸⁵

We find that notwithstanding some provincial declines in AACs, sufficient timber remains available for producers in Canada to increase production and exports to the United States upon revocation of the orders. Indeed, Joint Respondents acknowledge that the “decline in AAC started long before the Orders were imposed in 2017.”¹⁸⁶ Yet, in the original investigations, subject imports still increased by 23.8 percent between 2014 and 2016,¹⁸⁷ demonstrating that despite the declining AACs at that time, there was still available timber to increase harvest levels and production. An Annual Report on the state of Canada’s forests issued in 2022 by Natural Resources Canada (“NRCan”) confirms that Canadian mills have harvested well below the estimated sustainable wood supply level since the 1990s, and continued to do so as of 2022, demonstrating that the AAC is not constraining Canadian mills’ harvest.¹⁸⁸ NRCan further anticipates that even while sustainable wood supply is expected to

¹⁸² Canadian Respondents Prehearing Br. at 36-74; Resolute and Central Canada Prehearing Br. 1-32 & Gary Bull Expert Report; Canadian Respondents Posthearing Br. at 9-11, Responses to Questions pp. 1-78; Resolute and Central Canada Posthearing Br. at Responses to Questions pp. 1-29.

¹⁸³ While we generally refer to such areas as AACs, each province has specific terms that they use in defining the harvestable area. Canadian Respondents Posthearing Br. at Exhibit 2 n.1.

¹⁸⁴ *See, e.g.*, Canadian Respondents Posthearing Br. at Responses to Questions pp. 13-18, 21-30, Exhibit 2; Resolute and Central Canada Posthearing Br. at Exhibit PH-1.

¹⁸⁵ Canadian Respondents Posthearing Br. at Responses to Questions p. 14.

¹⁸⁶ Canadian Respondents Posthearing Br. at Responses to Questions p. 36.

¹⁸⁷ Canadian Respondents Prehearing Br. at Exhibit 2; Original Determinations, USITC Pub. 4749 at 33; Remand Determinations, USITC Pub. 5010 at 16-18. Subject imports increased from 12.1 million mbf in 2014 to 1.3 million mbf in 2015, the year the SLA ended, and 15.0 million mbf in 2016. They were higher in interim 2017, at 7.3 million mbf, than in interim 2016, at 7.0 million mbf. *See id.*

¹⁸⁸ Resolute and Central Canada Prehearing Br. at Exhibit 11 p. 39. In addition, the Deputy Chief Forester for British Columbia’s Ministry of Forests indicated that ***. Canadian Respondents Prehearing Br. at Exhibit 2 pp. 8-9. Ontario’s Ministry of Natural Resources and Forestry also confirmed that in

decline as AACs in British Columbia are further reduced in response to the mountain pine beetle and severe wildfires, and measures are taken to protect wildland caribou habitat and old-growth forests, harvest levels will still remain below sustainable wood supply.¹⁸⁹

We recognize that NRCan's Annual Report was issued prior to the 2023 wildfires. As Joint Respondents recognize, however, there is not yet any dispositive evidence regarding the full impact of the most recent wildfires.¹⁹⁰ Joint Respondents submitted an analysis by NRCan to assist the Commission in evaluating the impact of wildfires, including the most recent wildfire in 2023, on timber supply, but NRCan admittedly provides ***.¹⁹¹ This is important because, as British Columbia's Ministry of Forests reported, "{n}ot all of the timber within a fire perimeter is consumed by the fire. Depending on the severity of the fire, some of the burned timber may be salvageable, some unsalvageable and some stands that the fire skipped would remain green."¹⁹² The Sustainable Forest Development Act also provides for action by the Minister of Forests and departure from regulations, if necessary, to salvage affected timber, including that "the allowable cut be exceeded if the Minister considers it necessary so as not to lose timber that could be salvaged."¹⁹³ FEA recently forecasted that although there will be reductions in available timber in British Columbia, timber supply in Eastern Canada is less constrained and that AAC levels in some provinces have been revised upwards in recent years, most notably a ten percent increase in Québec's total softwood AAC.¹⁹⁴ FEA further reported that in 2023, the total softwood lumber harvest in the eastern provinces was estimated to be 35 percent below that of the total softwood AAC, and that it did not expect "major shifts in timber availability in Eastern Canada" over the long term.¹⁹⁵ Consequently, on balance, the weight of the evidence indicates that even with the various ecological disasters and governmental policies, timber supply will likely remain available for producers in Canada to

recent years, Ontario has only harvested about half of the 30 million m³, the harvest level approved under Ontario's forest management plan. Coalition Posthearing Br. at Exhibit 44 p. 26. And in Quebec, an average of 72 percent of the AAC was harvested between 2010 and 2020. Coalition Posthearing Br. at Exhibit 49.

¹⁸⁹ Resolute and Central Canada Prehearing Br. at Exhibit 11 p. 39.

¹⁹⁰ Canadian Respondents Posthearing Br. at Responses to Questions p. 52.

¹⁹¹ Canadian Respondents Posthearing Br. at Exhibit 2.

¹⁹² Coalition Posthearing Br. at Exhibit 24 p. 2; *see also* Sierra Pacific Posthearing Br. at 21-22, Exhibit 24 pp. 1, 4-5.

¹⁹³ Coalition Posthearing Br. at A-38 and Exhibit 47 at section 60 (emphasis added).

¹⁹⁴ West Fraser Posthearing Submission at Exhibit 7 p. 65.

¹⁹⁵ West Fraser Posthearing Submission at Exhibit 7 p. 65.

increase production from current levels in the reasonably foreseeable future if the orders are revoked.¹⁹⁶

Joint Respondents, while relying upon declining AACs as evidence of declining timber supply, at the same time dismiss them as being “theoretical maximums that can be harvested,” and claim that the AACs “overstate what is realistically harvestable.”¹⁹⁷ Contrary to Joint Respondents’ claims, however, the record indicates that AACs are actual attainable harvestable volumes. NRCan reports that the AACs are “prepared for specific forest lands and describe the *actual* and desired forest states and values,” by professionals working in governments, forest companies, and other forestry stakeholders, in accordance with the laws, rules, and policies in place.¹⁹⁸ Provinces monitor AACs to ensure they are not being exceeded, and will sometimes allow harvested amounts to exceed the AAC in exceptional situations, later adjusting the AAC down to account for that excess harvest.¹⁹⁹ Indeed, mills in British Columbia have surpassed AAC volumes in the past.²⁰⁰ That certain available timber may not be harvested due to “economic” considerations as Joint Respondents maintain,²⁰¹ is connected to the producers’

¹⁹⁶ Joint Respondents claim that the subject producers’ lack of timber to increase shipments to the U.S. market to take advantage of the price spike in the U.S. market that occurred during the period of review demonstrates the subject industry’s supply constraints and inability to increase production and exports. Canadian Respondents Prehearing Br. at 81-82; Resolute Prehearing Br. at 6-7, 47-50. But the data show that subject producers did in fact increase their production, capacity utilization, and exports to the United States between 2020 and 2021; subject import volume increased by 4.5 percent and subject import market share increased by 0.7 percentage points while the domestic industry’s market share declined by 1.3 percentage points. CR/PR at Tables IV-13 & C-1; *see also* Resolute and Central Canada Prehearing Br. at Exhibit 11 pp. 63, 65 (“Softwood lumber production {in Canada} increased by 2.3 %” and “Canadian exports of softwood lumber increased to \$16.4 billion” between 2020 and 2021 in response to strong demand), 65 (Canada is “one of the world’s largest forest product exporters,” with its “abundant and renewable supply of wood sourced from sustainable managed forests”). These increases occurred notwithstanding the discipline of the orders. Additionally, there is evidence on the record that a shortage of rail and truck transport for lumber to leave Canadian mills contributed to a lessening of Canadian exports, but those transport impediments have since eased. Coalition Prehearing Br. at Exhibit 4 pp. 61-62 (***) *; see also* Joint Respondents Prehearing Br. Exhibit 5 attach. 40 (“Shipping woes are adding to the high price of lumber, according to one of Canada’s leading producers. A shortage of trucks and rail cars is boosting costs and causing delays in sending lumber to buyers in Canada and the U.S., said Remi Lalonde, chief executive officer of Montreal-based Resolute Forest Products.”).

¹⁹⁷ Canadian Respondents Final Comments at 10.

¹⁹⁸ Resolute and Central Canada Prehearing Br. at Exhibit 11 p. 36 (emphasis added).

¹⁹⁹ Canadian Respondents Posthearing Br. at Responses to Questions 22-30.

²⁰⁰ While the amount of timber harvested in British Columbia is “generally” below the AAC, harvest has exceeded the AAC in the past. Coalition Posthearing Br. at A-20, Exhibit 18.

²⁰¹ Canadian Respondents Final Comments at 10; *see also* Canadian Respondents Prehearing Br. Exhibit 2 p. 8 (***) *. As discussed above, however, Canadian producers reported substantial excess practical capacity during the period of review, which is consistent with reports that timber was available.*

ability to pay for timber while their lumber exports to the United States – their largest market – are under the discipline of the orders.²⁰²

Joint Respondents’ additional arguments regarding the impact of any future wildfires, insect infestations, and government and First Nations policies, as well as arguments regarding the potential for further labor shortages and transportation disruptions, do not support a finding that subject imports will not likely increase in the reasonably foreseeable future, upon revocation of the orders.²⁰³ Even with all the challenges articulated by Joint Respondents, we note that the forest sector is nevertheless considered by the Canadian government to be “a key to Canada’s economy and a source of well-being and prosperity for communities and workers from coast to coast.”²⁰⁴ As stated in NRCan’s 2022 Annual Report, the “forest sector serves as an important source of economic opportunity for people and communities,” and is “particularly important in many rural, and Indigenous communities where the forest sector is often a primary source of jobs and income.”²⁰⁵ According to NRCan, “Canada’s forest sector is expected to grow again as economic recovery from the COVID-19 pandemic continues,” with growth being driven by “strong demand, particularly from the United States.”²⁰⁶

In addition to having substantial capacity and significant excess capacity and inventories, we also find that subject producers have the incentive to export significant and increasing volumes of subject merchandise to the United States in the event of revocation. Export shipments constituted the majority of subject producers’ total shipments of softwood lumber in each year of the period of review.²⁰⁷ According to Global Trade Atlas (“GTA”) data concerning softwood lumber, the subject industry in Canada was the top global exporter of such merchandise in 2022, accounting for 23.5 percent of the total value of global exports that

²⁰² Coalition Prehearing Br. at Exhibit 8 p. 1 (***); CR/PR at D-43-61 (***, ***, ***).

²⁰³ See, e.g., Canadian Respondents Prehearing Br. at 53-55, 74-78; Resolute Prehearing Br. at 13-17, 33-39; Canadian Respondents Posthearing Br. at 58-59; Resolute Posthearing Br. at Responses to Questions pp. 21-23, 45-50.

²⁰⁴ Resolute and Central Canada Prehearing Br. at Exhibit 11 p. 59.

²⁰⁵ Resolute and Central Canada Prehearing Br. at Exhibit 11 p. 59.

²⁰⁶ Resolute and Central Canada Prehearing Br. at Exhibit 11 p. 62; see also West Fraser Posthearing Submission at Exhibit 7 pp. 46-47 (FEA projecting that while British Columbia’s capacity will decline from 11.4 BBF in 2021 to 9.2 BBF in 2027, that lumber production in Eastern Canada will be relatively robust, rising 2.3 BBF to 16.2 BBF); Coalition Prehearing Br. at Exhibit 6 p. 90 (***), Exhibit 32 p. 59 (***).

²⁰⁷ CR/PR at Table IV-13. Subject producers’ exports as a share of total shipments were 66.0 percent in 2017, 65.1 percent in 2018, 66.8 percent in 2019, 66.1 percent in 2020, 64.9 percent in 2021, 63.0 percent in 2022, and 61.7 percent in interim 2023, compared with 64.3 percent in interim 2022. See *id.*

year.²⁰⁸ These data also show that the value of Canada's exports of softwood lumber increased by 28.3 percent during the period of review, from \$8.7 billion in 2017 to \$11.2 billion in 2022.²⁰⁹

The United States also remains highly attractive to subject producers, as their primary market for their softwood lumber production. Indeed, during the period of review, subject producers' exports to the United States accounted for an increasing majority of their total shipments, while home market shipments and exports to third country markets collectively represented declining shares.²¹⁰ GTA data concerning softwood lumber confirm that the United States was by far the subject industry's largest single-country export market for such merchandise, accounting for 86.9 percent of the value of the industry's total exports in 2022.²¹¹ Consequently, although subject imports declined after imposition of the orders, subject producers nevertheless remained dependent upon the U.S. market.

Consistent with the subject producers' dependance on the U.S. market, subject imports maintained a substantial presence throughout the period of review, accounting for 24.1 percent of apparent U.S. consumption in 2022, indicating that subject producers possess the infrastructure, customer relationships, and logistics to continue increasing their already significant exports to the United States in the event of revocation.²¹² Further enhancing the attractiveness of the U.S. market to subject producers, the average unit values ("AUVs") of their exports to the United States were consistently higher in each year of the period of review than the AUVs of their shipments to home market customers and exports to third country markets, with one exception.²¹³ The importance of the U.S. market to subject producers is further evidenced by the substantial quantities of arranged imports of softwood lumber from Canada for the second through fourth quarters of 2023 and the first quarter of 2024 (totaling *** mbf),

²⁰⁸ CR/PR at IV-93, Table IV-17.

²⁰⁹ CR/PR at IV-93, Table IV-17.

²¹⁰ CR/PR at Table IV-13. Exports to the U.S. market accounted for 51.2 percent of the Canadian industry's total shipments in 2017, 50.8 percent in 2018, 53.5 percent in 2019, 56.0 percent in 2020, 57.2 percent in 2021, and 57.8 percent in 2022, and was 56.6 percent in interim 2023, compared with 57.9 percent in interim 2022. *See id.*

²¹¹ CR/PR at Table IV-16. Softwood lumber from Canada has not been subject to other antidumping or countervailing duty investigations outside the United States. CR/PR at IV-92.

²¹² CR/PR at Tables I-14, IV-13.

²¹³ CR/PR at Table IV-13. In 2022, the AUV of subject producers' exports to third country markets was higher than the AUV of their exports to the United States. *See id.*

which is significant in light of the fact that most softwood lumber sales are made on a spot basis.^{214 215}

Joint Respondents, citing prior Commission decisions, including *Certain Large Residential Washers from Korea and Mexico*, USITC Inv. Nos. 701-TA-488 and 731-TA-1199-1200 (Review), USITC Pub. 4882 (April 2019), argue that because subject producers have made substantial investments in U.S. production facilities, there is no likelihood that subject import volumes will be significant upon revocation.²¹⁶ Each investigation, however, “‘is *sui generis*, involving a unique combination and interaction of many economic variables.’”²¹⁷ Unlike in *Large Residential Washers*, where the only two producers of washers in South Korea constructed U.S. plants and one producer ceased importing to the U.S. market from South Korea, numerous subject producers/exporters in Canada that do not have related U.S. facilities are covered by the orders in these reviews. Moreover, the *** Canadian producers with related U.S. facilities, Canfor, Resolute, and West Fraser, were also the *** exporters of softwood lumber from Canada to the United States during the period of review, accounting for *** percent, *** percent, and *** percent of such exports, respectively, in 2022.²¹⁸ And notwithstanding subject producer investments in U.S. facilities, subject imports maintained a significant presence in the

²¹⁴ CR/PR at Table IV-2. In 2022, *** of U.S. importers’ U.S. shipments were made on a spot basis, *** percent pursuant to annual contracts, *** percent pursuant to long-term contracts, and *** percent pursuant to short-term contracts. CR/PR at Table V-3. As Joint Respondents state, “reported arranged import volumes align with the reported proportion of importers’ sales according to contracts,” and arranged imports presumably would not account for the volume corresponding to the prevalent daily sales that occur on a spot basis. Canadian Respondents Posthearing Br. at Responses to Questions p. 163. Indeed, most responding purchasers (22 of 27) reported purchasing softwood lumber daily. CR/PR at V-5.

²¹⁵ The volume of both arranged imports for the second through fourth quarters of 2023 and actual imports in interim 2023, at *** mbf, already approaches total subject import volume in 2022, which was 12.8 million mbf. CR/PR at Tables IV-2, C-1.

²¹⁶ Canadian Respondents Prehearing Br. at 87-89; Resolute Prehearing Br. at 43-47.

²¹⁷ *Hitachi Metals, Ltd. v. United States*, 949 F.3d 710, 718 (Fed. Cir. 2020) (citing *Nucor Corp.*, 414 F.3d 1331, 1340 (Fed. Cir. 2005)).

²¹⁸ CR/PR at Table IV-4. The U.S. market also continued to be a very important market for each these producers, with their shipments to the United States accounting for *** of their total shipments in 2022. *Id.*

U.S. market throughout the period of review.^{219 220} We consequently find that such investments are unlikely to constrain subject imports from increasing upon revocation.

Accordingly, based on the significant and increasing volume of subject imports during the original investigations, the continued significant presence of subject imports in the U.S. market during the period of review, the subject producers' substantial production capacity, available unused capacity, inventories, and export orientation, and the size and attractiveness of the U.S. market, we find that the volume of subject imports would likely be significant, both in absolute terms and relative to consumption in the event of revocation of the orders.

D. Likely Price Effects

1. The Original Investigations

In the original investigations, the Commission found that subject imports had significant price effects.²²¹ The Commission reiterated its finding that there was at least a moderate degree of substitutability between subject imports and that price was an important factor in purchasing decisions.²²² It found that the quarterly price comparison data, which had been collected on a delivered basis without regard to a specific geographic location, had limited utility due to the high variability in freight costs.²²³ The Commission was therefore unable to conclude whether there had been significant underselling of the domestic like product by subject imports. It observed, however, that 12 purchasers confirmed that price was a primary

²¹⁹ Another important distinction is that the Commission found in the *Large Residential Washer* reviews that a safeguard measure limiting subject imports from South Korea provided an additional incentive for subject producers to localize large residential washer production as rapidly as possible, whereas Canadian producers with U.S. affiliates have no such incentive in these reviews. *Certain Large Residential Washers from Korea and Mexico*, USITC Pub. 4884 at 43.

²²⁰ Joint Respondents point to the major, long-term investments made by Canadian-headquartered firms specifically in the U.S. South during the period of review. Canadian Respondents Prehearing Br. at 122. U.S. importers' shipments of subject merchandise to the southeastern region as a share of total shipments in 2022 (the last year of the period of review), however, remained substantial and was similar to that in 2016 (the last year of the period of investigation), at 22.4 percent and 24.4 percent, respectively. CR/PR at Table II-2; Original Determinations, USITC Pub. 4749 at Table II-2. Thus, the existence of mills owned by Canadian producers did not prevent exports even to the region where their U.S. mills are located, even with orders in place.

²²¹ Original Determinations, USITC Pub. 4749 at 39.

²²² Original Determinations, USITC Pub. 4749 at 34-36; Remand Determinations, USITC Pub. 5010 at 22.

²²³ Original Determinations, USITC Pub. 4749 at 35-36. In addition, the Commission found that while there were a number of sources of published pricing information regarding softwood lumber products, those data did not yield improved price comparisons because while prices of different species affected each other, absolute price levels between species differed. *See id.* at 36 n.194.

reason they purchased a substantial quantity of subject imports, totaling 5.6 million mbf, rather than the domestic like product.²²⁴

The Commission next examined pricing trends. It found that pricing data from *Random Lengths*, a weekly industry price publication cited by both parties as a reliable source, demonstrated that prices of different species generally tracked each other, and that due to price transparency in the market, price differences in one species tended to have an effect on other species' prices.²²⁵ The *Random Lengths* data showed that despite relatively strong and increasing apparent U.S. consumption, prices for predominantly domestically produced softwood lumber (SYP) and predominantly imported Canadian softwood lumber (SPF) were lower in 2016 than in 2014.²²⁶ Prices declined substantially from 2014 to 2015, and while they increased in 2016, as demand continued to improve and subject imports captured significant market share, prices did not return to levels similar to those at the beginning of the period of investigation until the beginning of 2017.²²⁷

The Commission further found that from 2014 to 2015, the domestic industry experienced a cost-price squeeze as it faced rising costs. The industry was unable to raise prices despite increasing demand as substantially increasing volumes of subject imports at declining prices placed downward pricing pressure on the domestic like product. This pricing pressure from the increasing volumes of subject imports continued into 2016, even as demand

²²⁴ Original Determinations, USITC Pub. 4749 at 35-37; Remand Determinations, USITC Pub. 5010 at 25-27. Specifically, 30 of 40 responding purchasers reported that they had purchased subject imports instead of the domestic like product since 2014. Fourteen of those purchasers reported that subject imports were priced lower than the domestic like product, and 12 purchasers reported that price was a primary reason for purchasing subject imports instead of the domestic like product. Original Determinations, USITC Pub. 4749 at 36-37; Remand Determinations, USITC Pub. 5010 at 25-27.

²²⁵ Remand Determinations, USITC Pub. 5010 at 24-25. As the Commission observed, domestic producers and importers reported selling a majority of their product in the spot market, using mostly transaction-by-transaction negotiations and referring to weekly industry price reports such as *Random Lengths* to set prices. See *id.* at 25.

²²⁶ Original Determinations, USITC Pub. 4749 at 38; Remand Determinations, USITC Pub. 5010 at 24-25.

²²⁷ Original Determinations, USITC Pub. 4749 at 38; Remand Determinations, USITC Pub. 5010 at 25. As previously noted, the Commission found that the higher prices in 2017 were the result of the pendency of the investigations, and it therefore reduced the weight accorded to interim 2017 data. Original Determinations, USITC Pub. 4749 at n.203.

The Commission rejected respondents' theory that additional domestic capacity and production in 2015, rather than increases in subject imports, were responsible for the decline in prices from 2014 to 2015. The evidence showed that, to the contrary, domestic capacity declined by 0.06 percent from 2014 to 2015 and U.S. production and shipments increased by only 0.01 percent and 1.1 percent, respectively, which was well below the 3.7 percent increase in apparent U.S. consumption. Original Determinations, USITC Pub. 4749 at n.205; Remand Determinations, USITC Pub. 5010 at 27.

continued to rise, preventing the industry from sufficiently increasing prices to cover its increased costs over the period of investigation. As a result, the domestic industry's ratio of cost of goods sold ("COGS") to net sales increased between 2014 to 2015, and while the ratio declined in 2016, it remained higher than in 2014.²²⁸ Based on these findings, the Commission concluded that the increasing and significant volume of subject imports gained market share at the expense of the domestic industry during a time of rising demand and prevented price increases, which otherwise would have occurred, to a significant degree.²²⁹

2. The Current Reviews

As discussed in section III.B.2.c above, we have found that there is at least a moderate degree of substitutability between subject imports and the domestic like product, and that price is an important factor in purchasing decisions, along with availability and quality.

The Commission collected monthly pricing data on an f.o.b. basis for four species specific pricing products shipped to unrelated U.S. customers during the period of review.²³⁰ ²³¹ Sixteen U.S. producers and 52 importers provided usable pricing data for sales of the requested products, although not all firms reported data for all products for all quarters.²³² Data reported by these firms accounted for approximately 3.3 percent of U.S. producers' commercial U.S. shipments of domestically produced softwood lumber and 13.4 percent of U.S. importers'

²²⁸ The domestic industry's ratio of COGS to net sales increased from *** percent in 2014 to *** percent in 2015, and then declined to *** percent in 2016. Confidential Original Determinations, EDIS Doc. 789387, at 55.

²²⁹ Original Determinations, USITC Pub. 4749 at 39.

²³⁰ CR/PR at V-7. The Commission requested pricing data for the following products:
Product 1-- DF 2x4, Grade No. #2, random lengths, kiln-dried;
Product 2-- DF, precision end trimmed ("PET") stud, 2x4, Grade No. #2, 9-foot length, kiln-dried;
Product 3-- SPF, PET stud, 2x4, Grade No. #2, 8-foot length; and
Product 4-- SPF 2x4, Grade No. #3 (utility), random lengths.

²³¹ In the preliminary phase of the original investigations, the Commission had collected monthly pricing data from U.S. producers and importers for sales of four softwood lumber products within a 100-mile radius of four specific market areas, which had yielded only 12 direct price comparisons of 720 possible observations. To increase the number of available comparisons in the final phase of the investigations, the Commission collected monthly pricing data from U.S. producers and importers for sales of five specific softwood lumber products without limiting the data to any geographic market area. These data yielded a higher number of direct price comparisons (132 price comparisons), but the parties agreed that the high variability of freight costs limited the utility of pricing data that was not tied to particular geographic market. Original Determinations, USITC Pub. 4749 at 35. In an effort to obtain as many price comparisons as possible while accounting for the variability of freight costs, the Commission in these reviews requested parties to provide pricing data on four pricing products on an f.o.b. basis, thus excluding transportation costs.

²³² CR/PR at V-7.

commercial U.S. shipments of subject imports in 2022.²³³ These pricing data indicate that subject imports undersold the domestic like product in 65 of 300 monthly comparisons, corresponding to reported subject import sales volume of 3.2 million mbf, at underselling margins ranging from 0.0 percent to 13.8 percent and averaging 3.3 percent. Subject imports oversold the domestic like product in the remaining 235 comparisons, corresponding to reported subject import sales volume of 6.6 million mbf, at overselling margins ranging from 0.0 percent to 36.2 percent and averaging 7.8 percent.²³⁴

Both the Coalition and Joint Respondents maintain that the monthly pricing data collected through questionnaires in these reviews have limited probative value for the Commission's assessment of underselling because they do not account for the price differences in products delivered to different regional markets and on different days.²³⁵ We observe that the pricing data reported in *Random Lengths* suffers from these same shortcomings.²³⁶ Specifically, *Random Lengths* does not capture prices on a daily basis. Moreover, it estimates the delivered prices for each product and destination by adding the "prevailing rates for the most commonly used carrier, routings, and types of loadings" to the sales prices reported by suppliers and purchasers.²³⁷ Consequently, we find that there are no reliable direct price comparisons on the record of these reviews for assessing the extent of any subject import underselling during the period of review, whether through questionnaires or public data.

In the absence of reliable price comparisons, we have considered Domestic Producers' compilation of lost sales and lost revenue allegations, supported by contemporaneous documents, showing that subject imports were being offered at lower prices than the domestic like product during the period of review.²³⁸ Given that sales of softwood lumber occur on a daily basis²³⁹ with purchasers engaging in price negotiations with multiple suppliers²⁴⁰ in a price

²³³ CR/PR at V-7.

²³⁴ CR/PR at Table V-9.

²³⁵ Coalition Prehearing Br. at 83-88; Sierra Pacific Prehearing Br. at 36; Coalition Posthearing Br. at D6-D11; Canadian Respondents Prehearing Br. at 113-114; Canadian Respondents Posthearing Br. at Responses to Questions pp. 124-125. The parties indicate that prices change daily or hourly, and that transportation costs, which vary widely based upon location, are factored into the final sales price. Coalition Posthearing Br. at D6-D11, Exhibits 86 & 87; Canadian Respondents Posthearing Br. at Responses to Questions pp. 124-125.

²³⁶ CR/PR at V-26.

²³⁷ CR/PR at V-26 n.10.

²³⁸ Domestic Producers Posthearing Br. at Exhibit 86.

²³⁹ Most responding purchasers (22 of 27) reported that they purchase softwood lumber daily. CR/PR at V-5.

²⁴⁰ Most purchasers (24 of 27) reported that their softwood lumber purchases involve

transparent market,²⁴¹ we find that the Domestic Producers' documentation shows that domestic producers continued to face price competition from lower priced subject imports in the U.S. market during the period of review, even under the disciplining effect of the orders. As discussed below, however, the record also shows the orders have increased the prices of subject imports.

Both the questionnaire pricing data and published pricing data on the record show that softwood lumber prices increased overall during the period of review. Specifically, the questionnaire pricing data show that domestic sales prices for all four pricing products fluctuated during the period of review, with prices spiking in the first half of 2021 and again in the first half of 2022, before trending downwards, but were 16.9 percent to 25.2 percent higher in March 2023 than in January 2017, depending on the product.²⁴² Subject import prices also increased over the period for all four pricing products, by 4.7 percent to 20.9 percent depending on the product.²⁴³ *Random Lengths* data similarly show prices for species predominantly/exclusively produced in the United States (SYP, DF, and HF) and species predominantly produced in Canada (Western SPF, Eastern SPF, and Western Red Cedar) as fluctuating during the period of review, with large price swings during the 2020-2022 period and prices trending downward beginning in the second quarter of 2022, but ending higher in March 2023 than in January 2017.²⁴⁴ Prices stabilized during 2023, with a slight increase in the third quarter of the year compared to the first half of the year.²⁴⁵

Consistent with our finding that subject import volume is likely to be significant and increasing after revocation, we find that subject imports are likely to be low priced after revocation as a means for Canadian producers to gain sales in the U.S. market as they did during the original period of investigation. The at least moderate degree of substitutability of softwood lumber and the price sensitivity and transparency of the U.S. market make lower prices an effective strategy for gaining sales. Furthermore, the lower AUVs of the subject

negotiations with suppliers. Nearly one-half of responding purchasers (13 of 27) reported contacting a maximum of 10 to 25 suppliers before making a purchase, while eight reported contacting a maximum of five suppliers, and six reported contacting a maximum of 1 to 3 suppliers. CR/PR at V-5.

²⁴¹ *Random Lengths*, the most referred to publication for softwood lumber, collects price data from suppliers and purchasers of softwood lumber and publishes those prices on a weekly basis. CR/PR at V-26.

²⁴² CR/PR at V-24, Tables V-4-8.

²⁴³ CR/PR at Table V-8.

²⁴⁴ CR/PR at V-27, Tables V-10-11, Figure V-6. *Random Lengths* data do not distinguish based on country of production, but several products are predominantly produced by either U.S. or Canadian firms. CR/PR at V-26.

²⁴⁵ CR/PR at V-27, Tables V-10-11, Figure V-6.

producers' shipments to their home and third country market customers compared to the AUVs of their exports to the United States indicate that they have the ability to lower prices to gain sales in the U.S. market.²⁴⁶

Given the at least moderate degree of substitutability between subject imports and the domestic like product and the importance of price in purchasing decisions, the significant and increasing volume of low-priced subject imports that is likely after revocation would likely force the domestic industry to either reduce its prices, forego needed price increases, or lose sales and market share to subject imports. In the original investigations, the significant increase in subject import volume and market share caused prices for the domestic like product to decline and the domestic industry's COGS to net sales ratio to increase, as numerous responding purchasers reported switching a substantial volume of sales to subject imports due to their lower price.²⁴⁷ Subject imports would likely have the same effects after revocation of the orders, particularly in light of increasing raw material costs and weakened demand. Consequently, we find that subject imports would likely use lower prices to take sales from the domestic industry and/or depress or suppress prices for the domestic like product to a significant degree.

We are unpersuaded by Joint Respondents' various arguments that subject imports are unlikely to have significant price effects upon revocation. They first argue that domestic prices, which increased during the period of review, were influenced by market conditions rather than the orders.^{248 249} That domestic prices fluctuated higher as demand increased during the

²⁴⁶ CR/PR at Table IV-13.

²⁴⁷ Original Determinations, USITC Pub. 4749 at 35-39; Remand Determination, USITC Pub. 5010 at 24-27.

²⁴⁸ Canadian Respondents Prehearing Br. at 95-108, Exhibit 5; Resolute Prehearing Br. at 8; Canadian Respondents Posthearing Br. at 12-13.

²⁴⁹ Joint Respondents also rely on Dr. Goodwin's comparison of the gap between prices of out-of-scope oriented strand board ("OSB") and SYP/DF prices to argue that the orders had no impact on prices. Canadian Respondents Prehearing Br. at Responses to Questions pp. 115-118, Exhibit 5. The Commission, however, is not required to consider an econometric regression analysis, which is based on a theoretical model and a set of assumptions, and we do not rely on it here. *Altx, Inc. v. United States*, 370 F.3d 1108, 1121-22 (Ct. Int'l Trade 2004); *Maverick Tube Corp. v. United States*, 12 C.I.T. 444, 448, 687 F. Supp. 1569, 1574 (1988); *Maine Potato Council v. United States*, 9 C.I.T. at 300 n.8, 613 F. Supp. at 1244 n.8 (1985). In these reviews, the Commission has not collected data on OSB. That OSB is a wood product that is utilized in housing construction, as Dr. Goodwin observes, does not mean that it is subject to the same supply and demand conditions as softwood lumber and can serve as a "control benchmark" as Dr. Goodwin asserts. Canadian Respondents Prehearing Br. at Exhibit 5. While OSB prices "generally" tracked SYP and DF prices, as Dr. Goodwin states, they did not increase or decrease at the same rate. Moreover, OSB prices were above SYP/DF prices at certain times but lower than SYP/DF

COVID-19 pandemic, however, does not mean that the orders did not also play a role in strengthening domestic prices.²⁵⁰ As Joint Respondents observe, “{e}ven with these aberrational market conditions, prices increased over the {period of review}.”²⁵¹ Responding market participants, including U.S. importers and purchasers, reported that prices increased as a result of the orders,²⁵² and trade publications also discussed how the duties boosted prices in the U.S. market.²⁵³

Joint Respondents further argue that timber supply limitations will likely cause subject imports to decline in the foreseeable future, thereby eliminating any possible incentive for Canadian producers to price their products aggressively to gain market share.²⁵⁴ They further claim that, in any event, producers in Canada face increasing wood costs and therefore lack the

prices at other times, indicating that OSB prices are subject to different economic conditions and variables than softwood lumber. *See id.* p. 17.

²⁵⁰ Canadian Respondents Prehearing Br. at 95 (“The Covid-19 pandemic and resulting simultaneous explosion of demand and supply constraints led to a spike in prices during the POR, which have since stabilized as the pandemic-related market disruption subsided in the latter part of 2022”).

²⁵¹ Canadian Respondents Prehearing Br. at 95.

[illegible]

²⁵³ See, e.g., Coalition Prehearing Br. at Exhibit 4 p. 63 (**); Canadian Respondents Prehearing Br. at Exhibit 15 p. 51 (**).

²⁵⁴ Canadian Respondents Posthearing Br. at 12, Responses to Questions pp. 88-94, 110-113. Joint Respondents maintain that, as the Commission found in *Lemon Juice from Argentina and Mexico*, Inv. Nos. 731-TA-1105-1106 (Review), USITC Pub. 4418 (July 2013) and *Orange Juice from Brazil*, Inc. No. 731-TA-1089 (Review), USITC Pub. 4311 (Apr. 2012), there is no incentive to reduce prices when import supplies are constrained because “reduced prices would only serve to reduce the exporters’ revenues.” Canadian Respondents Posthearing Br. at 12, Responses to Questions pp. 88-94, 110-112. Those investigations are distinguishable. In *Certain Orange Juice from Brazil*, the Commission found that import volumes would not likely increase significantly from levels during the period of review due to several factors, including supply constraints, dedication to other primary export markets including EU and Asia, low inventory levels held by subject producers, and the uncertainty surrounding the implications of the U.S. Food and Drug Administration’s (“FDA”) reports of banned fungicide carbendazim being found in orange juice from Brazil. *Orange Juice from Brazil*, Inc. No. 731-TA-1089 (Review), USITC Pub. 4311 at 19. In *Lemon Juice from Argentina and Mexico*, the Commission found that the volume of lemon juice from Mexico would not likely change appreciably from levels observed during the period of review in light of Mexican growers’ increased exports of fresh lemons following the expiration of some contracts with beverage bottlers to grow lemons solely for processing; the presence of a citrus greening disease forecasted to reduce lemon production by 10-18 percent; and a major importer’s intent to source 80 to 90 percent of its requirements from Ventura Coastal, a domestic producer. *Lemon Juice from Argentina and Mexico*, Inv. Nos. 731-TA-1105-1106 (Review), USITC Pub. 4418 at 25-26. By contrast, in these reviews, we have found that notwithstanding various constraints on timber supplies, the subject industry in Canada has the ability and incentive to increase production and exports to the U.S. market and would likely do so if the orders were revoked.

ability to undercut the prices of domestic producers.²⁵⁵ As discussed above, however, we have found subject producers have the ability and incentive to increase their exports to the U.S. market after revocation, and would likely use low prices to gain sales in light of the price sensitivity of the U.S. market.²⁵⁶

Nor does the record support Joint Respondents' claim that subject producers lack the ability to undercut domestic producers' prices after revocation due to their increasing log costs. The *** upon which Joint Respondents rely provides information for only part of the period of review (through the first quarter of 2021) and shows that the increase in log costs in eastern Canada were much lower than the increase in log costs in British Columbia or the increases in log costs experienced by domestic producers located in regions other than the U.S. South.²⁵⁷ The record indicates that costs for the domestic industry increased significantly over the period of review,²⁵⁸ and most firms (32 of 47 U.S. producers) anticipate that raw material costs will continue to increase.²⁵⁹ Consequently, we find that increasing log costs, experienced by producers in both Canada and the United States, would not preclude subject producers from using low prices to gain sales in the U.S. market upon revocation of the orders.²⁶⁰

Finally, we are unpersuaded by Joint Respondents' argument that the largest Canadian producers lack the incentive to sell subject imports at low prices in light of their substantial investments in U.S. facilities.²⁶¹ There are numerous subject producers in Canada that have no

²⁵⁵ Canadian Respondents Posthearing Br. at 13, Responses to Questions pp. 113-114.

²⁵⁶ We note that in the final results of its expedited reviews, Commerce found that Canadian producers, which collectively accounted for 93 percent of subject exports in 2022, were assigned countervailing duty margins in excess of 13 percent; Canadian producers which collectively accounted for 80 percent of subject exports in 2022 were assigned countervailing duty margins in excess of 18 percent. *Calculated from* CR/PR at Tables I-6 and IV-4. Therefore, if the orders were revoked, and pursuant to Commerce's findings, it would be expected that subsidies would be provided to Canadian producers, with an attendant benefit to their cost structure and ability to compete in the U.S. market.

²⁵⁷ Canadian Respondents Prehearing Br. at Exhibit 85.

²⁵⁸ Raw material costs, which accounted for the largest share of total COGS, increased overall from \$5.1 billion in 2017 to \$7.3 billion in 2022. They were lower in interim 2023, at \$1.8 billion, than in interim 2022, at \$1.9 billion. CR/PR at III-117. Unit raw material costs increased from \$226 per mbf in 2017 to \$244 per mbf in 2018, decreased to \$219 per mbf in 2019, and then increased to \$230 per mbf in 2021, \$251 per mbf in 2021, and \$280 per mbf in 2022; it was \$276 per mbf in interim 2023, compared with \$295 per mbf in interim 2022. CR/PR at Table III-40.

²⁵⁹ CR/PR at V-1.

²⁶⁰ We also note that while evidence regarding future log costs in Canada are uncertain, industry participants and publications report log costs in Canada are moderating. See Coalition Prehearing Br. at Exhibit 2 (West Fraser Investor Presentation in 2023 informing of lower fiber costs); Exhibit 3 p. 11 (Canfor Interim Report in 2023 reporting of lower log costs driven by "reduced market-based stumpage in Western Canada"), Exhibit 4 p. 61 (***), Exhibit 32 p. 65 (***).

²⁶¹ Canadian Respondents Posthearing Br. at Responses to Questions pp. 114-115.

affiliations with U.S. production facilities and would have no alleged deterrent from using low prices to gain sales in the U.S. market.²⁶² In addition, several of the largest producers and exporters in Canada that have invested in U.S. facilities, including ***, were found by Commerce to have dumped softwood lumber in the U.S. market and received countervailable subsidies during the period of review, which suggests their U.S. investments have not deterred unfair pricing even with the orders in place.²⁶³

For all the foregoing reasons, we find that if the orders were revoked, subject imports would likely have significant price effects within a reasonably foreseeable time.

E. Likely Impact

1. The Original Investigations

In the original investigations, the Commission found that subject imports had a significant adverse impact on the domestic industry.²⁶⁴ The Commission examined all relevant factors, including production, sales, employment, inventories, and the financial performance of the domestic industry.²⁶⁵ The Commission found that the significant and increasing volumes of subject imports led to a substantial erosion of the domestic industry's market share. While recognizing that virtually all of the domestic industry's trade indicators showed improvements from 2014 to 2016 as apparent U.S. consumption increased, the Commission found that the industry's financial indicators declined as subject imports increased in volume and suppressed prices to a significant degree.²⁶⁶ The Commission found that the domestic industry's loss of market share and its inability to benefit fully from increased demand as a result of subject imports had a direct effect on the industry's U.S. shipments and revenues, and consequently its profitability. The Commission accordingly found that the significant volume of subject imports,

²⁶² CR/PR at Tables I-12 & IV-4.

²⁶³ CR/PR at Tables I-3-4.

²⁶⁴ Original Determinations, USITC Pub. 4749 at 43; Remand Determinations, USITC Pub. 5010 at 27.

²⁶⁵ Original Determinations, USITC Pub. 4749 at 39-41.

²⁶⁶ Original Determinations, USITC Pub. 4749 at 41-42. The industry's gross profit fell from \$*** in 2014 to \$*** in 2016; its operating income declined from \$*** in 2014 to \$*** in 2016; and its net income fell from \$*** in 2014 to \$*** in 2016 in a market in which demand was increasing. Confidential Original Determinations, EDIS Doc. 789387, at 59 n.219. The Commission recognized that as a result of the pendency of the investigations, all three indicators were higher in interim 2017 than in interim 2016, reflecting higher sales values and higher sales quantities. Original Determinations, USITC Pub. 4749 at 41.

which gained market share and suppressed domestic prices, had a significant impact on the domestic industry.²⁶⁷

In its non-attribution analysis, the Commission found that neither demand conditions nor the presence of nonsubject imports in the U.S. market during the period of investigation could explain the domestic industry's condition.²⁶⁸ The Commission also rejected respondents' argument that timber supply constraints in the western region of the United States were responsible for the industry's injury. It found that subject imports' suppression of domestic prices directly impacted the ability of softwood lumber producers to acquire timber in the first instance, and that the issue was not one of log availability, but rather the cost-price squeeze that producers faced as log costs increased and subject imports suppressed domestic prices.²⁶⁹

2. The Current Reviews

The domestic industry's performance generally improved from 2017 to 2018, declined in 2019, and then improved in 2020 and 2021 to the highest level of the period of review, before declining again in 2022 and in interim 2023 compared to interim 2022. The domestic industry's practical softwood lumber capacity increased in each full year of the period of review, by 14.7 percent from 2017 to 2022.²⁷⁰ Its production also increased in each full year of the period of

²⁶⁷ Original Determinations, USITC Pub. 4749 at 42.

²⁶⁸ Original Determinations, USITC Pub. 4749 at 42.

²⁶⁹ Original Determinations, USITC Pub. 4749 at 42-43.

²⁷⁰ CR/PR at III-37. WWPA data show that the domestic industry's practical softwood lumber capacity increased from 39.3 million mbf in 2017 to 41.1 million mbf in 2018, 41.4 million mbf in 2019, 42.9 million mbf in 2020, 43.9 million mbf in 2021, and 45.0 million mbf in 2022. WWPA data were unavailable for the interim periods. CR/PR at Table III-8. Based on questionnaires, the domestic industry's practical softwood lumber capacity increased by 20.0 percent from 2017 to 2022. It increased from 26.5 million mbf in 2017 to 27.7 million mbf in 2018, 28.1 million mbf in 2019, 29.1 million mbf in 2020, 30.8 million mbf in 2021, 31.8 million mbf in 2022, and was 8.0 million mbf in interim 2022 and interim 2023. CR/PR at Table III-8.

During the period of investigation, WWPA data showed that the domestic industry's practical softwood lumber capacity increased from 36.5 million mbf in 2014 and 2015 to 36.2 million mbf in 2016; it was 19.1 million mbf in interim 2017, compared with 18.4 million mbf in interim 2016. Based on questionnaires, the domestic industry's production capacity increased from *** mbf in 2014 to *** mbf in 2015 and *** mbf in 2016; it was *** mbf in interim 2017, compared with *** mbf in interim 2016. Confidential Original Determinations, EDIS Doc. 789387, at 58 n.211. We recognize that the Commission requested capacity data in the original investigations on a different basis than in these reviews, complicating comparisons of these data based on questionnaire responses. We also recognize that comparisons of the domestic industry's performance during the period of review to its performance during the original investigations may be influenced by differences in data coverage, although responding domestic producers accounted for the majority of domestic production of softwood lumber

review, by 12.0 percent from 2017 to 2022.²⁷¹ As the domestic industry's production increased at a slower rate than its capacity, however, the industry's capacity utilization decreased overall from 86.0 percent in 2017 to 84.0 percent in 2022.²⁷² The industry's production capacity was virtually the same in interim 2023 as in interim 2022, while the industry's production and capacity utilization rate were lower.²⁷³

Most of the domestic industry's employment-related indicators improved during the period of review. The number of production related workers ("PRWs"), wages paid, hourly wages, and hours worked all increased between 2017 and 2022.²⁷⁴ Productivity, however,

in both the original investigations and these reviews. See CR/PR at I-16; Original Determinations, USITC Pub. 4747 at 4.

²⁷¹ CR/PR at III-37. WWPA data shows that the domestic industry's production increased from 33.8 million mbf in 2017 to 34.9 million mbf in 2018, 35.2 million mbf in 2019, 36.9 million mbf in 2020, 37.3 million mbf in 2021, and 37.8 million mbf in 2022; it was 9.3 million mbf in interim 2023, compared with 9.5 million mbf in interim 2022. CR/PR at Table III-8. Based on questionnaires, the domestic industry's production increased from 22.8 million mbf in 2017 to 24.2 million mbf in 2018, 24.3 million mbf in 2019, 25.4 million mbf in 2020, 26.1 million mbf in 2021, and 26.4 million mbf in 2022; it was 6.5 million mbf in interim 2023, compared with 6.7 million mbf in interim 2022. See *id.*

During the period of investigation, WWPA data showed that the industry's production increased from 30.2 million mbf in 2014 and 2015 to 31.1 million mbf in 2016; it was 16.2 million mbf in interim 2017, compared with 15.8 million mbf in interim 2016. Based on questionnaires, the domestic industry's production increased from *** mbf in 2014 to *** mbf in 2015 and *** mbf in 2016; it was *** mbf in interim 2017, compared with *** mbf in interim 2016. Confidential Original Determinations, EDIS Doc. 789387, at 58 n.210.

²⁷² CR/PR at Table III-8. WWPA data show that the domestic industry's capacity utilization rate declined from 86.0 percent in 2017 to 85.0 percent in 2018 and 2019, increased to 86.0 percent in 2020, and then declined to 85.0 percent in 2021 and 84.0 percent in 2022. WWPA data were unavailable for the interim periods. See *id.* Based on questionnaires, the domestic industry's capacity utilization rate increased from 86.0 percent in 2017 to 87.4 percent in 2018, declined to 86.6 percent in 2019, increased to 87.2 percent in 2020, and then declined to 84.6 percent in 2021 and 83.0 percent in 2022; it was 81.8 percent in interim 2023, compared with 84.4 percent in interim 2022. See *id.*

During the period of investigation, WWPA data showed that the domestic industry's capacity utilization rate was 82.8 percent in 2014 and 2015, and 85.9 percent in 2016; it was 84.6 percent in interim 2017, compared with 85.9 percent in interim 2016. Based on questionnaires, the domestic industry's capacity utilization rate was *** percent in 2014, *** percent in 2015, and *** percent in 2016; it was *** percent in interim 2017, compared with *** percent in interim 2016. Confidential Original Determinations, EDIS Doc. 789387, at 58 n.212.

²⁷³ CR/PR at Table III-8.

²⁷⁴ CR/PR at Table III-37. The number of PRWs increased from 20,041 workers in 2017 to 21,816 workers in 2018, 22,081 workers in 2019, 22,689 workers in 2020, 23,370 workers in 2021, and 24,744 workers in 2022; it was 24,988 workers in interim 2023, compared with 24,896 workers in interim 2022. See *id.* During the period of investigation, the number of PRWs increased from *** workers in 2014 to *** workers in 2015 and *** workers in 2016; it was *** workers in interim 2017, compared with *** workers in interim 2016. CR/PR at Table C-3.

declined irregularly.²⁷⁵ PRWs, wages paid, hourly wages, and productivity were all higher in interim 2023 than in interim 2022, while hours worked were lower.²⁷⁶

The quantity of the domestic industry's total U.S. shipments²⁷⁷ and net sales²⁷⁸ increased between 2017 and 2022 but were lower in interim 2023 compared to interim 2022. The

Wages paid increased from \$1.1 billion in 2017 to \$1.2 billion in 2018, \$1.3 billion in 2019 and 2020, \$1.5 billion in 2021, and \$1.7 billion in 2022; they were \$428.3 million in interim 2023, compared with \$402.2 million in interim 2022. CR/PR at Table III-37. During the period of investigation, the industry's wages paid increased from \$*** in 2014 to \$*** in 2015 and \$*** in 2016; they were \$*** in interim 2017, compared with \$*** in interim 2016. CR/PR at Table C-3.

Hourly wages increased from \$25.65 in 2017, \$26.47 in 2018, \$27.26 in 2019, \$27.62 in 2020, \$28.66 in 2021, and \$31.00 in 2022; they were \$32.53 in interim 2023, compared with \$29.37 in interim 2022. CR/PR at Table III-37. During the period of investigation, the industry's hourly wages increased from \$*** in 2014 to \$*** in 2015 and \$*** in 2016; they were \$*** in interim 2017, compared with \$*** in interim 2016. CR/PR at Table C-3.

Hours worked increased from 43.4 million hours in 2017 to 46.6 million hours in 2018, 47.2 million hours in 2019, 47.6 million hours in 2020, 51.6 million hours in 2021, and 53.7 million hours in 2022; they were 13.2 million hours in interim 2023, compared with 13.7 million hours in interim 2022. CR/PR at Table III-37. During the period of investigation, the industry's hours worked increased from *** hours in 2014 to *** hours in 2015 and *** hours in 2016; they were *** hours in interim 2017, compared with *** hours in interim 2016. CR/PR at C-3.

²⁷⁵ CR/PR at III-37. Productivity in board feet per hour declined from 526 board feet in 2017 to 519 board feet in 2018 and 516 board feet in 2019, increased to 534 board feet in 2020, and then declined to 506 board feet in 2021 and 492 board feet in 2022; it was 496 board feet in interim 2023, compared with 491 board feet in interim 2022. *See id.* During the period of investigation, the industry's productivity in thousands of board feet per hour increased from *** thousand board feet in 2014 and 2015 to *** thousand board feet in 2016; it was *** thousand board feet in interim 2016 and interim 2017. CR/PR at Table C-3.

²⁷⁶ CR/PR at Table III-37.

²⁷⁷ WWPA data show that the domestic industry's U.S. shipments increased from 32.1 million mbf in 2017 to 33.1 million mbf in 2018, 33.9 million mbf in 2019 and 35.9 million mbf in 2020, declined to 35.8 million mbf in 2021, and then increased to 36.4 million mbf in 2022; they were 8.9 million mbf in interim 2023, compared with 9.1 million mbf in interim 2022. CR/PR at Table III-11. Based on questionnaires, the domestic industry's U.S. shipments increased from 22.5 million mbf in 2017 to 23.8 million mbf in 2018, 24.1 million mbf in 2019, 25.4 million mbf in 2020, 25.7 million mbf in 2021, and 26.1 million mbf in 2022; they were 6.4 million mbf in interim 2023, compared with 6.5 million mbf in interim 2022. CR/PR at Table III-12.

During the period of investigation, WWPA data, adjusted to reflect the related party exclusions, showed that the industry's U.S. shipments increased from *** mbf in 2014 to *** mbf in 2015 and *** mbf in 2016; they were *** mbf in interim 2017, compared with *** mbf in interim 2016. Based on questionnaires, the industry's U.S. shipments increased from *** mbf in 2014 to *** mbf in 2015 and *** mbf in 2016; they were *** mbf in interim 2017, compared with *** mbf in interim 2016. CR/PR at Table C-3.

²⁷⁸ CR/PR at Table III-38. The domestic industry's net sales increased from 22.5 million mbf in 2017 to 23.9 million mbf in 2018, 24.1 million mbf in 2019, 25.4 million mbf in 2020, 25.7 million mbf in

domestic industry's share of apparent U.S. consumption increased 1.7 percentage points from 67.0 percent in 2017 to 68.7 percent in 2022, and was 0.5 percentage points lower in interim 2023 at 69.4 percent, compared with interim 2022 at 69.9 percent.²⁷⁹ The industry's end-of-period inventories, both in absolute terms and as a share of U.S. shipments, increased irregularly from 2017 to 2022, and was somewhat higher in interim 2023 than in interim 2022.²⁸⁰

The domestic industry's financial performance indicia fluctuated but improved overall from 2017 to 2022, but were weaker in interim 2023 compared to interim 2022. The domestic

2021, and 26.1 million mbf in 2022; they were 6.4 million mbf in interim 2023, compared with 6.5 million mbf in interim 2022. *See id.*

During the period of investigation, the industry's net sales increased from *** mbf in 2014 to *** mbf in 2015 and *** mbf in 2016; they were *** mbf in interim 2017, compared with *** mbf in interim 2016. CR/PR at Table C-3.

²⁷⁹ CR/PR at Table I-14. The domestic industry's share of apparent U.S. consumption increased from 67.0 percent in 2017 to 68.1 percent in 2018 and 69.5 percent in 2019, declined to 69.2 percent in 2020 and 68.0 percent in 2021, and then increased to 68.7 percent in 2022; it was 69.4 percent in interim 2023, compared with 69.9 percent in interim 2022. *See id.*

During the period of investigation, the industry's share of apparent U.S. consumption declined from *** percent in 2014 to *** percent in 2015 and *** percent in 2016; it was *** percent in interim 2017, compared with *** percent in interim 2016. CR/PR at Table C-3.

²⁸⁰ CR/PR at Table III-14. The domestic industry's end-of-period inventories increased from 1.4 million mbf in 2017 to 1.6 million mbf in 2018, decreased to 1.5 million mbf in 2019 and 1.4 million mbf in 2020, and then increased to 1.5 million mbf in 2021 and 1.7 million mbf in 2022; they were 1.8 million mbf in interim 2022 and interim 2023. As a share of U.S. shipments, they increased from 6.4 percent in 2017 to 6.6 percent in 2018, decreased to 6.4 percent in 2019 and 5.6 percent in 2020, and then increased to 6.0 percent in 2021 and 6.4 percent in 2022; they were 6.9 percent in interim 2023, compared with 6.8 percent in interim 2022. *See id.*

During the period of investigation, the domestic industry's end-of-period inventories increased from *** mbf in 2014 to *** mbf in 2015 and 2016; they were *** mbf in interim 2023, compared with *** mbf in interim 2022. As a share of U.S. shipments, they decreased from *** percent in 2014 to *** percent in 2015 and *** percent in 2016; they were *** percent in interim 2017, compared with *** percent in interim 2016. CR/PR at Table C-3.

industry's net sales revenues,²⁸¹ gross profits,²⁸² operating income,²⁸³ operating margin,²⁸⁴ net income,²⁸⁵ net income margin,²⁸⁶ all increased irregularly between 2017 and 2022, generally increasing between 2017 and 2018, decreasing in 2019, increasing in 2020 and 2021, and then decreasing in 2022. These measures were all lower interim 2023 than in interim 2022. The domestic industry's COGS to net sales ratio irregularly declined over the period of review, from 76.9 percent in 2017 to 59.3 percent in 2022, and was substantially higher in interim 2023 at

²⁸¹ Net sales revenues increased from \$9.5 billion in 2017 to \$11.0 billion in 2018, decreased to \$9.1 billion in 2019, increased to \$13.3 billion in 2020 and \$19.6 billion in 2021, before decreasing to \$18.7 billion in 2022; they were \$2.9 billion in interim 2023, compared with \$6.7 billion in interim 2022. CR/PR at Table III-38. During the period of investigation, the industry's net sales revenues decreased from \$*** in 2014 to \$*** in 2015, and then increased to \$*** in 2016; they were \$*** in interim 2017, compared with \$*** in interim 2016. CR/PR at Table C-3.

²⁸² Gross profits increased from \$2.2 billion in 2017 to \$2.7 billion in 2018, decreased to \$1.3 billion in 2019, increased to \$4.7 billion in 2020 and \$9.9 billion in 2021, and then decreased to \$7.6 billion in 2022; they were \$224.0 million in interim 2023, compared with \$4.0 billion in interim 2022. CR/PR at Table III-38. During the period of investigation, the industry's gross profits decreased from \$*** in 2014 to \$*** in 2015, and then increased to \$*** in 2016; they were \$*** in interim 2017, compared with \$*** in interim 2016. CR/PR at Table C-3.

²⁸³ Operating income increased from \$1.7 billion in 2017 to \$2.2 billion in 2018, decreased to \$731.1 million in 2019, increased to \$4.0 billion in 2020 and \$9.2 billion in 2021, and then decreased to \$6.8 billion in 2022; it was \$20.4 million in interim 2023, compared with \$3.8 billion in interim 2022. CR/PR at Table III-38. During the period of investigation, the industry's operating income decreased from \$*** in 2014 to \$*** in 2015, and then increased to \$*** in 2016; it was \$*** in interim 2017, compared with and \$*** in interim 2016. CR/PR at Table C-3.

²⁸⁴ The domestic industry's operating income margin increased from 18.3 percent in 2017 to 19.9 percent in 2018, decreased to 8.1 percent in 2019, increased to 30.2 percent in 2020 and 46.7 percent in 2021, and then decreased to 36.2 percent in 2022; it was 0.7 percent in interim 2023, compared with 55.9 percent in interim 2022. CR/PR at Table III-38. During the period of investigation, the industry's operating income margin decreased from *** percent in 2014 to *** percent in 2015, and then increased to *** percent in 2016; it was *** percent in interim 2017, compared with *** percent in interim 2022. CR/PR at Table C-3.

²⁸⁵ Net income increased from \$1.5 billion in 2017 to \$1.9 billion in 2018, decreased to \$497.1 million in 2019, increased to \$3.9 billion in 2020 and \$9.1 billion in 2021, and then decreased to \$6.4 billion in 2022; it had a net loss of \$28.3 million in interim 2023, compared with a net income of \$3.7 billion in interim 2022. CR/PR at Table III-38. During the period of investigation, the industry's net income decreased from \$*** in 2014 to \$*** in 2015, and then increased to \$*** in 2016; it was \$*** in interim 2017, compared with \$*** in interim 2016. CR/PR at Table C-3.

²⁸⁶ The domestic industry's net income margin increased from 16.3 percent in 2017 to 17.6 percent in 2018, decreased to 5.5 percent in 2019, increased to 29.4 percent in 2020 and 46.6 percent in 2021, and then decreased to 34.5 percent in 2022; it was negative 1.0 percent in interim 2023, compared with 54.9 percent in interim 2022. CR/PR at Table III-38. During the period of investigation, the industry's net income margin decreased from *** percent in 2014 to *** percent in 2015, and then increased to *** percent in 2016; it was *** percent in interim 2017, compared with *** percent in interim 2016. CR/PR at Table C-3.

92.2 percent than in interim 2022 at 41.1 percent.²⁸⁷ Its capital expenditures and research and development expenses increased by 183.4 percent and *** percent, respectively, from 2017 to 2022. Capital expenditures were lower in interim 2023 than in interim 2022, while research and development expenses were higher.²⁸⁸ The industry's assets and return on assets both increased from 2017 to 2022 by 104.6 percent and 30.9 percentage points, respectively.²⁸⁹

In assessing the vulnerability of the domestic industry, we observe that most measures of the domestic industry's performance, including production, employment, and financial indicators such as operating and net income margins, improved over the period of review, reaching their highest levels in 2021. In light of the foregoing, including the industry's generally strong performance in 2022, we do not find that the domestic industry is currently in a vulnerable condition. We observe, however, that the industry's performance indicators were

²⁸⁷ CR/PR at Table III-38. The domestic industry's COGS to net sales ratio decreased from 76.9 percent in 2017 to 75.2 percent in 2018, increased to 85.4 percent in 2019, decreased to 64.9 percent in 2020 and 49.6 percent in 2021, and then increased to 59.3 percent in 2022; it was 92.2 percent in interim 2023, compared with 41.1 percent in interim 2022. *See id.* During the period of investigation, the industry's COGS to net sales ratio increased from *** percent in 2014 to *** percent in 2015, and then decreased to *** percent in 2016; it was *** percent in interim 2017, compared with *** percent in interim 2016. CR/PR at Table C-3.

²⁸⁸ CR/PR at Tables III-43, C-1. Capital expenditures increased from \$662.5 million in 2017 to \$1.1 billion in 2018 and \$1.2 billion in 2019, decreased to \$830.2 million in 2020, and then increased to \$1.1 billion in 2021 and \$1.9 billion in 2022; they were \$261.7 million in interim 2023, compared with \$408.0 million in interim 2022. *See id.* During the period of investigation, the industry's capital expenditures increased from \$*** in 2014 to \$*** in 2015, and then decreased to \$*** in 2016; they were \$*** in interim 2017, compared with \$*** in interim 2016. CR/PR at Table C-3.

Research and development expenses increased from \$*** in 2017 to \$*** in 2018, decreased to \$*** in 2019 and \$*** in 2020, and then increased to \$*** in 2021 and \$*** in 2022; they were \$*** in interim 2023, compared with \$*** in interim 2022. CR/PR at Table III-45. During the period of investigation, the industry's research and development expenses were \$9.5 million in 2014, \$8.9 million in 2015, and \$3.1 million in 2016; they were \$1.1 million in interim 2017, compared with \$1.9 million in interim 2016. Original Determinations, USITC Pub. 4749 at Table VI-5.

²⁸⁹ The industry's assets increased from \$5.1 billion in 2017 to \$6.1 billion in 2018, \$6.8 billion in 2019, \$7.6 billion in 2020, \$9.2 billion in 2021, and \$10.4 billion in 2022. Its return on assets increased from 34.2 percent in 2017 to 35.8 percent in 2018, decreased to 10.8 percent in 2019, increased to 53.1 percent in 2020 and 99.2 percent in 2021, and then decreased to 65.1 percent in 2022. CR/PR at Table III-47. During the period of investigation, the industry's assets increased from \$4.0 billion in 2014 to \$4.4 billion in 2015 and \$5.0 billion in 2016. Its return on assets decreased from 28.2 percent in 2014 to 9.0 percent in 2015, before increasing to 16.8 percent in 2016. Original Determinations, USITC Pub. 4749 at Table VI-6.

markedly lower in interim 2023 than in interim 2022, as demand softened²⁹⁰ and prices declined.²⁹¹

As detailed above, since imposition of the orders in January 2018, the domestic industry's performance has improved and was stronger in 2022 than in 2016, the last year of the period of investigation, by every measure. These improvements in the industry's performance coincided with declining subject import volume and market share and increasing prices. Unlike during the original investigations, domestic producers were able to pass on rising costs through higher prices and increase their profitability during the period of review. That subject imports declined irregularly by 10.5 percent and lost 5.7 percentage points of market share from 2017 to 2022, as apparent U.S. consumption increased by 10.6 percent, indicates that the orders have had a restraining effect, which has benefitted the industry.²⁹² While increasing demand and generally increasing prices for softwood lumber during the period of review were of benefit to the domestic industry, improvements in the state of the domestic industry during the period of review are, at least in part, related to the orders.

As discussed above, we have found that the volume of subject imports would likely be significant if the orders under review were revoked, and that subject imports would likely use lower prices to gain sales in the U.S. market, forcing the domestic industry to either cut prices or forgo price increases, or else lose sales and market share to subject imports. Consequently, the likely significant volume of low-priced subject imports and their significant price effects would likely adversely impact the production, shipments, and revenues of the domestic industry, which, in turn, would have an adverse impact on the industry's profitability and employment, as well as its ability to raise capital and make and maintain necessary investments. We conclude that, if the orders were revoked, subject imports would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

We have considered the likely role of nonsubject imports in the U.S. market. Nonsubject imports increased during the period of review both in terms of volume and market share, accounting for 7.2 percent of apparent U.S. consumption in 2022.²⁹³ Nonsubject imports

²⁹⁰ See *infra* n. 133 (information submitted by the parties indicate that demand for softwood lumber has softened).

²⁹¹ CR/PR at V-27; *see also* Coalition Posthearing Br. at Exhibit 65 (demonstrating that the financial performance of six domestic producers have not improved since interim 2023).

²⁹² CR/PR at Table I-14, D-43-61.

²⁹³ CR/PR at Tables I-14. Nonsubject import volume increased from 1.6 million mbf in 2017 to 2.0 million mbf in 2018 and 2019, 2.8 million mbf in 2020, 3.1 million mbf in 2021, and 3.8 million mbf in 2022; it was 1.1 million mbf in interim 2023, compared with 846,420 mbf in interim 2022. *See id.* Nonsubject imports' share of apparent U.S. consumption increased from 3.2 percent in 2017 to 4.1

increased as Europe faced a spruce bark beetle infestation, increasing European lumber producers' annual fiber harvest and lowering fiber costs in Europe. As lumber demand in Europe softened, their exports of softwood lumber to the U.S. market increased.²⁹⁴ While it is unclear whether nonsubject imports will remain in the U.S. market in the reasonably foreseeable future, there is no evidence that the presence of nonsubject imports would prevent subject imports from increasing after revocation, particularly in light of the size and export orientation of the Canadian industry and the importance of the U.S. market to subject producers. Given the domestic industry's large share of the U.S. market, 68.7 percent in 2022, as well as the at least moderate degree of substitutability between the domestic like product and subject imports and importance of price in purchasing decisions, the significant increase in subject imports that is likely after revocation would come in large part at the domestic industry's expense and/or depress or suppress prices for the domestic like product. For these reasons, we find that subject imports would likely cause adverse effects on the domestic industry that are distinct from any effects attributable to nonsubject imports in the event of revocation.²⁹⁵

percent in 2018 and 2019, 5.5 percent in 2020, 6.0 percent in 2021, and 7.2 percent in 2022, and was higher in interim 2023, at 8.5 percent, than in interim 2022, at 6.5 percent. *See id.*

²⁹⁴ Canadian Respondent Prehearing Br. at Exhibit 15 pp. 42, 53 (***), Exhibit 20 ("A European spruce beetle epidemic killing a large portion of Europe's forest" is "pulling forward European timber/lumber production and a significant portion is being exported to the U.S." and that because "Europe has to harvest now or lose their inventory. . . they are selling at discounted prices"); Coalition Prehearing Br. at Exhibit 5 pp. 6, 18 (***), Exhibit 6 p. 88 (***), Exhibit 44 (discussing the spruce beetle outbreak in Europe, which caused an increase in harvests, lumber production, and lumber exports and declining prices).

²⁹⁵ We find no merit to Joint Respondent's argument that subject imports would simply replace nonsubject imports if subject imports were to increase after revocation, causing no adverse impact to the domestic industry. Canadian Respondents Prehearing Br. at 92; Canadian Respondents Posthearing Br. at Responses to Questions pp. 100-108. Joint Respondents base this argument upon their view that SYP and SPF are not substitutable, and that nonsubject imports from Europe, consisting primarily of a spruce species similar to SPF, filled the supply gap as subject imports receded from the U.S. market during the period of review. *See id.* As previously discussed in section III.B.2, however, most market participants reported some degree of interchangeability between the domestic like product and subject imports, and most purchasers reported that they or their customers had changed species purchased for a particular end use based on price and availability. Further, requests for quotes by customers, submitted by Domestic Producers, including from one of the largest purchasers (***), as well as information from leading industry publications show that purchasers substituted between species based on price and availability. Coalition Prehearing Br. at 25-29 & Exhibits 14-19; Sierra Pacific Prehearing Br. at 27, Exhibits 39-42; Sierra Pacific Posthearing Br. at Responses to Questions pp. 34-36, Exhibits 31 & 52-53. Moreover, the record indicates that most nonsubject imports consisted of fir and spruce that had an average unit value lower than that of Canadian SPF in 2022. Staff Nonsubject Import Worksheet,

We have also considered the likely effects of demand trends on the domestic industry. Apparent U.S. consumption increased from 2017 to 2022, but was lower in interim 2023 compared to interim 2022.²⁹⁶ Responding firms generally reported decreased U.S. demand since January 1, 2023 and expect that demand will continue to decline.²⁹⁷ The significant volume of low-priced subject imports that is likely after revocation would exacerbate any injury caused by weak or declining demand, and negatively impact the domestic industry by further reducing the industry's sales and placing additional downward pressure on domestic prices. Given these considerations, we find that the likely effects attributable to subject imports are distinguishable from any likely effects of demand if the orders were revoked.

In sum, we conclude that, if the orders were revoked, subject imports from Canada would likely have a significant impact on the domestic industry within a reasonably foreseeable time.

EDIS Doc. 808574. To the extent that subject imports would replace nonsubject imports upon revocation as Joint Respondents contend, they would do so on the basis of price and, as a consequence of the price transparency that exists in the U.S. market, have depressing and/or suppressing effects on domestic prices.

²⁹⁶ CR/PR at Table I-14.

²⁹⁷ CR/PR at Table II-7. As previously noted, information submitted by the parties indicate that demand for softwood lumber has softened and will remain relatively weaker at least through 2024, before increasing again. *See, e.g.,* Canadian Respondents Prehearing Br. at Exhibit 15 pp. 45-46 (expecting North American softwood lumber demand to decline in 2023 and remain flat in 2024 before rebounding in 2025 through 2027); Canadian Respondents Posthearing Br. at Exhibit 24 p. 61 (**); West Fraser Posthearing Submission at Exhibit 7 p. 44 (softwood lumber consumption will “continue to weaken in 2023,” and “will remain relatively weak through 2024,” but by 2025 the decline in consumption will end and remain on an “upward trajectory through 2027”); Coalition Prehearing Br. at Exhibit 3 pp. 9, (“North American lumber market conditions faced continued downward pressure through most of the second quarter of 2023,” and “[l]ooking ahead, the outlook for North America remains uncertain as positive longer-term lumber market fundamental continue to be challenged by short-term affordability constraints”).

IV. Conclusion

For the above reasons, we determine that revocation of the antidumping and countervailing duty orders on softwood lumber products from Canada would be likely to lead to continuation or recurrence of material injury to an industry in the United States within a reasonably foreseeable time.

Part I: Introduction

Background

On December 1, 2022, the U.S. International Trade Commission (“Commission” or “USITC”) gave notice, pursuant to section 751(c) of the Tariff Act of 1930, as amended (“the Act”),¹ that it had instituted reviews to determine whether revocation of the antidumping and countervailing duty orders on softwood lumber products (“softwood lumber”) would likely lead to the continuation or recurrence of material injury to a domestic industry.^{2 3} On March 6, 2023, the Commission determined that it would conduct full reviews pursuant to section 751(c)(5) of the Act.⁴ Table I-1 presents information relating to the background and schedule of this proceeding.⁵

Table I-1

Softwood lumber: Information relating to the background and schedule of this proceeding

Effective date	Action
January 3, 2018	Commerce’s countervailing and antidumping duty orders on softwood lumber from Canada (83 FR 347 and 350, January 3, 2018)
December 1, 2022	Commission’s institution of five-year reviews (87 FR 73778, December 1, 2022)
December 1, 2022	Commerce’s initiation of five-year reviews (87 FR 73757, December 1, 2022)
March 6, 2023	Commission’s determinations to conduct full five-year reviews (88 FR 16458, March 17, 2023)
April 3, 2023	Commerce’s final results of expedited five-year review of the countervailing duty order (88 FR 19613, April 3, 2023)
April 6, 2023	Commerce’s final results of expedited five-year review of the antidumping duty order (88 FR 20479, April 6, 2023)
April 13, 2023	Commission’s scheduling of the reviews (88 FR 23690, April 18, 2023)
October 12, 2023	Commission’s hearing
November 30, 2023	Commission’s vote
December 21, 2023	Commission’s determinations and views

¹ 19 U.S.C. 1675(c).

² 87 FR 73778, December 1, 2022. All interested parties were requested to respond to this notice by submitting the information requested by the Commission.

³ In accordance with section 751(c) of the Act, the U.S. Department of Commerce (“Commerce”) published a notice of initiation of five-year reviews of the subject antidumping and countervailing duty orders. 87 FR 73757, December 1, 2022.

⁴ 88 FR 16458, March 17, 2023. The Commission found that both the domestic interested party and respondent interested party group responses to its notice of institution were adequate and determined to conduct full reviews of the orders.

⁵ The Commission’s notice of institution, notice to conduct full reviews and scheduling notice are referenced in appendix A and may also be found at the Commission’s web site (www.usitc.gov). Commissioners’ votes on whether to conduct expedited or full reviews may also be found at the web site. The list of witnesses that appeared at the Commission’s hearing is presented in Appendix B.

The original investigations and remand proceeding

The original investigations resulted from petitions filed on November 25, 2016, with Commerce and the Commission by the Committee Overseeing Action for Lumber International Trade Investigations or Negotiations (the “Coalition”).⁶ ⁷ On November 8, 2017, Commerce determined that imports of softwood lumber from Canada were being sold at less than fair value (“LTFV”) and subsidized by the Government of Canada.⁸ The Commission determined on December 22, 2017 that the domestic industry was materially injured by reason of imports of softwood lumber products from Canada.⁹ On January 3, 2018, Commerce issued its antidumping and countervailing duty orders with the final weighted-average dumping margins ranging from 3.20 to 7.28 percent and net subsidy rates ranging from 3.34 to 17.99 percent.¹⁰

Respondents Government of Canada, Government of Alberta, Government of British Columbia, Government of Ontario, Government of Quebec, Alberta Softwood Lumber Trade Council (“ASLTC”), British Columbia Lumber Trade Council (“BCLTC”), Canfor Corporation, J.D.

⁶ The Coalition consisted of the following members at the time: U.S. Lumber Coalition, Inc.; Carpenters Industrial Council; Collum’s Lumber Products, L.L.C.; Giustina Land and Timber Company; Hankins, Inc.; Potlach Corp.; Rex Lumber Company; Seneca Sawmill Company; Sierra Pacific Industries (“Sierra Pacific”); Stimson Lumber Company (“Stimson Lumber”); Sullivan Forestry Consultants, Inc.; Swanson Group; and Weyerhaeuser Company (“Weyerhaeuser”).

⁷ Softwood Lumber from Canada, Inv. Nos. 701-TA-566 and 731-TA-1342 (Final), USITC Publication 4749, December 2017 (“Original publication”), p. I-1.

⁸ 82 FR 51806 and 51814, November 8, 2017.

⁹ 82 FR 61587, December 28, 2017. The Commission also found that imports subject to Commerce’s affirmative critical circumstances determination were not likely to undermine seriously the remedial effect of the order on Canada.

¹⁰ 83 FR 347 and 350, January 3, 2018. During an expedited review of the CVD order, Commerce determined a de minimis countervailable subsidy rate for five companies and their cross-owned affiliates: Les Produits Forestiers D&G Ltée, Marcel Lauzon Inc., North American Forest Products Ltd., Roland Boulanger & Cie Ltée, and Scierie Alexandre Lemay & Fils Inc., and thus these companies were excluded from the CVD order. 84 FR 32121, July 5, 2019. The Coalition appealed Commerce’s final results of the expedited review to the Court of International Trade (“CIT”), challenging Commerce’s authority to conduct countervailing duty expedited reviews. The CIT remanded the matter back to Commerce for reconsideration. *Committee Overseeing Action for Lumber Int’l Trade Investigations or Negotiations v. United States*, 483 F. Supp. 3d 1253 (Ct. Int’l Trade 2020). Following a remand redetermination, Commerce ordered that the companies excluded from the CVD order as a result of the expedited review be reinstated under the CVD order prospectively. 86 FR 48396, August 30, 2021. However, on April 25, 2023, the United States Court of Appeals for the Federal Circuit reversed the CIT’s decision, holding that Commerce had authority to adopt an expedited review process and remanded the case back to the CIT for further proceedings. *Committee Overseeing Action for Lumber Int’l Trade Investigations or Negotiations v. United States*, 66 F.4th 968 (Fed. Cir. 2023). This case is currently pending before the CIT.

Irving, Ltd. (“J.D. Irving”), West Fraser Mills Ltd. (“West Fraser”), Western Forest Products Inc., Resolute FP Canada Inc., Conseil de l'Industrie forestière du Québec (“CIFQ”), and the Ontario Forest Industries Association (“OFIA”) contested the Commission's determinations concerning subject imports from Canada before a bi-national Panel established pursuant to Article 1904 of the North American Free Trade Agreement (“NAFTA”). The Panel affirmed in part and remanded in part the Commission's determinations. Specifically, the Panel directed the Commission to reconsider certain aspects of its analysis and findings concerning the conditions of competition, post-petition data, and the volume of subject imports and their price effects.¹¹ On remand, the Commission again determined that an industry in the United States was materially injured by reason of imports of softwood lumber from Canada found by Commerce to be sold in the United States at LTFV and to be subsidized by the government of Canada.¹² In May 2022, the Panel issued a final decision affirming the Commission’s remand determinations in their entirety.¹³

¹¹ Softwood Lumber from Canada, Secretariat File No. USA-CDA-2018-1903-03, Interim Decision and Order of the Panel (September 4, 2019); 84 FR 51175, September 27, 2019.

¹² Softwood Lumber from Canada, Inv. Nos. 701-TA-566 and 731-TA-1342 (Final) (Remand), USITC Publication 5010, December 2019, p. 1.

¹³ Softwood Lumber from Canada, Secretariat File No. USA-CDA-2018-1903-03, Final Decision and Order of the Panel (May 22, 2020).

Previous and related investigations

The Commission has conducted several previous investigations on softwood lumber dating back to 1981. Softwood lumber initially was the subject of investigations at the Commission under sections 332 and 703 of the Tariff Act of 1930 (“the Act”). In December 1981, in response to a request from the Committee on Finance of the U.S. Senate and the Chairman of the Ways and Means Subcommittee on Trade of the U.S. House of Representatives, the Commission instituted investigation No. 332-134, concerning conditions relating to the importation of softwood lumber into the United States.¹⁴ In March 1985, at the request of the Office of the United States Trade Representative (“USTR”), the Commission instituted investigation No. 332-210 to update that earlier study. The Commission's report in the latter investigation was issued in October 1985.¹⁵

Lumber I (Inv. No. 701-TA-197)

In October 1982, the Coalition filed a countervailing duty (“CVD”) petition with the Commission and Commerce. In November 1982, the Commission preliminarily determined that there was a reasonable indication that an industry in the United States was materially injured by reason of the allegedly subsidized imports of softwood lumber from Canada.¹⁶ However, in May 1983, Commerce issued a final negative determination and the Commission’s investigation was terminated.¹⁷ In its determination, Commerce found that Canadian stumpage programs did not confer a subsidy within the meaning of the Act because they were not provided to a specific enterprise or industry or group of enterprises or industries and because they did not confer domestic subsidies under the terms of the Act.¹⁸

¹⁴ Conditions Relating to the Importation of Softwood Lumber Into the United States, USITC Publication 1241, April 1982.

¹⁵ Conditions Relating to the Importation of Softwood Lumber Into the United States, USITC Publication 1765, October 1985.

¹⁶ 47 FR 54183, December 1, 1982. Softwood Lumber from Canada, Inv. No. 701-TA-197 (Preliminary), USITC Publication 1320, November 1982.

¹⁷ 48 FR 24159, May 31, 1983.

¹⁸ Stumpage is defined as “the value of standing timber,” or “uncut marketable timber” and “the right to cut it.” The word is derived from two words, “stump” and “age,” meaning that more value is added over time as a tree increases in size “on the stump.” The main way to sell timber for lumber is through stumpage, selling only the standing timber, and the harvesting and processing is the responsibility of the buyer. Canadian stumpage rates are set by the provincial government where the harvest takes place.

Lumber II (Inv. No. 701-TA-274)

In May 1986, the Coalition¹⁹ filed a second CVD petition with the Commission and Commerce. In July 1986, the Commission preliminarily determined that there was a reasonable indication that an industry in the United States was materially injured by reason of the allegedly subsidized imports of softwood lumber from Canada.²⁰ In October 1986, Commerce made an affirmative preliminary determination.²¹ As a result of Commerce's affirmative determination, the Commission instituted a final phase of the investigation in October 1986.

Memorandum of Understanding

On December 30, 1986, prior to Commerce's final determination in the Lumber II investigation, the Governments of the United States and Canada arrived at a settlement of the dispute regarding the existence and level of subsidies and entered a Memorandum of Understanding on Softwood Lumber ("MOU"). Under the MOU, the Government of Canada agreed to impose a 15-percent export charge on certain softwood lumber products. The charge could be reduced or eliminated for exports from those provinces that instituted replacement measures increasing the fee charged on the harvest of timber or other replacement measures (e.g., silvicultural work).²² In exchange for Canada's agreement to collect an export charge under the MOU, the U.S. lumber industry withdrew its petition, and Commerce and the Commission terminated their investigations.²³

¹⁹ At that time, the Coalition's members included the National Forest Products Association, the Northeastern Lumber Manufacturers Association, the Northwest Independent Forest Manufacturers, the Western Wood Products Association, the Western Forest Industries Association, and the Southeastern Lumber Manufacturers Association. These associations represented companies accounting for more than 70 percent of U.S. softwood lumber production in 1985. Additionally, the following state associations were members of the Coalition: the Alabama Forestry Association, the Arkansas Forestry Association, and the Lumber Manufacturers Association of Virginia.

²⁰ Softwood Lumber from Canada, Inv. No. 701-TA-274 (Preliminary), USITC Publication 1874, July 1986.

²¹ 51 FR 37453, October 22, 1986.

²² Softwood lumber produced in the Maritime Provinces (New Brunswick, Newfoundland, Nova Scotia, and Prince Edward Island) from timber harvested in the Maritime Provinces was exempted from the MOU and was similarly exempted from the subsequent 1991-1992 Lumber III investigations (Inv. No. 701-TA-312 (Final)).

²³ 52 FR 315, January 5, 1987 and 52 FR 1535, January 14, 1987.

Lumber III (Inv. No. 701-TA-312)

In response to the Government of Canada's announcement that, effective October 4, 1991, it would terminate the MOU concerning softwood lumber exports from Canada that had been in effect since December 30, 1986, the U.S. Government, via USTR, announced that Commerce would be self-initiating a CVD investigation to determine whether Canadian softwood lumber was being subsidized and whether subsidized lumber imports materially injured or threatened to materially injure an industry in the United States.²⁴ At the same time, USTR announced that it would initiate an investigation under section 302 of the Trade Act of 1974 with respect to certain acts, policies, and practices of the Government of Canada affecting exports to the United States of softwood lumber.²⁵ As a part of that action, USTR announced that the United States had determined that it was appropriate, as of October 4, 1991, to withhold or extend liquidation of entries of imports of softwood lumber products originating in certain Provinces and territories of Canada, until the completion of Commerce's CVD investigation. To maintain the status quo, it was determined that imports of softwood lumber products originating in certain Provinces and territories of Canada would be subject to contingent, temporary duties of up to 15 percent ad valorem. The imposition of those duties was contingent upon affirmative final subsidy and injury determinations in the CVD investigation.²⁶

In May 1992, Commerce made a final determination that prices charged by Canada's provincial governments for the timber used in softwood lumber provided countervailable subsidies to their lumber producers. Additionally, Commerce determined that the Province of British Columbia's export ban on logs provided a quantifiable benefit to Canadian lumber producers. The total net subsidy rate for these programs was determined to be 6.51 percent.²⁷ In June 1992, the Commission determined that U.S. producers were being materially injured by reason of subsidized imports of softwood lumber from Canada.²⁸

²⁴ 56 FR 56055, October 31, 1991.

²⁵ 56 FR 50738, October 8, 1991.

²⁶ The Secretary of the Treasury was instructed to impose the following bonding requirements: for softwood lumber originating from the province of Quebec, a single entry bond in the amount of 6.2 percent of the entered value of entries filed before November 1, 1991, and 3.1 percent of the entered value of entries filed on or after November 1, 1991; for such products originating in other listed Provinces, except British Columbia, a single entry bond in the amount of 15 percent of the entered value; and for such products originating in the province of British Columbia, zero rate of duty. (56 FR 50738, October 8, 1991). No bonding requirement was imposed on imports from the Maritime Provinces.

²⁷ 57 FR 22570, May 28, 1992.

²⁸ 57 FR 31389, July 15, 1992.

Canada subsequently requested a review of Commerce's decision by a binational dispute resolution panel under the Canadian Free Trade Agreement ("CFTA") as well as a panel review of the Commission's final determination. In May 1993, the panel reviewing Commerce's determination affirmed the decision in part and remanded it in part to Commerce, noting the reasons why it was not supported by substantial evidence or otherwise in accordance with law.²⁹ Commerce issued a remand determination, and in December 1993, the panel affirmed it in part and remanded it in part.³⁰

In July 1993, a different panel reviewing the Commission's final determination affirmed the Commission's final determination in part and remanded it in part.³¹ In October 1993, the Commission issued its remand determination in which it again found that the domestic industry was experiencing present material injury by reason of subsidized imports of softwood lumber from Canada.³² In January 1994, the panel affirmed the Commission's remand determination in part, but also found that two aspects of the Commission's analysis were not supported by substantial evidence or were otherwise not in accordance with the law.³³ In March 1994, the Commission issued its second remand determination and again found present material injury.³⁴ In July 1994, the binational panel once again remanded the Commission's determination, holding that the decision in part was "not supported by substantial evidence on the record and is inconsistent with previous rulings of the Panel."³⁵

In the meantime, in January 1994, Commerce filed its second remand determination, finding that the Provincial stumpage programs and log export restrictions did not constitute countervailable subsidies. The binational panel upheld Commerce's decision in February 1994, and, in April 1994, the United States lodged an extraordinary challenge to the panel's action.

²⁹ Binational Panel, In the Matter of: Softwood Lumber from Canada, Secretariat Case No. USA-92-1904-1, May 6, 1993.

³⁰ Binational Panel, In the Matter of: Softwood Lumber from Canada, Decision of the Panel on Remand, Binational Secretariat Case No. USA-92-1904-1, December 17, 1993.

³¹ Binational Panel, In the Matter of: Softwood Lumber from Canada, Secretariat Case No. USA-92-1904-2, July 26, 1993.

³² Softwood Lumber from Canada, Inv. No. 701-TA-312 (Remand), USITC Publication 2689, October 1993.

³³ Binational Panel, In the Matter of: Softwood Lumber from Canada, Decision of the Panel on Review of the Remand Determination of the U.S. International Trade Commission, Secretariat Case No. USA-92-1904-2, January 28, 1994.

³⁴ Softwood Lumber from Canada, Inv. No. 701-TA-312 (Second Remand), USITC Publication 2753, March 1994.

³⁵ Binational Panel, In the Matter of: Softwood Lumber from Canada, Decision of the Panel on Review of the U.S. International Trade Commission's Second Remand Determination, Secretariat Case No. USA-92-1904-2, July 6, 1994.

In August 1994, the three judge committee that heard the extraordinary challenge of the panel's opinions in the Commerce proceedings dismissed the U.S. request on the grounds that the standards for an extraordinary challenge had not been met.³⁶ As a result, Commerce's negative CVD determination on remand went into effect on August 5, 1994, and consequently, the Commission's investigation was terminated before the issuance of a third remand determination.

Softwood Lumber Agreement of 1996

On May 29, 1996, the United States and Canada formally entered into a five-year Softwood Lumber Agreement ("1996 SLA"),³⁷ which established annual allocations and fees for the softwood lumber exports of the Canadian provinces of British Columbia, Quebec, Alberta, and Ontario.³⁸ The agreement stipulated that up to 14.7 billion board feet of softwood lumber could be exported annually without fees (i.e., export tax); for quantities between 14.7 billion and 15.35 billion board feet, a fee of \$50 per 1,000 board feet would be assessed; and a fee of \$100 per 1,000 board feet would be assessed for exports in excess of 15.35 billion board feet per year. The Government of Canada was responsible for allocating export allowances to the four provinces. Each province had an allocation, and exports of amounts over the allocation were assessed fees.

Under the 1996 SLA, U.S. lumber companies, unions, and trade associations pledged that they would not seek recourse to the trade laws against U.S. imports of softwood lumber from Canada for the duration of the five-year agreement. Additionally, Canada was assured that Commerce would not self-initiate any trade action during the life of the agreement and would dismiss any petition from this sector that was brought under the countervailing duty or antidumping law if the agreement was in effect and not breached.

³⁶ See, In the Matter of: Certain Softwood Lumber from Canada, ECC-94-1904-01USA, Memorandum, Opinion and Order, August 3, 1994.

³⁷ This agreement was originally announced on April 2, 1996. Office of the United States Trade Representative, "Statement of Ambassador Kantor on Finalizing the Softwood Lumber Agreement," press release 96-35, April 2, 1996; Canadian Department of Foreign Affairs and International Trade, "Agreement on Softwood Exports Preserves U.S. Market Access for Five Years, Eggleton Says," press release No. 56, April 2, 1996.

³⁸ Canada decided to base the allocations on historical trade levels. Allocations were distributed as follows: British Columbia, 59 percent; Quebec, 23 percent; Ontario, 10.3 percent; and Alberta, 7.7 percent. Exports originating in Manitoba, Saskatchewan, and the Maritime Provinces were not subject to the SLA.

Lumber IV (Inv. Nos. 701-TA-414 and 731-TA-928)

On March 31, 2001, the 1996 SLA expired, and imports of softwood lumber from Canada could once again enter the United States unconditionally free of duty. On April 2, 2001, the Coalition filed antidumping (“AD”) and CVD petitions.³⁹ Following affirmative AD and CVD determinations by Commerce and affirmative threat of material injury determinations by the Commission, Commerce issued AD and CVD orders on May 22, 2002.⁴⁰ Commerce also concluded, in the final results of two administrative reviews of these orders and in the preliminary results of a third, that softwood lumber from Canada continued to be subsidized and sold for LTFV in the period after the orders were issued.⁴¹

Respondent parties requested review of Commerce’s and the Commission’s determinations under NAFTA Article 1904.⁴² After numerous remands, the panel reviewing the Commission’s threat of material injury determinations found that the determinations were unsupported by substantial evidence and directed the Commission to enter negative

³⁹ 66 FR 21332 and 21328, April 30, 2001.

⁴⁰ 67 FR 36068 and 36070, May 22, 2002. Both orders were subsequently amended to correct an error in the scope description. 67 FR 37775, May 30, 2002.

⁴¹ 69 FR 75917, December 20, 2004 and accompanying Issues and Decision Memorandum (“Lumber IV CVD AR1 Final”); 70 FR 73437, December 12, 2005 and accompanying Issues and Decision Memorandum (“Lumber IV CVD AR2 Final”); 71 FR 33931, June 12, 2006 and accompanying Issues and Decision Memorandum (“Lumber IV CVD AR3 Prelim”); 69 FR 75921, December 20, 2004 and accompanying Issues and Decision Memorandum (“Lumber IV AD AR1 Final”); 70 FR 73437, December 12, 2005 and accompanying Issues and Decision Memorandum (“Lumber IV AD AR2 Final”); 71 FR 33963, June 12, 2006 and accompanying Issues and Decision Memorandum (“Lumber IV AD AR3 Prelim”).

⁴² The Commission’s determination had also been the subject of panel review sought by the Government of Canada at the World Trade Organization (“WTO”). In response to the WTO panel decision, which found that action by the Commission was not in conformity with the obligations of the United States under the WTO Agreements, USTR requested that the Commission conduct a proceeding under Section 129 of the Uruguay Round Agreements Act, 19 U.S.C. § 3538, to issue a determination that would render the Commission’s action not inconsistent with the findings of the panel. In November 2004, the Commission issued its Section 129 consistency determination, in which it determined that an industry in the United States was threatened with material injury by reason of dumped and subsidized imports of softwood lumber from Canada. Softwood Lumber from Canada, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Publication 3740, November 2004. Based on the Commission’s revised affirmative threat of material injury determination under Section 129, Commerce amended the AD and CVD orders to reflect the issuance and implementation the Commission’s Section 129 determination. 69 FR 75916, December 20, 2004.

determinations.⁴³ The panel's decisions were upheld by an Extraordinary Challenge Committee ("ECC").⁴⁴

Other binational panels under NAFTA reviewed Commerce's final AD and CVD determinations. Although the AD panel proceeding had not yet concluded when the orders were revoked, pursuant to a new agreement between the Governments of Canada and the United States discussed below, the CVD panel ultimately directed Commerce to make a finding of de minimis subsidization. An ECC was requested to review the final panel decision in the CVD case,⁴⁵ and this request was still pending when the orders were revoked on the basis of the new agreement.

Softwood Lumber Agreement of 2006

The United States and Canada entered into a new Softwood Lumber Agreement on October 12, 2006 ("2006 SLA"). To implement the 2006 SLA, Commerce revoked the AD and CVD orders and terminated all related proceedings.⁴⁶ In exchange, and among other provisions, Canada agreed to apply certain export measures – a combination of export charges and volume limitations that varied by region – to imports of softwood lumber from Canada when the price of such products fell below a certain level. While the 2006 SLA expired on October 12, 2015, the parties had agreed to a "standstill" clause in which the domestic industry was required to wait one year from the expiration of 2006 SLA to file a petition for any trade remedy investigation. The original 2006 SLA had a term of seven years, with an option to extend the agreement for an additional two years; the parties agreed to extend the agreement to October 12, 2015.

⁴³ In entering the negative determination on remand as required by the Panel, the Commission stated: "{W}e disagree with the Panel's view that there is no substantial evidence to support a finding of threat of material injury, and we continue to view the Panel's decisions throughout this proceeding as overstepping its authority, violating the NAFTA, seriously departing from fundamental rules of procedure, and committing legal error." Certain Softwood Lumber Products from Canada, Case No. USA/CDA-02-1904-07, Views of the Commission on Remand (Third), Sept. 10, 2004, at 14 (footnotes omitted).

⁴⁴ 70 FR 48103, August 16, 2005.

⁴⁵ 71 FR 28854, May 18, 2006.

⁴⁶ 71 FR 61714, October 19, 2006.

Summary data

Table I-2 presents a summary of data from the original investigations and the current full five-year reviews. Apparent U.S. consumption, by quantity, was 12.8 percent higher in 2022 than in 2016 at 53.0 billion board feet in 2022 as compared to 47.0 billion board feet in 2016. By value, apparent U.S. consumption was 115.1 percent higher in 2022 than in 2016 at \$38.6 billion in 2022 and \$17.9 billion in 2016. Imports from Canada were 15.0 percent lower by quantity in 2022 than in 2016 at 12.8 billion board feet in 2022 and 15.0 billion board feet in 2016. By value, imports from Canada were 59.1 percent higher in 2022 than in 2016 at \$9.2 billion in 2022 and \$5.8 billion in 2016.

U.S producers' market share by quantity in 2022 was 2.6 percentage points higher than in 2016 at 68.7 percent in 2022 and 66.1 percent in 2016. Canada's market share was 7.9 percentage points lower in 2022 than in 2016 at 24.1 percent in 2022 and 32.0 percent in 2016. Nonsubject market share was 5.3 percentage points higher in 2022 than in 2016 at 7.2 percent in 2022 and 1.9 percent in 2016. Import market share overall was 2.6 percentage points lower in 2022 than in 2016 at 31.3 percent in 2022 and 33.9 percent in 2016.

By value, U.S producers' market share in 2022 was 3.6 percentage points higher than in 2016 at 67.6 percent in 2022 and 64.0 percent in 2016. Canada's market share by value was 8.4 percentage points lower in 2022 than in 2016 at 23.8 percent in 2022 and 32.2 percent in 2016. Nonsubject market share was 4.7 percentage points higher in 2022 than in 2016 by value at 8.5 percent in 2022 and 3.8 percent in 2016. Import market share overall by value was 3.6 percentage points lower in 2022 than in 2016 at 32.4 percent in 2022 and 36.0 percent in 2016.

Average unit values of U.S. producers' U.S. shipments were 94.2 percent higher in 2022 than in 2016 at \$717 per thousand board feet ("mbf") in 2022 and \$369 per mbf in 2016. Average unit values of imports from Canada were 87.2 percent higher in 2022 than in 2016 at \$719 per mbf in 2022 and \$384 per mbf in 2016. Average unit values of imports from nonsubject sources were 13.2 percent higher in 2022 than in 2016 at \$859 per mbf in 2022 and \$759 per mbf in 2016.

The number of production workers was 34.8 percent higher in 2022 than in 2016 at 24,744 workers in 2022 and 18,361 workers in 2016. Total hours worked were 23.8 percent higher in 2022 than in 2016 at 53.7 million hours worked in 2022 and 43.4 million hours worked in 2016.

In comparing U.S. producers' financial metrics across periods, net sales by quantity were 35.6 percent higher, net sales by value were 162.9 percent higher, net sales unit values were

94.1 percent higher, COGS was 85.7 percent higher, gross profit was 564.4 percent higher, SG&A expenses were 175.5 percent higher, operating income was 708.8 percent higher, unit COGS were 36.9 percent higher, unit operating income was 502.3 percent higher, and operating income to sales was 206.5 percent higher in 2022 than in 2016. The industry's COGS to sales ratio was 29.4 percent lower in 2022 than in 2016.

Table I-2

Softwood lumber: Comparative data from the original investigations and subsequent reviews to-date, by terminal years

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2016	2022
Apparent consumption	Quantity	46,974,488	52,994,174
U.S. producers market share	Share of quantity	66.1	68.7
Canada market share	Share of quantity	32.0	24.1
Nonsubject market share	Share of quantity	1.9	7.2
Import market share	Share of quantity	33.9	31.3
Apparent consumption	Value	17,921,928	38,550,888
U.S. producers market share	Share of value	64.0	67.6
Canada market share	Share of value	32.2	23.8
Nonsubject market share	Share of value	3.8	8.5
Import market share	Share of value	36.0	32.4
Canada	Quantity	15,029,927	12,780,504
Canada	Value	5,775,637	9,188,953
Canada	Unit value	\$384	\$719
Nonsubject sources	Quantity	901,561	3,807,979
Nonsubject sources	Value	684,308	3,290,717
Nonsubject sources	Unit value	\$759	\$859
All import sources	Quantity	15,931,488	16,610,174
All import sources	Value	6,459,945	12,479,670
All import sources	Unit value	\$405	\$751

Table continued.

Table I-2 Continued**Softwood lumber: Comparative data from the original investigations and subsequent reviews to-date, by terminal years**

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2016	2022
Capacity	Quantity	23,919,995	31,843,595
Production	Quantity	19,206,029	26,444,549
Capacity utilization	Ratio	80.3	83.0
WWPA: Producer U.S. shipments	Quantity	18,933,731	36,384,000
WWPA: Producer U.S. shipments	Value	6,990,887	26,071,217
Producer U.S. shipments	Unit value	\$369	\$717
Producer inventories	Quantity	1,338,442	1,680,992
Producer inventory ratio to total shipments	Ratio	7.0	6.4
Production workers (number)	Noted in label	18,361	24,744
Hours worked (in 1,000 hours)	Noted in label	43,410	53,722
Wages paid (1,000 dollars)	Value	1,070,277	1,665,362
Hourly wages (dollars per hour)	Value	\$24.66	\$31.00
Productivity (board feet per hour)	Noted in label	426	492
Net sales	Quantity	19,222,560	26,067,197
Net sales	Value	7,100,628	18,667,389
Net sales	Unit value	\$369	\$716
Cost of goods sold	Value	5,956,189	11,063,261
Gross profit or (loss)	Value	1,144,439	7,604,128
SG&A expense	Value	309,706	853,097
Operating income or (loss)	Value	834,733	6,751,031
Unit COGS	Unit value	\$310	\$424
Unit operating income	Unit value	\$43	\$259
COGS/ Sales	Ratio	83.9	59.3
Operating income or (loss)/ Sales	Ratio	11.8	36.2

Source: Office of Investigations Report INV-PP-155 (November 22, 2017), Western Wood Product Association ("WWPA") industry data (<https://www.wwpa.org/reports>), official U.S. import statistics, and compiled from data submitted in response to Commission questionnaires.

Note: WWPA U.S. shipments quantities are from published WWPA data. WWPA U.S. shipment value was estimated by multiplying the WWPA quantity by U.S. producers' reported unit value from Commission questionnaires. WWPA data were used as the U.S. producer component of overall apparent consumption. For U.S. import quantities, a net to nominal conversion factor of 1.57 for imported lumber from Europe has been applied.

Statutory criteria

Section 751(c) of the Act requires Commerce and the Commission to conduct a review no later than five years after the issuance of an antidumping or countervailing duty order or the suspension of an investigation to determine whether revocation of the order or termination of the suspended investigation “would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy (as the case may be) and of material injury.”

Section 752(a) of the Act provides that in making its determination of likelihood of continuation or recurrence of material injury--

(1) IN GENERAL.-- . . . the Commission shall determine whether revocation of an order, or termination of a suspended investigation, would be likely to lead to continuation or recurrence of material injury within a reasonably foreseeable time. The Commission shall consider the likely volume, price effect, and impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated. The Commission shall take into account--

(A) its prior injury determinations, including the volume, price effect, and impact of imports of the subject merchandise on the industry before the order was issued or the suspension agreement was accepted,

(B) whether any improvement in the state of the industry is related to the order or the suspension agreement,

(C) whether the industry is vulnerable to material injury if the order is revoked or the suspension agreement is terminated, and

(D) in an antidumping proceeding . . . , (Commerce’s findings) regarding duty absorption . . .

(2) VOLUME.--In evaluating the likely volume of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether the likely volume of imports of the subject merchandise would be significant if the order is revoked or the suspended investigation is terminated, either in absolute terms or relative to production or consumption in the United States. In so doing, the Commission shall consider all relevant economic factors, including--

(A) any likely increase in production capacity or existing unused production capacity in the exporting country,

(B) existing inventories of the subject merchandise, or likely increases in inventories,

(C) the existence of barriers to the importation of such merchandise into countries other than the United States, and

(D) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products.

(3) PRICE.--In evaluating the likely price effects of imports of the subject merchandise if the order is revoked or the suspended investigation is terminated, the Commission shall consider whether--

(A) there is likely to be significant price underselling by imports of the subject merchandise as compared to domestic like products, and

(B) imports of the subject merchandise are likely to enter the United States at prices that otherwise would have a significant depressing or suppressing effect on the price of domestic like products.

(4) IMPACT ON THE INDUSTRY.--In evaluating the likely impact of imports of the subject merchandise on the industry if the order is revoked or the suspended investigation is terminated, the Commission shall consider all relevant economic factors which are likely to have a bearing on the state of the industry in the United States, including, but not limited to--

(A) likely declines in output, sales, market share, profits, productivity, return on investments, and utilization of capacity,

(B) likely negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, and

(C) likely negative effects on the existing development and production efforts of the industry, including efforts to develop a derivative or more advanced version of the domestic like product.

The Commission shall evaluate all such relevant economic factors . . . within the context of the business cycle and the conditions of competition that are distinctive to the affected industry.

Section 752(a)(6) of the Act states further that in making its determination, “the Commission may consider the magnitude of the margin of dumping or the magnitude of the net countervailable subsidy. If a countervailable subsidy is involved, the Commission shall consider information regarding the nature of the countervailable subsidy and whether the subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement.”

Organization of report

Information obtained during the course of the reviews that relates to the statutory criteria is presented throughout this report. A summary of trade and financial data for softwood lumber as collected in the original investigations and the current full five-year reviews is presented in appendix C. U.S. industry data are based on the questionnaire responses of 50 U.S. producers of softwood lumber that are believed to have accounted for 69.9 percent of domestic production of softwood lumber in 2022. U.S. import data and related information are based on Commerce’s official import statistics and the questionnaire responses of 137 U.S. importers of softwood lumber that are believed to have accounted for 92.6 percent of total U.S. imports from Canada during 2022. Foreign industry data and related information are based on the questionnaire responses of 162 producers and/or exporters of softwood lumber believed to account for 87.4 percent of total exports of softwood lumber from Canada to the United States in 2022. Responses by U.S. producers, importers, purchasers, and foreign producers of softwood lumber to a series of questions concerning the significance of the existing antidumping and countervailing duty orders and the likely effects of revocation of such orders are presented in appendix D.

Commerce's reviews⁴⁷

Administrative reviews

Commerce has completed four administrative reviews of the outstanding countervailing duty order on softwood lumber from Canada covering the five periods as shown in table I-3. Additionally, Commerce has initiated an administrative review on the countervailing duty order covering the period of January 1 through December 31, 2022.^{48 49}

Table I-3

Softwood lumber: Administrative reviews of the countervailing duty order for Canada

Producer or exporter	April 28– December 31, 2017 Subsidy Rate	January 1– December 31, 2018 Subsidy Rate	January 1– December 31, 2019 Subsidy Rate	January 1– December 31, 2020 Subsidy Rate	January 1– December 31, 2021 Subsidy Rate
Canfor Corporation and its cross-owned affiliates	2.94	2.63	2.42	0.95	1.36
J.D. Irving, Limited and its cross-owned affiliates	3.43	2.66	3.46	2.41	1.72
Resolute FP Canada Inc. and its cross-owned affiliates	18.71	19.1	18.07	10.1	Non-selected company
West Fraser Mills Ltd. and its cross-owned affiliates	6.76	7.57	5.08	3.62	2.19
Non-selected companies	7.26	7.42	6.32	3.83	1.79

Source: 85 FR 77163, December 1, 2020; 86 FR 68467, December 2, 2021 (and as amended in 87 FR 1114, January 10, 2022); 87 FR 48455, August 9, 2022 (and as amended in 87 FR 61290, October 11, 2022; 87 FR 64008, October 21, 2022; and 87 FR 78649, December 22, 2022); and 88 FR 50103; August 1, 2023.

Note: In its most recently completed administrative review, Commerce found the following companies to be cross-owned with Canfor Corporation: Canadian Forest Products, Ltd. and Canfor Wood Products Marketing, Ltd. Commerce found the following companies to be cross-owned with J.D. Irving, Limited: Miramichi Timber Holdings Limited, The New Brunswick Railway Company, Rothesay Paper Holdings Ltd., and St. George Pulp & Paper Limited. Commerce found the following companies to be cross-owned with West Fraser Mills Ltd.: West Fraser Timber Co., Ltd., Blue Ridge Lumber Inc., Sunpine Inc., Sundre Forest Products Inc., Manning Forest Products, Ltd., and West Fraser Alberta Holdings, Ltd. 88 FR 50103; August 1, 2023.

⁴⁷ Commerce has not issued any duty absorption findings, company revocations, or anti-circumvention findings since the imposition of the orders.

⁴⁸ 88 FR 15642, March 14, 2023.

⁴⁹ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

Commerce has completed four administrative reviews of the outstanding antidumping duty order on softwood lumber from Canada covering the periods shown in table I-4.⁵⁰ Additionally, Commerce has initiated an administrative review on the antidumping duty order covering the period of January 1 through December 31, 2022.⁵¹

Table I-4

Softwood lumber: Administrative reviews of the antidumping duty order for Canada

Producer or exporter	June 30, 2017– December 31, 2018 margin	January 1– December 31, 2019 margin	January 1– December 31, 2020 margin	January 1– December 31, 2021 margin
Canfor Corporation/ Canadian Forest Products Ltd./ Canfor Wood Products Marketing Ltd.	1.99	17.12	4.92	5.25
Resolute Growth Canada Inc./ Forest Products Mauricie LP, Société en commandite Scierie Opitciwan/ Resolute-LP Engineered Wood Larouche Inc./ Resolute-LP Engineered Wood St.-Prime Limited Partnership/ Resolute FP Canada Inc.	1.15	Non-selected company	Non-selected company	Non-selected company
West Fraser Mills Ltd., Blue Ridge Lumber Inc./ Manning Forest Products Ltd./ Sundre Forest Products Inc.	1.40	6.06	4.63	7.06
Non-selected companies	1.57	11.59	4.76	6.20

Source: 85 FR 76519, November 30, 2020; 86 FR 68471, December 2, 2021 (and as corrected in 87 FR 3762, January 25, 2022); 87 FR 48465, August 9, 2022; and 88 FR 50106, August 1, 2023 (and as amended in 88 FR 61511, September 7, 2023).

⁵⁰ For previously reviewed or investigated companies not included in an administrative review, the cash deposit rate continues to be the company-specific rate published for the most recent period.

⁵¹ 88 FR 15642, March 14, 2023.

Changed circumstances reviews

Commerce has completed three changed circumstances reviews with respect to the antidumping duty order on imports of softwood lumber from Canada. In the context of the antidumping duty order, Commerce found Chaleur Forest Products LP and Chaleur Forest Products Inc. to be the successors-in-interest to Chaleur Sawmills LP and Fornebu Lumber Co. Inc., respectively, on June 24, 2021;⁵² Commerce found CHAP Alliance, Inc. to be the successor-in-interest to L'Atelier de Réadaptation au Travail de Beauce Inc. on August 26, 2021;⁵³ and Commerce found GreenFirst QC to be the successor-in-interest to Rayonier A.M. Canada G.P. on August 21, 2023.⁵⁴

Commerce has completed one changed circumstances review with respect to the countervailing duty order on imports of softwood lumber from Canada.⁵⁵ On August 6, 2021, Commerce found that Chaleur Forest Products LP and Chaleur Forest Products Inc. to be the successors-in-interest to Chaleur Sawmills LP and Fornebu Lumber Co. Inc., respectively, in the context of the countervailing duty order.⁵⁶

⁵² 86 FR 33222, June 24, 2021.

⁵³ 86 FR 47621, August 26, 2021.

⁵⁴ 88 FR 56794, August 21, 2023.

⁵⁵ Additionally, on July 27, 2023, Commerce initiated a changed circumstances review with respect to the countervailing duty order to determine whether Interfor Corporation, EACOM Timber Corporation, Chaleur Forest Products Inc., and Chaleur Forest Products LP are cross-owned entities. 88 FR 48440, July 27, 2023.

⁵⁶ 86 FR 43189, August 6, 2021.

Scope rulings

Commerce has issued five scope rulings with respect to the antidumping and countervailing duty orders on softwood lumber from Canada as shown in table I-5.

Table I-5
Softwood lumber: Commerce's scope rulings on the antidumping and countervailing duty orders

Requestor	Product to be excluded	Commerce ruling	Citation
Produits Matra, Inc.	Primlock trim boards	Out-of-scope if edge-glued; in-scope if not edge-glued	84 FR 36577, July 29, 2019
Tumac Lumber Co., Inc.	Used railroad ties	In-scope	84 FR 44848, August 27, 2019
Shake and Shingle Alliance ("SSA")	Cedar shakes and shingles	Out-of-scope	85 FR 38360, June 26, 2020
Harmer Steel Products Co.	Finished railroad ties	In-scope	85 FR 60762, September 28, 2020
Valley Cedar	Western red cedar shingles	Out-of-scope	87 FR 52359, August 25, 2022

Source: Cited Federal Register notices.

Note: On September 10, 2018, in response to a scope ruling request filed by SSA, Commerce issued its final scope ruling, finding that certain cedar shakes and shingles exported by SSA were covered by the scope of the Orders. 84 FR 44848, August 27, 2019. SAA challenged Commerce's final scope ruling before the CIT. On November 13, 2019, the CIT remanded the final scope ruling to Commerce to further consider the record. Pursuant to the CIT's remand order, on remand, Commerce reconsidered its final scope ruling and determined that SSA's certain cedar shakes and shingles do not fall within the scope of the orders. On April 20, 2020, the CIT sustained Commerce's final remand results. 85 FR 38360, June 26, 2020.

Five-year reviews

On April 3, 2023, Commerce issued the final results of its expedited review of the countervailing duty order.⁵⁷ Table I-6 presents the countervailable subsidy margins calculated by Commerce in its original investigations and first reviews.

Table I-6
Softwood lumber: Commerce's original and first five-year countervailable subsidy margins for producers/exporters in Canada

Margins in percent

Producer/exporter	Original margin	First five-year review margin
Canfor Corporation and its cross-owned affiliates	13.24	13.96
J.D. Irving, Limited and its cross-owned affiliates	3.34	3.58
Resolute FP Canada Inc. and its cross-owned affiliates	14.70	19.19
Tolko Marketing and Sales Ltd. and its cross-owned affiliates	14.85	20.28
West Fraser Mills Ltd. and its cross-owned affiliates	17.99	18.68
All others Rate	14.19	19.62

Source: 83 FR 347, January 3, 2018 and 88 FR 19613, April 3, 2023.

Note: Commerce found the following companies to be cross-owned with Canfor: Canadian Forest Products, Ltd. and Canfor Wood Products Marketing, Ltd. Commerce found the following companies to be cross-owned with J.D. Irving: Miramichi Timber Holdings Limited, The New Brunswick Railway Company, Rothesay Paper Holdings Ltd., St. George Pulp & Paper Limited, and Irving Paper Limited. Commerce found the following companies to be cross-owned with Resolute: Resolute Growth Canada Inc., Resolute Sales Inc., Abitibi-Bowater Canada Inc., Bowater Canadian Ltd., Resolute Forest Products Inc., Produits Forestiers Maurice SEC, and 9192–8515 Quebec Inc. Commerce found the following companies to be cross-owned with Tolko: Tolko Industries Ltd. and Meadow Lake OSB Limited Partnership. Commerce found the following companies to be cross-owned with West Fraser: Blue Ridge Lumber Inc., Manning Forest Products Ltd., Sundre Forest Products Inc., Sunpine Inc., West Fraser Alberta Holdings Ltd., and West Fraser Timber Co. Ltd.

⁵⁷ 88 FR 19613, April 3, 2023 and 88 FR 20479, April 6, 2023.

On April 3, 2023, Commerce issued the final results of its expedited review of the antidumping duty order. Commerce determined that revocation of the order would be likely to lead to the continuation or recurrence of dumping, and the magnitude of the weighted-average dumping margin likely to prevail is up to 7.28 percent.⁵⁸ Table I-7 presents the dumping margins calculated by Commerce in its original investigations.

Table I-7
Softwood lumber: Commerce's original dumping margins for producers/ exporters in Canada

Margins in percent

Producer/exporter	Original margin
Canfor Corporation	7.28
Resolute FP Canada Inc.	3.20
Tolko Industries Ltd. and Tolko Marketing & Services, Ltd.	7.22
West Fraser Mills Ltd.	5.57
All others	6.04

Source: 83 FR 350, January 3, 2018.

⁵⁸ 88 FR 20479, April 6, 2023.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

The merchandise covered by this order is softwood lumber, siding, flooring and certain other coniferous wood (softwood lumber products).

The scope includes:

Coniferous wood, sawn, or chipped lengthwise, sliced or peeled, whether or not planed, whether or not sanded, or whether or not finger-jointed, of an actual thickness exceeding six millimeters.

Coniferous wood siding, flooring, and other coniferous wood (other than moldings and dowel rods), including strips and friezes for parquet flooring, that is continuously shaped (including, but not limited to, tongued, grooved, rebated, chamfered, V-jointed, beaded, molded, rounded) along any of its edges, ends, or faces, whether or not planed, whether or not sanded, or whether or not end-jointed.

Coniferous drilled and notched lumber and angle cut lumber.

Coniferous lumber stacked on edge and fastened together with nails, whether or not with plywood sheathing.

Components or parts of semi-finished or unassembled finished products made from subject merchandise that would otherwise meet the definition of the scope above.

Finished products are not covered by the scope of this order. For the purposes of this scope, finished products contain, or are comprised of, subject merchandise and have undergone sufficient processing such that they can no longer be considered intermediate products, and such products can be readily differentiated from merchandise subject to this order at the time of importation. Such differentiation may, for example, be shown through marks of special adaptation as a particular product. The following products are illustrative of the type of merchandise that is

considered “finished,” for the purpose of this scope: I-joists; assembled pallets; cutting boards; assembled picture frames; garage doors.

The following items are excluded from the scope of this order:

Softwood lumber products certified by the Atlantic Lumber Board as being first produced in the Provinces of Newfoundland and Labrador, Nova Scotia, or Prince Edward Island from logs harvested in Newfoundland and Labrador, Nova Scotia, or Prince Edward Island.

U.S.-origin lumber shipped to Canada for processing and imported into the United States if the processing occurring in Canada is limited to one or more of the following: (1) Kiln drying; (2) planing to create smooth-to-size board; or (3) sanding.

Box-spring frame kits if they contain the following wooden pieces—two side rails, two end (or top) rails and varying numbers of slats. The side rails and the end rails must be radius-cut at both ends. The kits must be individually packaged and must contain the exact number of wooden components needed to make a particular box-spring frame, with no further processing required. None of the components exceeds 1” in actual thickness or 83” in length.⁵⁹

Radius-cut box-spring-frame components, not exceeding 1” in actual thickness or 83” in length, ready for assembly without further processing. The radius cuts must be present on both ends of the boards and must be substantially cut so as to completely round one corner.⁶⁰

⁶⁰ 83 FR 347 and 350, January 3, 2018.

Tariff treatment

Softwood lumber is provided for under subheadings 4407.10, 4407.11, 4407.12, 4407.13, 4407.14, 4407.19, 4409.10, and 4418.99 of the Harmonized Tariff Schedule of the United States (“HTS”).⁶¹ The merchandise subject to the reviews may also be provided for in HTS subheading 4415.20 (a provision for pallets and similar shipping products) and 4421.91 (a residual “basket” provision for miscellaneous articles of wood). These tariff classifications also contain products outside the scope of the reviews. The general rates of duty are free for these HTS subheadings with the exception of HTS subheadings 4409.10.05, which has a general rate of 3.2 percent ad valorem, and 4415.20.80, which has a general rate of 10.7 ad valorem.⁶² For each of these 2 subheadings, products originating from Canada are eligible for preferential tariff treatment under the United States-Mexico-Canada Agreement (“USMCA”).⁶³ Decisions on the tariff classification and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

⁶¹ HTS subheading 4407.10.01 was deleted and HTS subheadings 4407.11.00, 4407.12.00, 4407.19.05, 4407.19.16, and 4407.19.10 were added on October 1, 2018. Harmonized Tariff Schedule of the United States (2018) Revision 12, Publication 4825, September 2018. HTS subheadings 4407.19.05, 4407.19.06, 4407.19.10 and 4418.99.90 were deleted and HTS reporting numbers 4407.13.00, 4407.14.00, 4407.19.00 and 4418.99.91 were added on January 22, 2022. Harmonized Tariff Schedule of the United States (2022) Basic Edition, Publication 5277, January 2022.

⁶² USITC, HTS (2023) Revision 9, Publication 5445, June 2023, pp. 44-9 – 44-47.

⁶³ Originating goods of Canada under the terms of general note 11 to the HTS are eligible to receive duty-free entry into the United States with proper claim and documentation. USITC, HTS (2023) Revision 11, Publication 5462, September 2023, GN p. 28.

The product

Description and applications⁶⁴

The term “softwood lumber” relates to a wide variety of products—such as boards, planks, timbers, framing materials, flooring, and siding—produced from coniferous species of trees.⁶⁵ As noted earlier, for purposes of these reviews, the term “softwood lumber” refers to those products classified for tariff purposes under subheadings 4407.10, 4407.11, 4407.12, 4407.13, 4407.14, 4407.19, 4409.10, and 4418.99 of the HTS.⁶⁶

According to the extent or stage of manufacture, such lumber (a product derived from a log by lengthwise sawing which, in its original sawed condition, has at least 2 approximately parallel flat longitudinal-sawed surfaces, and which may be rough, dressed, or worked) is classified by producers of most softwood lumber (both domestic and imported) into seven major categories:

Studs—lumber used in framing, building walls with little or no trimming before they are set in place.

Dimension lumber—lumber that is from 2” to 5” thick and is 2” or more in width.

Stress grades—lumber having assigned working stress and modulus of elasticity values in accordance with accepted basic principles of strength grading and meeting the provisions of the American Softwood Lumber Standard.⁶⁷

Timbers—lumber that is at least 5” in least dimension.

Boards—lumber less than 2” in nominal thickness and 1” or more in width.

Selects—high quality lumber graded for appearance.

Shop—lumber that is graded for the number of sizes of cuttings that can be used for the manufacture of other products.

Of these categories, studs and dimension lumber represent the largest categories of U.S. and Canadian softwood lumber.

⁶⁴ Unless otherwise noted, this information is based on the Original publication, pp. I-17 – I-21.

⁶⁵ Hardwood lumber is produced from deciduous trees.

⁶⁶ See “tariff treatment” section, for information on duty rates.

⁶⁷ These standards are published by the Department of Commerce in cooperation with manufacturers, distributors, and users. National Institute of Standards and Technology (NIST), “American Softwood Lumber Standard, PS 20-15,”

https://www.nist.gov/system/files/documents/2017/06/13/doc_ps_20-15_american_softwood_lumber_standard-final-2-25-15.pdf, retrieved July 20, 2023.

The major softwood species groups in descending order of U.S. consumption are southern yellow pine (“SYP”),⁶⁸ spruce-pine-fir (“SPF”),⁶⁹ Douglas fir (“DF”), hem-fir (“HF”),⁷⁰ and ponderosa pine. Of these, the major competing species groups produced in both the United States and Canada are SPF, DF, and HF; SYP is not produced in Canada. Species common to both countries account for less than half of U.S. production and most of Canadian production.⁷¹ More than half (59 percent) of U.S. production is SYP and most (87 percent) of Canadian production is SPF.

Lumber is classified as green or dried according to its moisture content.⁷² Often, more than half the weight of green lumber is moisture. Some lumber is used green (e.g., Douglas fir), because various characteristics of the wood make such use easier or more economical. However, to prevent warping, most lumber is seasoned by being dried before retail sale.

Although the HTS uses metric units, softwood lumber is measured and sold in the North American market by the “board foot,” a three-dimensional unit described as—

The quantity of lumber contained in, or derived (by drying, dressing, or working, or any combination of these processes) from, a piece of rough green lumber 1” in thickness, 12” in width, and 12” in length, or the equivalent of such piece in other dimensions.⁷³

⁶⁸ A species combination composed primarily of Loblolly, Longleaf, Shortleaf, and Slash pines. Various subspecies are also included in this group.

⁶⁹ A species combination with similar characteristics that have been grouped for production and marketing. The principal species in the Western SPF (W-SPF) group are white spruce, Engelmann spruce, Lodgepole pine, and Alpine fir; in the Eastern SPF (E-SPF): red spruce, black spruce, Jack pine, and Balsam fir.

⁷⁰ A species combination used by grading agencies to designate any of various species having common characteristics. Included in this group are California red fir, grand fir, noble fir, Pacific silver fir, Shasta fir, white fir, and western hemlock.

⁷¹ Statistics Canada, “Lumber production, shipments, and stocks by species,” <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1610001701>, retrieved July 21, 2023 and WWP, “2022 Statistical Yearbook of the Western Lumber Industry,” p. 17, 2023. There also may be overlap in the “Other” category of species, which is 3 percent for U.S. production and 2 percent for Canadian production. SYP, which accounts for 59 percent of U.S. production, is not produced in Canada.

⁷² Generally, lumber with a moisture content of 19 percent or less is considered dried. *NIST*, “American Softwood Lumber Standard, PS 20-15,” https://www.nist.gov/system/files/documents/2017/06/13/doc_ps_20-15_american_softwood_lumber_standard-final-2-25-15.pdf, retrieved July 20, 2023.

⁷³ In this report, units are generally specified in tables and tabular presentations in mbf (thousand board feet) and mmbf (million board feet). Discussion may also be in terms of billion board feet.

In addition, the American Lumber Standards for Softwood Lumber sets forth minimum measurements for dressed lumber. For example, a rough 2" x 4" piece of lumber can be a minimum of 1-1/2" x 3-1/2" when dressed.⁷⁴

Softwood lumber is graded at the sawmill on characteristics that affect its strength, durability, utility, and/or appearance. Some common defects that lower the grade are knots, splits, shake (separate of annual rings), wane (bark or lack of wood on corner or edge), and pitch pockets. Standard rules for grading lumber are published by regional lumber manufacturing or marketing organizations; they vary with geographic regions and species of lumber. In the last decade, many sawmills (particularly larger ones) have installed computerized grading technology, which has greatly improved the efficiency and accuracy of the grading process. In addition, other technologies and increased automation have been employed in recent years to maximize efficiencies.⁷⁵

Softwood lumber is readily workable, has a high strength-to-weight ratio, and is moderately durable; hence, it is widely used in the construction, shipping, and manufacturing industries.⁷⁶ Demand for lumber is strongly connected to the housing market; 15,000 board feet of lumber is required to frame an average U.S. single-family home.⁷⁷

During the beginning of the COVID-19 pandemic, in 2020, remodeling increased to account for *** percent of U.S. softwood lumber consumption while new residential construction (new housing) decreased to *** percent, as consumers shifted spending to home improvements.⁷⁸ In 2021 and 2022, *** percent of the U.S. consumption of softwood lumber was used in new residential construction (new housing) and *** percent in repair and remodeling, as shown in table I-8.⁷⁹

⁷⁴ NIST, "American Softwood Lumber Standard, PS 20-15," https://www.nist.gov/system/files/documents/2017/06/13/doc_ps_20-15_american_softwood_lumber_standard-final-2-25-15.pdf, retrieved July 20, 2023.

⁷⁵ Beck, Bryan, Forest2Market, "The Technologies Defining New Southern Yellow Pine Sawmills," <https://www.forest2market.com/blog/the-technologies-defining-new-southern-yellow-pine-sawmills>, retrieved July 21, 2023.

⁷⁶ Hardwood lumber, building boards (e.g., plywood and oriented strand board), certain paperboard products, and non-wood products (e.g., brick, concrete blocks, steel, aluminum, and plastic products) compete with softwood lumber in many applications. These competitive products are often more economical for particular uses, or they furnish unique performance or appearance.

⁷⁷ Emrath, Paul, NAHB Eye on Housing, "Since pandemic onset, lumber products have added \$14K to house price, \$51 to rent," https://eyeonhousing.org/2022/07/since-pandemic-onset-lumber-products-have-added-14k-to-house-price-51-to-rent/?_ga=2.20108728.1873384008.1674936434-2123376261.1674423006, retrieved July 21, 2023.

⁷⁸ Faber, Terry, IBISWorld Industry Report 32111, "Falling leaves; Struggling residential construction will likely damage industry revenue generation from its largest market," August 2022, p. 9.

⁷⁹ Data on U.S. housing starts is found in Part II (table II-5).

Table I-8
Softwood lumber: Distribution of consumption by end use and period

Shares in percent

Item	2017	2018	2019	2020	2021	2022
New residential (new housing)	***	***	***	***	***	***
Repair and remodeling	***	***	***	***	***	***
Nonresidential	***	***	***	***	***	***
All other	***	***	***	***	***	***
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: WWPA, "2022 Statistical Yearbook of the Western Lumber Industry," p. 21, 2023 (<https://www.wwpa.org/reports>).

Note: Because of rounding, figures may not add to the totals shown.

The North American industry is relatively diffuse. Most softwood sawmill enterprises operate only one establishment; these small sawmill establishments are particularly sensitive to significant losses related to recent natural and pandemic-related events.⁸⁰ However, although the industry is characterized by a large number of small establishments, production is dominated by a small number of large enterprises.⁸¹ The top ten North American softwood lumber producers represented 48 percent of total capacity in 2021.⁸²

According to WWPA, *** percent of 2022 U.S. softwood lumber production occurred in the "Southern Pine Region", *** percent of 2022 U.S. softwood lumber production occurred in the "Western Region", and *** percent of 2022 U.S. softwood lumber production occurred in regions categorized as "Other U.S."⁸³ Figure I-1 shows the locations of softwood

⁸⁰ For example, in recent years, many BC operators were impacted by weather, wildfires, COVID-19 related issues, and the mountain pine beetle infestation. Natural Resources Canada, Mountain pine beetle (fact sheet), <https://natural-resources.canada.ca/forests/fire-insects-disturbances/topinsects/13397>, retrieved July 21, 2023; Lambert, Lance, Fortune, "Bad news for lumber buyers: British Columbia wildfires are curtailing sawmill capacity," <https://fortune.com/2021/07/21/lumberprices-wildfires-sawmill-capacity-british-columbia-canadian-fires/>, retrieved July 21, 2023; Ho, Justin, Marketplace, "Rising lumber prices can be tracked to a host of issues in Canada," <https://www.marketplace.org/2022/01/24/rising-lumber-prices-can-be-tracked-to-a-host-of-issues-ncanada/>, retrieved July 21, 2023.

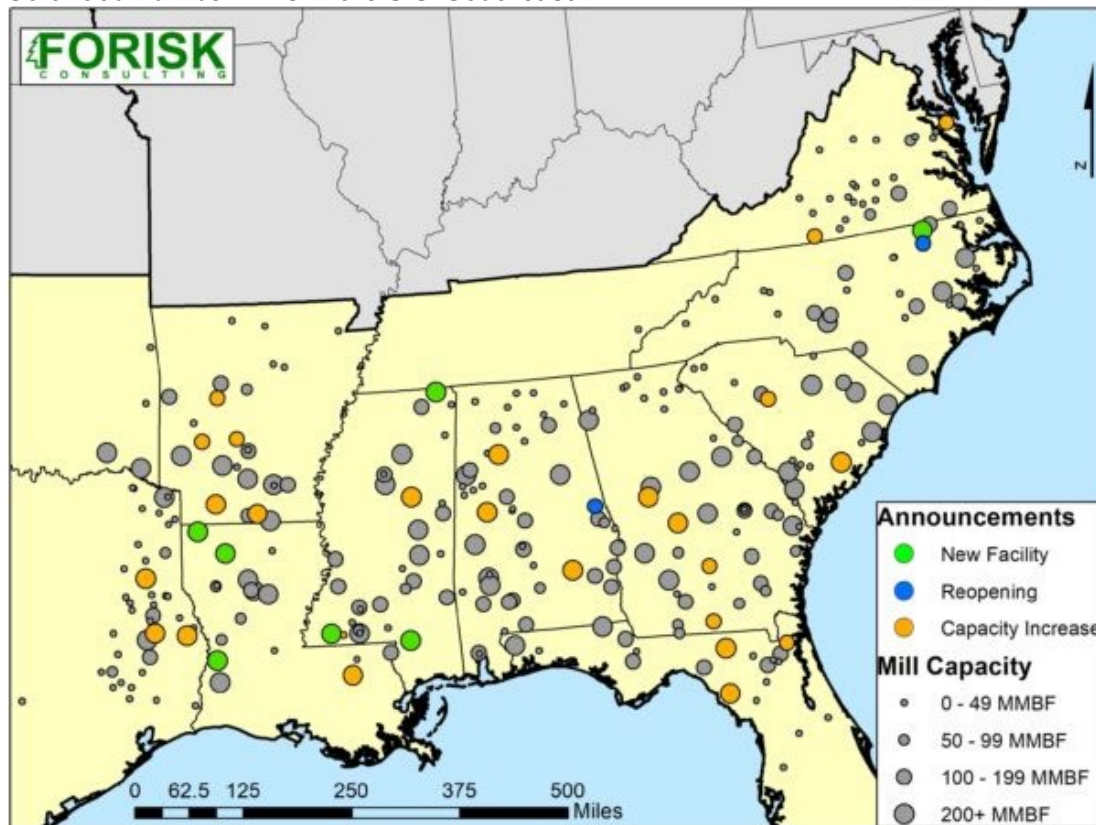
⁸¹ Faber, Terry, IBISWorld Industry Report 32111, "Falling leaves; Struggling residential construction will likely damage industry revenue generation from its largest market," August 2022, p. 28.

⁸² Lang, Amanda, Forisk, "Top 10 North American and U.S. Lumber Producers in 2021," <https://forisk.com/blog/2021/12/14/top-10-north-american-and-u-s-lumber-producers-in-2021/>, retrieved July 21, 2023.

⁸³ WWPA 2022 Statistical Yearbook of the Western Lumber Industry, p. 17. WWPA defines the "Southern Pine" region as encompassing Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, (continued...)

lumber mills in the U.S. Southeast. Sawmills tend to locate near raw materials (supply) and downstream construction markets (demand), such as significant residential construction areas. About *** percent of the sawmills in the United States are in the Southeast.⁸⁴ The U.S. South accounted for much of the North American capacity increases in recent years, reflecting the region's abundant timber supply and proximity to end use.⁸⁵

Figure I-1
Softwood Lumber Mills in the U.S. Southeast.



Source: Lang, Amanda, Forisk, "Sawmill Investment Update: Map of U.S. South Expansions", <https://forisk.com/blog/2022/06/22/sawmill-investment-update-map-of-u-s-south-expansions/>, retrieved July 21, 2023.

Note: This map shows facilities in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, and Virginia.

and West Virginia. WWPA defines the "Western Region" as encompassing Arizona, California, Colorado Idaho, Montana, New Mexico Oregon, Utah, and Washington.

⁸⁴ Faber, Terry, Falling leaves; IBISWorld Industry Report 32111, "Struggling residential construction will likely damage industry revenue generation from its largest market," August 2022, p. 26.

⁸⁵ Lang, Amanda, Forisk, "U.S. South Sawmill Expansion Update and Curtailments in Western Canada," <https://forisk.com/blog/2022/11/17/u-s-south-sawmill-expansion-update-and-curtailments-inwestern-canada/>, retrieved July 21, 2023.

Canada's sawmills are generally located in provinces that have abundant harvestable timber. The largest Canadian region for logging and lumber production is British Columbia ("BC"), which has a relatively sparse population. In 2021, BC accounted for *** percent of the country's sawmill sites.⁸⁶ Quebec and Ontario, which are the most populated provinces and thus have large housing markets, also have a substantial share of Canada's sawmills.

Table I-9 shows North American softwood lumber production. U.S. production steadily increased from 2017 to 2022 while Canadian production mostly decreased (Canadian production decreased by 24.4 percent from 2017-22). U.S. production decreased 3.1 percent from the first 6 months of 2022 to that same period in 2023, but Canadian production decreased by 12.6 percent.

Table I-9
Softwood lumber: U.S. and Canadian production, by period

Quantity in million board feet (mmbf)

Period	United States	Canada
2017	33,775	28,334
2018	34,908	27,282
2019	35,165	24,011
2020	36,907	23,055
2021	37,304	23,666
2022	37,839	21,423
Jan-June 2022	9,951	5,625
Jan-June 2023	9,645	4,919

Source: WWPA, "Lumber Track Reports": December 2018, December 2019, December 2020, December 2021, December 2022, and July 2023 (<https://www.wwpa.org/reports>).

⁸⁶ Das, Christopher, IBISWorld Industry Report 32111CA, "Lumbering on: The industry is expected to benefit from growing demand for lumber," December 2021, p. 24.

Manufacturing processes⁸⁷

Figure I-2 shows a flow chart of the production process for a typical sawmill. The process begins in the storage yard, where the logs are sorted by species and size prior to entering the mill. At the log deck, the bark is removed (debarking) and logs are cut (or bucked) to their most appropriate lengths. The logs are then transferred to the first sawing center within the mill, the primary breakdown area, where they are sawn into rough sizes known as cants or slabs. These primary products are then transferred to the secondary breakdown area. Here the cants and slabs are re-sawn into the most suitable thicknesses, widths, and lengths. The lumber is then sorted by thickness, width, and length in preparation for drying in the kilns. After drying, the lumber is planed to ensure a smooth surface. Finally, planed material is packaged into loads for shipment to wholesalers, retailers, and consumers.⁸⁸ Softwood lumber is generally used in construction, or remanufactured into products such as bed frame material (box spring components), shipping materials, flooring and siding, ladder stock, dimension lumber, and stock for furniture manufacturing. Remanufacturing may require further re-sawing of lumber to specified sizes and edge profiles, joining two or more pieces of lumber by finger-jointing or gluelamming, or further planing or sanding. Remanufactured lumber⁸⁹ is used for a variety of purposes, from construction to manufacturing furniture.⁹⁰

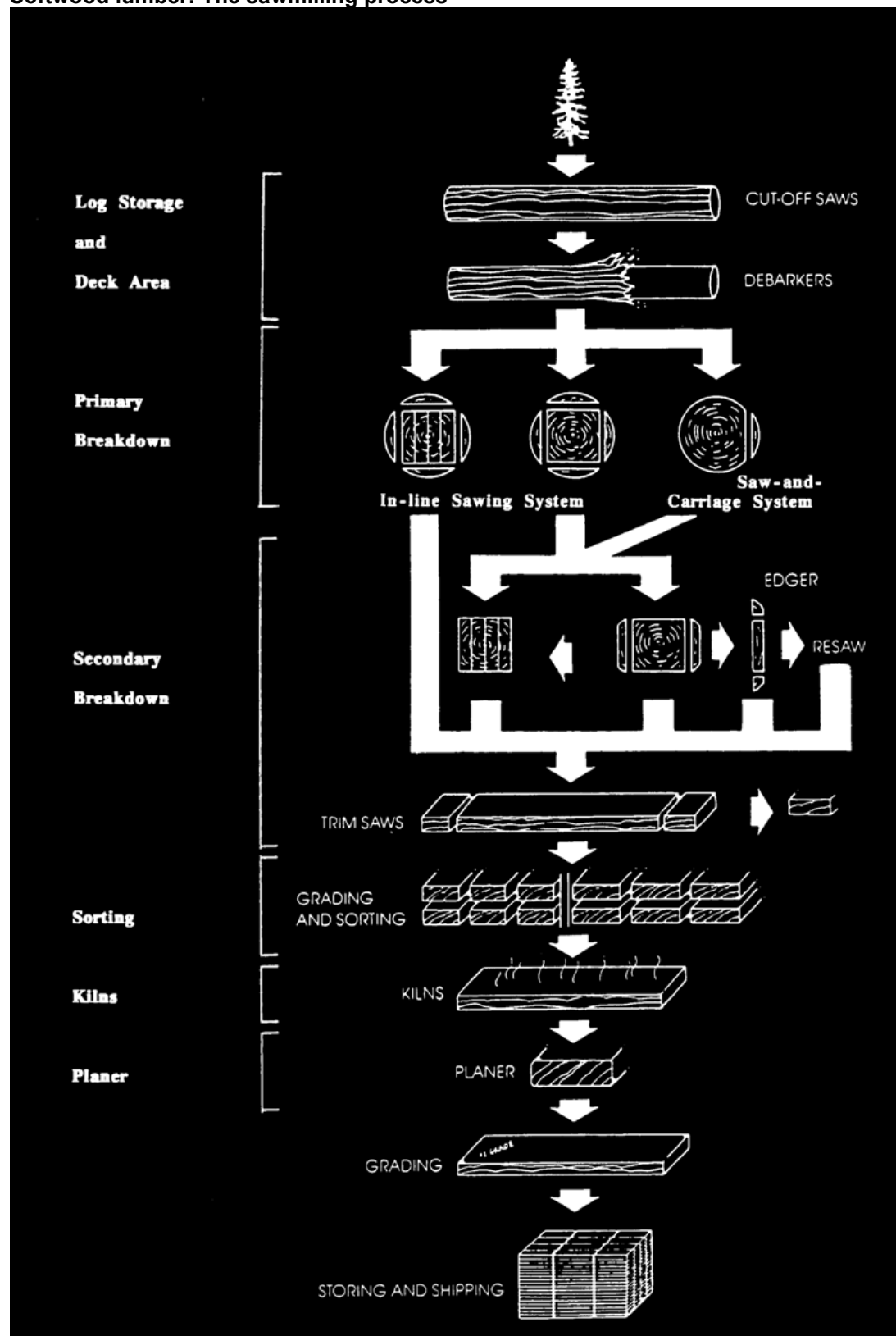
⁸⁷ Unless otherwise noted, this information is based on Original publication, pp. I-21 – I-23.

⁸⁸ It should be noted that not all lumber is planed at the first mill. Some is sold “rough” for use in certain construction where appearance is not a driving factor, and remanufacturing— a process of converting rough lumber to a more specialized or higher-grade lumber by further manufacturing.

⁸⁹ There is no widespread agreement on an exact definition of “remanufactured” lumber.

⁹⁰ Remanufactured lumber products are made from lower grade to higher grade lumber (e.g., utility grade to shop grade).

Figure I-2
Softwood lumber: The sawmilling process



Source: The Forest Sector Advisory Council.

Domestic like product issues

In its original determinations, the Commission defined a single domestic like product consisting of softwood lumber that is coextensive with Commerce's scope.⁹¹ In its notice of institution in these current five-year reviews, the Commission solicited comments from interested parties regarding the appropriate definition of the domestic like product.⁹² The Coalition stated that it agreed with the definition of the domestic like product as defined in the Commission's original determinations.⁹³ No respondent interested party requested that the Commission collect data concerning other possible domestic like products in their comments on the Commission's draft questionnaires, and no respondent interested party argued for a different domestic like product definition in their prehearing or posthearing briefs or during the hearing.

⁹¹ 87 FR 73778, December 1, 2022.

⁹² 87 FR 73778, December 1, 2022

⁹³ Coalition's response to the notice of institution, December 30, 2022, p. 46.

U.S. market participants

U.S. producers

During the original investigations, 49 firms supplied the Commission with information on their U.S. operations with respect to softwood lumber. These firms accounted for 59.0 percent of U.S. production of softwood lumber in 2016.⁹⁴ In these current proceedings, the Commission issued U.S. producers' questionnaires to 231 firms. U.S. industry data are based on the questionnaire responses of 50 U.S. producers. These firms are believed to account for 69.9 percent of U.S. production of softwood lumber in 2022. Presented in table I-10 is a list of current domestic producers of softwood lumber and each company's position on continuation of the orders, production location(s), and share of reported production of softwood lumber in 2022.

⁹⁴ Original publication, p. III-7.

Table I-10

Softwood lumber: U.S. producers, their position on the orders, location of production, and share of reported production in 2022, by firm

Share in percent

Firm	Position on orders	Production location(s)	Share of production
Bennett Lumber	***	Princeton, ID Clarkston, WA	***
Biewer Lumber	***	McBain, MI Lake City, MI Prentice, WI Newton, MS Winona, MS Spencer, WI	***
Binderholz US	***	Live Oak, FL Enfield, NC	***
Buse Timber	***	Everett, WA	***
C&D Lumber	***	Riddle, OR	***
Canfor Southern Pine	***	Camden, SC Darlington, SC Urbana, AR Conway, SC Fulton, AL Graham, NC	***
Claude Howard Lumber	***	Statesboro, GA	***
Collum Lumber	***	Allendale, SC	***
Daaquam Lumber Maine	***	Masardis, ME	***
Georgia-Pacific Wood	***	Albany, GA Warrenton, GA Pineland, TX Dibboll, TX Rome, GA Talladega, AL Dudley, NC Prosperity, SC Mexia, AL Gurdon, AR Taylorsville, MS Camden, TX	***
Hampton Lumber	***	Willamina, OR Tillamook, OR Warrenton, OR Banks, OR Morton, WA Randle, WA	***
Hankins	***	Ripley, MS	***
Harrigan Lumber	***	Monroeville, AL	***

Table continued.

Table I-10 Continued

Softwood lumber: U.S. producers, their position on the orders, location of production, and share of reported production in 2022, by firm

Shares in percent

Firm	Position on orders	Production location(s)	Share of production
Hood Industries	***	Waynesboro, MS Metcalfe, GA Bogalusa, LA Silver Creek, MS	***
Idaho Forest	***	Athol, ID Moyie Springs, ID Lewiston, ID Laclede, ID Grangeville, ID Lumberton, MS	***
Interfor U.S.	***	Baxley, GA Bay Springs, MS DeQuincy, LA Eatonton, GA Belk, AL Georgetown, SC	***
Irving Forest	***	Plantation, ME Dixfield, ME	***
Jasper Lumber	***	Jasper, AL	***
LaSalle Lumber	***	Olla, LA	***
Montrose Forest	***	Montrose, CO	***
Pleasant River	***	Dover-Foxcroft, ME Jackman, ME	***
PotlatchDeltic	***	St. Maries, ID Gwinn, MI Bemidji, MN Ola, AR Waldo, AR Warren, AR	***
Precision Lumber	***	Wentworth, NH	***
R A Yancey Lumber	***	Crozet, VA	***
Resolute US	***	Cross City, FL El Dorado, AR Glenwood, AR	***
Robbins Lumber	***	Searsmont, ME East Baldwin, ME	***
Rosboro	***	Springfield, OR	***
Roseburg Forest	***	Dillard, OR	***

Table continued.

Table I-10 Continued

Softwood lumber: U.S. producers, their position on the orders, location of production, and share of reported production in 2022, by firm

Firm	Position on orders	Production location(s)	Share of production
Seneca Sawmill	***	Eugene, OR Noti, OR	***
Shaver Wood	***	Cleveland, NC	***
Shuqualak Lumber	***	Shuqualak, MS	***
Sierra Forest	***	Terra Bella, CA	***
Sierra Pacific	***	Aberdeen, WA Mt. Vernon, WA Centralia, WA Shelton, WA Anderson, CA Burney, CA	***
South Coast Lumber	***	Brookings, OR	***
Southeastern Timber	***	Ackerman, MS	***
Southport Lumber	***	North Bend, OR	***
Starfire Lumber	***	Cottage Grove, OR	***
Steely Lumber	***	Huntsville, TX	***
Stimson Lumber	***	Forest Grove, OR Tillamook, OR Priest River, ID Plummer, ID St. Maries, ID Clatskanie, OR	***
Stoltze	***	Columbia Falls, MT	***
Stratton Lumber	***	Stratton, ME Moose River, ME	***
Swanson Group	***	Glendale, OR Roseburg, OR	***
T.R. Miller Mill	***	Brewton, AL	***
The Westervelt Company	***	Moundville, AL Thomasville, AL	***
Tupper Lake Hardwood	***	Tupper Lake, NY	***
Vaagen Bros.	***	Colville, WA Usk, WA	***

Table continued.

Table I-10 Continued

Softwood lumber: U.S. producers, their position on the orders, location of production, and share of reported production in 2022, by firm

Firm	Position on orders	Production location(s)	Share of production
West Fraser (USA)	***	Lufkin, TX Riegelwood, NC Augusta, GA Blackshear, GA Dudley, GA Fitzgerald, GA Henderson, TX Huttig, AR Joyce, LA Lake Butler, FL Leola, AR Mansfield, AR Maplesville, AL Jacksonville, FL McDavid, FL New Boston, TX Newberry, SC Opelika, AL Perry, FL Russellville, AR Seaboard, NC Jacksonville, FL	***
Western Forest Products US	***	Vancouver, WA	***
Weyerhaeuser	***	Millport, AL Dierks, AR Dodson, LA Holden, LA Bruce, MS McComb, MS Philadelphia, MS Kalispell, MT Greenville, NC New Bern, NC Plymouth, NC Idabel, OK Cottage Grove, OR Santiam, OR Longview, WA Raymond, WA	***
Wilkins, Kaiser & Olsen	***	Carson, WA	***
All firms	Various	Various	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

As indicated in table I-11, 35 U.S. producers representing 53.9 percent of 2022 production support the continuation of the orders, 8 U.S. producers representing 29.1 percent of 2022 production oppose the continuation of the orders, and 7 U.S. producers representing 17.0 percent of 2022 production take no position on the orders.

Table I-11
Softwood lumber: Aggregate U.S. producers' position on the orders and share of reported production, 2022

Position	Count	Share of production
Support	35	53.9
Oppose	8	29.1
No position	7	17.0
All positions	50	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

As indicated in table I-12, five U.S. producers are owned by Canadian firms:

- *** is owned by ***;
- *** is owned by ***;
- *** is owned by ***;
- *** is owned by ***, and
- *** is owned by ***.

Additionally, 15 U.S. producers are related to firms that produce softwood lumber in Canada:

- *** is related to Canadian producers ***;
- *** is related to Canadian producers ***;
- *** is related to Canadian producers ***;
- *** is related to Canadian producers ***;
- *** is related to Canadian producer ***;
- *** is related to Canadian producer ***;
- *** is related to Canadian producer ***;

- *** is related to Canadian producers ***;
- *** is related to Canadian producer ***;
- *** is related to Canadian producer ***;
- *** is related to Canadian producer ***;
- *** is related to Canadian producer ***;
- *** is related to Canadian producer ***;
- *** is related to Canadian producer ***; and
- *** is related to Canadian producer ***.

As discussed in greater detail in Part III, the following U.S. producers directly imported the subject merchandise and/or are related to companies that imported the subject merchandise: ***. Additionally, the following U.S. producers purchased imports of the subject merchandise: ***.

[illegible]

Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
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Reporting firm	Relationship type and related firm	Details of relationship
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. importers

In the original investigations, 59 U.S. importing firms supplied the Commission with usable information on their operations involving the importation of softwood lumber, accounting for 81.4 percent of U.S. imports of softwood lumber during 2022.⁹⁵ In the current proceedings, the Commission issued U.S. importers' questionnaires to 164 firms believed to be importers of softwood lumber, as well as to all U.S. producers of softwood lumber. Usable questionnaire responses were received from 137 firms, representing 92.6 percent of U.S. imports from Canada and 78.6 percent of total U.S. imports during 2022. Table I-13 lists all responding U.S. importers of softwood lumber from Canada and other sources, their locations, and their shares of U.S. imports in 2022.

⁹⁵ Original publication, p. IV-1.

Table I-13

Softwood lumber: U.S. importers, their headquarters, and share of total imports within a given source in 2022, by firm

Shares in percent

Firm	Headquarters	Canada	Nonsubject sources	All import sources
American International Forest	Beaverton, OR	***	***	***
Antrim Cedar	Surrey, BC	***	***	***
Aquila Cedar	Parksville, BC	***	***	***
Arbec	La Tuque, QC	***	***	***
Aspen Pacific	White Rock, BC	***	***	***
Aspen Planers	Surrey, BC	***	***	***
B.B. Pallets	Saint-Eustache, QC	***	***	***
Bakerview Forest	Maple Ridge, BC	***	***	***
Barrette-Chapais	Chapais, QC	***	***	***
BarretteWood	St-Jean-Sur-Richelieu, QC	***	***	***
Benoit & Dionne	Drummondville, QC	***	***	***
Binderholz Timber	Atlanta, GA	***	***	***
Blanchet Multi Concept	St-Augustin-De-Desmaures, QC	***	***	***
Bois Bonsaï	Lévis, QC	***	***	***
Bois d'oeuvre - Cedrico Lumber	Price, QC	***	***	***
Bois et Solutions - SPEC	Quebec, QC	***	***	***
Boscus Canada	Pointe-Claire, QC	***	***	***
BPWood	Penticton, BC	***	***	***
Brink Forest	Prince George, BC	***	***	***
Buckeye Pacific	Tualatin, OR	***	***	***
Busque & Laflamme	Saint-Benoit-Labre, QC	***	***	***
Canadian Forest - Canfor Wood	Vancouver, BC	***	***	***
Carrier & Begin	Saint-Honoré-De-Shenley, QC	***	***	***
Carrier Forest	Prince George, Canada, BC	***	***	***
Carrier Lumber	Prince George, Canada, BC	***	***	***
Carter Forest Products	Calgary, AB	***	***	***
Cedarline	Surrey, BC	***	***	***

Table continued.

Table I-13 Continued

Softwood lumber: U.S. importers, their headquarters, and share of total imports within a given source in 2022, by firm

Shares in percent

Firm	Headquarters	Canada	Nonsubject sources	All import sources
Central Cedar	Surrey, BC	***	***	***
Centurion Lumber	Chemainus, BC	***	***	***
Chaleur Forest	Burnaby, BC	***	***	***
Chaleur Forest LP	Burnaby, BC	***	***	***
Clermond Hamel	Saint-Éphrem, QC	***	***	***
CNH Products	Anaheim, CA	***	***	***
Conifex Fibre	Vancouver, BC	***	***	***
Daaquam	St-Just-De-Bretenière, QC	***	***	***
Dakeryn	North Vancouver, BC	***	***	***
Delta Cedar	Delta, BC	***	***	***
Devon Lumber	Fredericton, NB	***	***	***
Doubletree	Burnaby, BC	***	***	***
Downie Timber	Revelstoke, BC	***	***	***
Dunkley Lumber	Prince George, BC	***	***	***
EACOM Timber	Montreal, QC	***	***	***
East Fraser Fiber	Prince George, BC	***	***	***
Fontaine	Woburn, QC	***	***	***
Fraserview Cedar	Surrey, BC	***	***	***
Furtado Forest	Port Coquitlam, BC	***	***	***
Gilbert Smith Forest	Barriere, BC	***	***	***
Goodfellow	Delson, QC	***	***	***
Gorman Bros.	West Kelowna, BC	***	***	***
GreenFirst	Toronto, ON	***	***	***
Groupe Crête Chertsey	Chertsey, QC	***	***	***
Groupe Crête St.-Faustin	Saint-Faustin Lac Carré (Mont Blanc), QC	***	***	***
Groupe Lebel	Rivière-Du-Loup, QC	***	***	***
H.J. Crabbe & Sons	Florenceville-Bristol, NB	***	***	***

Table continued.

Table I-13 Continued

Softwood lumber: U.S. importers, their headquarters, and share of total imports within a given source in 2022, by firm

Shares in percent

Firm	Headquarters	Canada	Nonsubject sources	All import sources
Hampton Lumber	Portland, OR	***	***	***
Hornepayne Lumber	Hornepayne, ON	***	***	***
Howard Lumber	Statesboro, GA	***	***	***
Hy Mark Wood	Surrey, BC	***	***	***
Interfor	Burnaby, BC	***	***	***
Interfor Sales & Marketing	Burnaby, BC	***	***	***
Irving Forest	Fort Kent, ME	***	***	***
Kebois	St-Dominique, QC	***	***	***
Langevin Forest	Sterling, MA	***	***	***
Lecours Lumber	Calstock, ON	***	***	***
Les Chantiers de Chibougamau	Chibougamau, CD	***	***	***
Les Industries P.F.	Saint-Martin, QC	***	***	***
Les Produits - D&G Forest	Quebec, QC	***	***	***
Les Produits - Portbec Forest	Quebec, QC	***	***	***
Leslie Forest	Delta, BC	***	***	***
Lignum	Vancouver, BC	***	***	***
Longlac Lumber	Thunder Bay, ON	***	***	***
Lulumco	Sainte-Luce, QC	***	***	***
Manitou Forest	Emo, ON	***	***	***
Marcel Lauzon	East Hereford, QC	***	***	***
Marwood	Fredericton, NB	***	***	***
Matériaux Blanchet	L'Ancienne-Lorette, QC	***	***	***
Mid Valley Lumber	Qualicum Beach, BC	***	***	***
Mill & Timber	Surrey, BC	***	***	***
Mobilier Rustique	Saint-Martin, QC	***	***	***
Mulherin Lumber	Evans, GA	***	***	***
Nakina Lumber	Thunder Bay, ON	***	***	***

Table continued.

Table I-13 Continued

Softwood lumber: U.S. importers, their headquarters, and share of total imports within a given source in 2022, by firm

Shares in percent

Firm	Headquarters	Canada	Nonsubject sources	All import sources
NorSask	Meadow Lake, SK	***	***	***
North American Forest - Abbotsford	Abbotsford, BC	***	***	***
North American Forest - Saint-Quentin	Saint-Quentin, NB	***	***	***
North Enderby Timber	Enderby, BC	***	***	***
Olympic Industries	North Vancouver, BC	***	***	***
Oregon-Canadian Forest	North Plains, OR	***	***	***
Pacific Northwest Lumber	Vancouver, BC	***	***	***
Pacific Western Wood Works	Delta, BC	***	***	***
Parallel Wood	Prince George, BC	***	***	***
Partap Forest	Maple Ridge, BC	***	***	***
Pat Power Forest	Maple Ridge, BC	***	***	***
Patrick Lumber	Portland, OR	***	***	***
Pine Ideas	Merritt, BC	***	***	***
Porcupine Wood	Salmo, BC	***	***	***
Powerwood	Agassiz, BC	***	***	***
Precision Cedar	Surrey, BC	***	***	***
Produit Forestiers Petits Paris	Saint-Ludger-De-Milot, QC	***	***	***
Produits Matra	St-Martin, QC	***	***	***
Promobois	Degelis, QC	***	***	***
Quebec Inc.	St-Georges, QC	***	***	***
René Bernard	Beauceville, QC	***	***	***
Resolute FP US	Wilmington, DE	***	***	***
Richmond International Forest	Glen Allen, VA	***	***	***
Rielly Lumber	West Vancouver, BC	***	***	***
Sawarne	Vancouver, BC	***	***	***
Scierie West Brome	Lac Brome, QC	***	***	***
Seaboard International	Nashua, NH	***	***	***

Table continued.

Table I-13 Continued

Softwood lumber: U.S. importers, their headquarters, and share of total imports within a given source in 2022, by firm

Shares in percent

Firm	Headquarters	Canada	Nonsubject sources	All import sources
Séchoirs de Beauce	Beauceville, QC	***	***	***
Shakertown	Winlock, WA	***	***	***
Sigurdson Forest	Williams Lake, BC	***	***	***
Silvaris	Bellevue, WA	***	***	***
Sinclar Group Forest	Prince George, BC	***	***	***
Skana	Richmond, BC	***	***	***
South Beach Trading	Coquitlam, BC	***	***	***
Surrey Cedar	Langley, BC	***	***	***
Taan Forest	Skidegate, BC	***	***	***
Tolko Marketing	Vernon, BC	***	***	***
Triad Forest Products	Delta, BC	***	***	***
Twin Rivers Paper	Edmundston, NB	***	***	***
Tyee Timber	Coquitlam, BC	***	***	***
Universal Lumber	Richmond, BC	***	***	***
Usine Sartigan	St-Honoré-De-Shenley, QC	***	***	***
Vaagen Bros.	Colville, WA	***	***	***
Vancouver Specialty Cedar	Maple Ridge, BC	***	***	***
Vanderhoof	Vanderhoof, BC	***	***	***
Visscher Lumber	Chilliwack, BC	***	***	***
W.I. Woodtone	Chilliwack, BC	***	***	***
West Bay Forest	Langley, BC	***	***	***
West Fraser	Vancouver, BC	***	***	***
Western Lumber	Medford, OR	***	***	***
Western Lumber Sales	Vancouver, BC	***	***	***
Westminster Industries	White Rock, BC	***	***	***
Westwood Lumber	New Haven, IN	***	***	***
Weyerhaeuser	Seattle, WA	***	***	***
White River	White River, ON	***	***	***
Windsor Building Supplies	Langley, BC	***	***	***
All firms	NA	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. purchasers

The Commission received 27 usable questionnaire responses from firms that bought softwood lumber since January 1, 2017.⁹⁶ Thirteen of the responding purchasers are distributors, six are end users, and ten are other (including home builders, manufacturers of building products, and wholesalers).⁹⁷ The largest responding purchasers of softwood lumber, in descending order of 2022 purchases, were ***.

⁹⁶ Of the 27 responding purchasers, 23 reported purchasing the domestic product, 25 reported purchasing subject imports from Canada, and 16 reported purchasing softwood lumber from other countries.

⁹⁷ Some purchasers indicated more than one firm type.

Apparent U.S. consumption and market shares

Quantity

Table I-14 and figure I-3 present data on apparent U.S. consumption and U.S. market shares by quantity for softwood lumber. U.S. producers' U.S. shipments are based on data published by the WWPA and import data are based on official import statistics.⁹⁸ Overall apparent consumption as measured by quantity was 10.6 percent higher in 2022 than in 2017 (53.0 billion board feet in 2022 as compared to 47.9 billion board feet in 2017).

U.S. producers' U.S. shipments ended 13.4 percent higher in 2022 than 2017 (36.4 billion board feet in 2022 as compared to 32.1 billion board feet in 2017). Imports from Canada decreased irregularly over the period ending 10.5 percent lower in 2022 than in 2017 (12.8 billion board feet in 2022 as compared to 14.3 billion board feet in 2017). Imports from nonsubject sources increased from 2017-22 ending 147.0 percent higher in 2022 than in 2017 (3.8 billion board feet in 2022 as compared to 1.6 billion board feet in 2017).

Resultingly, U.S. producers' market share increased irregularly from 2017-22 starting at 67.0 percent in 2017, peaking in 2020 at 69.2 percent, and ending 1.7 percentage points higher than the beginning of the period at 68.7 percent. The market share of imports from Canada decreased irregularly over the period starting at 29.8 percent in 2017 and ending 5.7 percentage points lower than the beginning of the period at 24.1 percent. The market share of imports from nonsubject sources increased in each year-to-year comparison ending 4.0 percentage points higher in 2022 than in 2017 (7.2 percent market share in 2022 as compared to 3.2 percent market share in 2017). The market share of imports from all sources decreased irregularly ending 1.7 percentage points lower in 2022 than in 2017 (31.3 percent market share in 2022 as compared to 33.0 percent market share in 2017).

Overall apparent consumption by quantity was 1.5 percent lower in interim 2023 than in interim 2022 (12.8 billion board feet as compared to 13.0 billion board feet). U.S. producers' shipments and imports from Canada were both lower in interim 2023 than in interim 2022 (down 2.2 and 7.6 percent, respectively). Imports from nonsubject sources were 27.7 percent higher in interim 2023 than interim 2022. U.S. producers' market share was 0.5 percentage points lower in interim 2023 than in interim 2022. The market share of imports from Canada decreased 1.5 percentage points while the market share of imports from nonsubject sources increased 1.9 percentage points across the interim periods.

⁹⁸ For U.S. import quantities, a net to nominal conversion factor of 1.57 for imported lumber from Europe has been applied.

Table I-14**Softwood lumber: Apparent U.S. consumption and market share based on quantity, by period and source**

Quantity in mbf; shares in percent

Source	Measure	2017	2018	2019
U.S. producers	Quantity	32,077,000	33,073,000	33,874,000
Canada	Quantity	14,280,559	13,514,587	12,883,516
Nonsubject sources	Quantity	1,550,556	1,979,046	1,991,754
All import sources	Quantity	15,831,115	15,493,632	14,875,270
All sources	Quantity	47,908,115	48,566,632	48,749,270
U.S. producers	Share	67.0	68.1	69.5
Canada	Share	29.8	27.8	26.4
Nonsubject sources	Share	3.2	4.1	4.1
All import sources	Share	33.0	31.9	30.5
All sources	Share	100.0	100.0	100.0

Table continued.

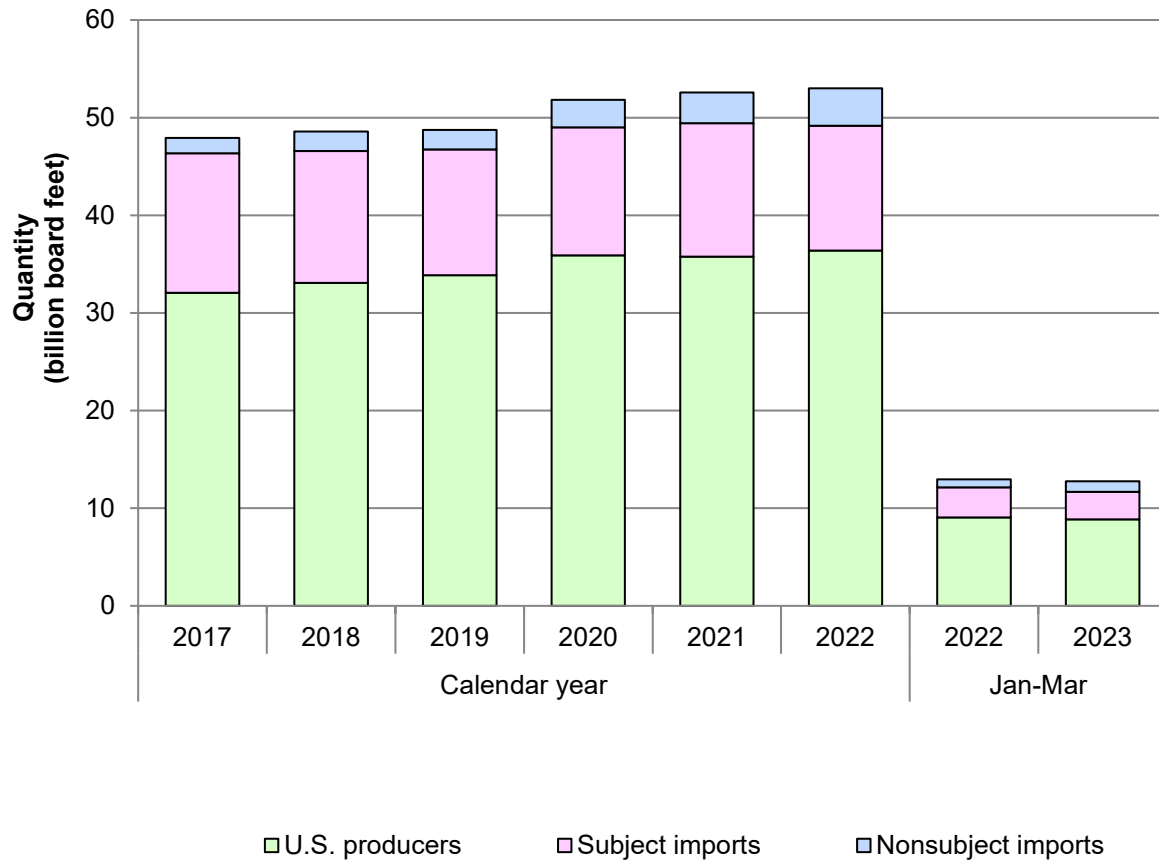
Table I-14 Continued**Softwood lumber: Apparent U.S. consumption and market share based on quantity, by period and source**

Quantity in mbf; shares in percent

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. producers	Quantity	35,892,000	35,754,000	36,384,000	9,066,000	8,865,000
Canada	Quantity	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Nonsubject sources	Quantity	2,837,909	3,143,234	3,829,671	846,420	1,080,643
All import sources	Quantity	15,938,716	16,828,006	16,610,174	3,902,988	3,903,770
All sources	Quantity	51,830,716	52,582,006	52,994,174	12,968,988	12,768,770
U.S. producers	Share	69.2	68.0	68.7	69.9	69.4
Canada	Share	25.3	26.0	24.1	23.6	22.1
Nonsubject sources	Share	5.5	6.0	7.2	6.5	8.5
All import sources	Share	30.8	32.0	31.3	30.1	30.6
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers listed in footnote 2 of page IV-1 accessed August 31, 2023 and data published in the WWPA 2022 Statistical Yearbook of the Western Lumber Industry and WWPA Lumber Track (April 2023 and June 2023) (<https://www.wwpa.org/reports>). Official U.S. import statistics are based on the imports for consumption data series. For U.S. import quantities, a net to nominal conversion factor of 1.57 for imported lumber from Europe has been applied.

Figure I-3
Softwood lumber: Apparent U.S. consumption based on quantity, by period and source



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers listed in footnote 2 of page IV-1 accessed August 31, 2023 and data published in the WWPA 2022 Statistical Yearbook of the Western Lumber Industry and WWPA Lumber Track (April 2023 and June 2023) (<https://www.wwpa.org/reports>). Official U.S. import statistics are based on the imports for consumption data series. For U.S. import quantities, a net to nominal conversion factor of 1.57 for imported lumber from Europe has been applied.

Value

Table I-15 and figure I-4 presents data on apparent U.S. consumption and U.S. market shares by value for softwood lumber. U.S producers' shipments are based on data published by the WWPA⁹⁹ and import data are based on official import statistics. Overall apparent consumption as measured by value was 87.5 percent higher in 2022 than in 2017 (\$38.6 billion in 2022 as compared to \$20.6 billion in 2017).

The value of U.S. producers' U.S. shipments, imports from Canada, and imports from nonsubject sources all increased irregularly from 2017-22. The value of U.S. producers' U.S. shipments was 93.8 percent higher in 2022 than 2017 (\$26.1 billion in 2022 as compared to \$13.4 billion in 2017). The value of imports from Canada was 50.3 percent higher in 2022 than in 2017 (\$9.2 billion in 2022 as compared to \$6.1 billion in 2017), and the value of imports from nonsubject sources was 230.1 percent higher in 2022 than in 2017 (\$3.3 billion in 2022 as compared to \$1.0 billion in 2017).

U.S. producers' market share by value increased irregularly from 2017-22 starting at 65.4 percent in 2017, peaking in 2020 at 69.7 percent, and ending 2.2 percentage points higher than the beginning of the period at 67.6 percent. The market share by value of imports from Canada decreased irregularly over the period starting at 29.7 percent in 2017 and ending 5.9 percentage points lower than the beginning of the period at 23.8 percent. The market share of imports from nonsubject sources increased irregularly ending 3.7 percentage points higher in 2022 than in 2017 (8.5 percent market share in 2022 as compared to 4.8 percent market share in 2017). The market share of imports from all sources decreased irregularly ending 2.2 percentage points lower in 2022 than in 2017 (32.4 percent market share in 2022 as compared to 34.6 percent market share in 2017).

Overall apparent consumption by value was 54.9 percent lower in interim 2023 than in interim 2022 (\$5.9 billion in interim 2023 as compared to \$13.1 billion in interim 2022). The values of U.S. producers' shipments, imports from Canada, imports from nonsubject sources, and overall imports were all lower in interim 2023 than in interim 2022 (down 58.3, 54.5, 15.3, and 45.9 percent, respectively). U.S. producers' market share by value was 5.4 percentage points lower in interim 2023 than in interim 2022. The market share by value of imports from Canada increased 0.2 percentage points while the market share of imports from nonsubject sources increased 5.3 percentage points across the interim periods. The market share by value of all imports was 5.4 percentage points higher in interim 2023 than interim

⁹⁹ Values were estimated by multiplying the quantities as reported in WWPA Lumber Track by U.S. producers' reported unit values from Commission questionnaires.

2022.

Table I-15
Softwood lumber: Apparent U.S. consumption and market share based on value, by period and source

Value in 1,000 dollars; shares in percent

Source	Measure	2017	2018	2019
U.S. producers	Value	13,449,539	15,243,793	12,693,710
Canada	Value	6,113,731	5,798,902	4,486,773
Nonsubject sources	Value	996,968	1,374,107	1,266,317
All import sources	Value	7,110,699	7,173,009	5,753,090
All sources	Value	20,560,239	22,416,802	18,446,799
U.S. producers	Share of value	65.4	68.0	68.8
Canada	Share of value	29.7	25.9	24.3
Nonsubject sources	Share of value	4.8	6.1	6.9
All import sources	Share of value	34.6	32.0	31.2
All sources	Share of value	100.0	100.0	100.0

Table continued.

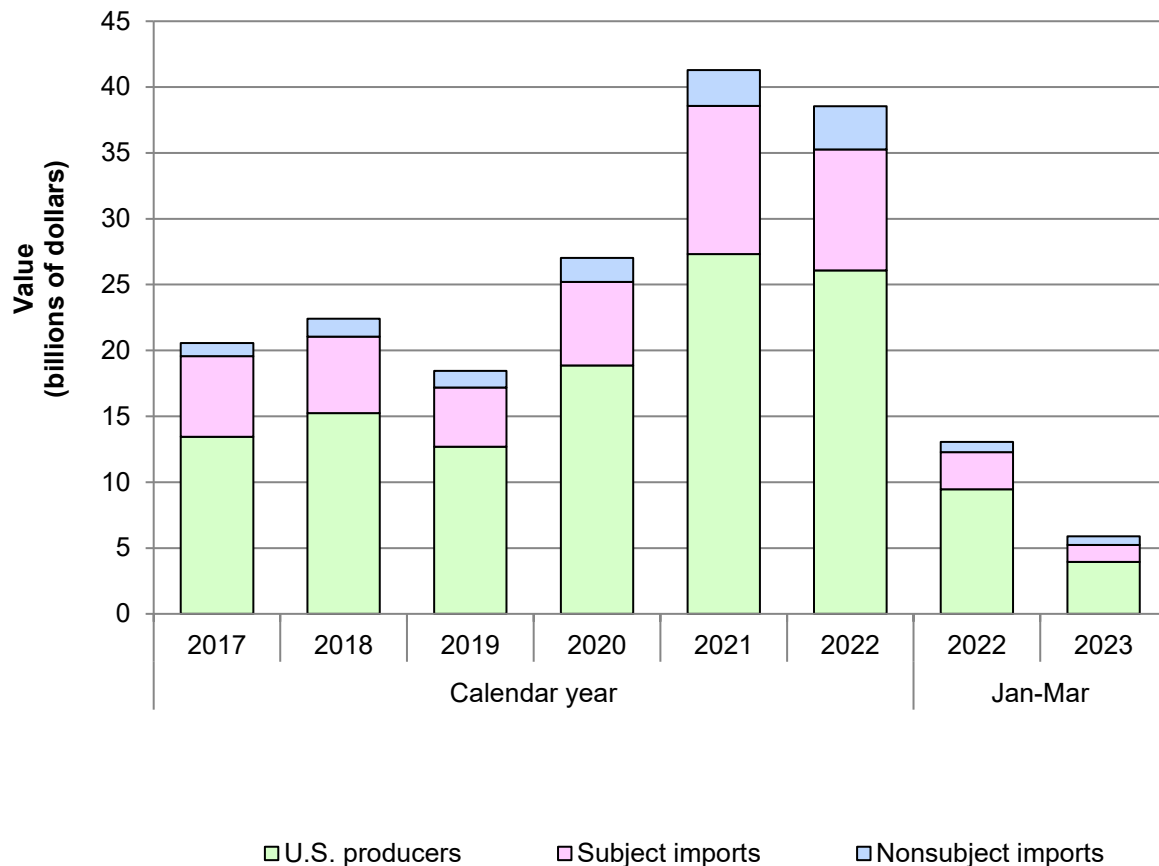
Table I-15 Continued
Softwood lumber: Apparent U.S. consumption and market share based on value, by period and source

Value in 1,000 dollars; shares in percent

Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. producers	Value	18,854,256	27,331,209	26,071,217	9,457,995	3,947,714
Canada	Value	6,354,820	11,239,177	9,188,953	2,812,519	1,279,062
Nonsubject sources	Value	1,830,048	2,721,733	3,290,717	787,077	666,662
All import sources	Value	8,184,868	13,960,909	12,479,670	3,599,597	1,945,724
All sources	Value	27,039,124	41,292,118	38,550,888	13,057,592	5,893,438
U.S. producers	Share	69.7	66.2	67.6	72.4	67.0
Canada	Share	23.5	27.2	23.8	21.5	21.7
Nonsubject sources	Share	6.8	6.6	8.5	6.0	11.3
All import sources	Share	30.3	33.8	32.4	27.6	33.0
All sources	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers listed in footnote 2 of page IV-1 accessed August 31, 2023 and data published on published in the WWPA 2022 Statistical Yearbook of the Western Lumber Industry and WWPA Lumber Track (April 2023 and June 2023) (<https://www.wwpa.org/reports>). Value was estimated by multiplying the WWPA quantity by U.S. producers' reported unit values from Commission questionnaires. Official U.S. import statistics are based on the imports for consumption data series and values reflect landed duty-paid value.

Figure I-4
Softwood lumber: Apparent U.S. consumption based on value, by period and source



Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers listed in footnote 2 of page IV-1 accessed August 31, 2023 and data published on WWPA Lumber Track (<https://www.wwpa.org/reports>). Value was estimated by multiplying the WWPA quantity by U.S. producers' reported unit values from Commission questionnaires. Official U.S. import statistics are based on the imports for consumption data series and values reflect landed duty-paid value.

U.S. shipments by pressure treatment and kiln-drying

The Commission asked U.S. producers and U.S. importers to report their 2022 U.S. shipments by whether the shipments had been pressure treated by their firm. As shown in table I-16, *** percent of U.S. shipments reported by U.S. producers by quantity were not pressure treated by the U.S. producers and *** U.S. shipments of imports from Canada and *** U.S. shipments of imports from nonsubject sources were not pressure treated by the U.S. importers. Note that this only measures pressure treatment conducted by the U.S. producers and U.S. importers. Several of the U.S. producers indicated that portions of their shipments are believed or known to ultimately be pressure treated by other firms, while several of the importers indicated that portions of their shipments are pressure treated by the manufacturer in the origin country.

Table I-16
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by pressure treatment, 2022

Quantity in mbf

Source	Pressure treated	Not pressure treated	All items
U.S. producers	***	***	***
Canada	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table I-16 Continued
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by pressure treatment, 2022

Share across in percent

Source	Pressure treated	Not pressure treated	All items
U.S. producers	***	***	100.0
Canada	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	***	***	100.0
All sources	***	***	100.0

Table continued.

Table I-16 Continued
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by pressure treatment, 2022

Share down in percent

Source	Pressure treated	Not pressure treated	All items
U.S. producers	***	***	***
Canada	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure I-5

Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by pressure treatment, 2022

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

The Commission also asked U.S. producers and U.S. importers to report their 2022 U.S. shipments by whether the shipments had been kiln-dried. As shown in table I-17, U.S. producers reported *** percent of their U.S. shipments in 2022 by quantity as kiln-dried. Comparatively, U.S. importers reported *** percent of U.S. shipments of imports from Canada as kiln-dried and *** percent of U.S. shipments of imports from nonsubject sources as kiln-dried by quantity in 2022.

Table I-17
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by type of drying, 2022

Quantity in mbf

Source	Kiln-dried	Not kiln-dried	All items
U.S. producers	***	***	***
Canada	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	***	***	***

Table continued.

Table I-17 Continued
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by type of drying, 2022

Share across in percent

Source	Kiln-dried	Not kiln-dried	All items
U.S. producers	***	***	100.0
Canada	***	***	100.0
Nonsubject sources	***	***	100.0
All import sources	***	***	100.0
All sources	***	***	100.0

Table continued.

Table I-17 Continued
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by type of drying, 2022

Share down in percent

Source	Kiln-dried	Not kiln-dried	All items
U.S. producers	***	***	***
Canada	***	***	***
Nonsubject sources	***	***	***
All import sources	***	***	***
All sources	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Figure I-5
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by type of drying, 2022

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

Softwood lumber is used primarily in the construction of new homes and for repairs and renovations to existing homes. Smaller amounts are also used in non-construction end uses, such as fence pickets, mattress and bed frame foundations, docks, outdoor furniture, saunas, reels, pallets, and crates.¹ The U.S. softwood lumber market consists of large numbers of producers, importers, and purchasers. As in the original investigations, most supply comes from U.S. and Canadian producers, although imports from nonsubject countries, particularly in Europe, have increased in recent years.

The major species of softwood lumber consumed in the United States are southern yellow pine (“SYP”), spruce-pine-fir (“SPF”), Douglas fir (“DF”), hemlock-fir (“HF”), and ponderosa pine. Most domestic softwood lumber is manufactured from SYP, which grows in the Southeastern United States, and DF and HF, which grow primarily in the West. Most Canadian softwood lumber is manufactured from SPF, which comes from British Columbia and Quebec. Western Red Cedar (“WRC”), which most responses in the original investigations described as having limited interchangeability with other species of structural softwood lumber, is both grown and manufactured in both the United States and Canada. While the large majority of U.S.-produced softwood lumber comes from timber grown on privately-owned land, as much as 90 percent of the softwood lumber produced in Canada comes from timber grown on land owned by various levels of Canadian government.²

According to questionnaire data collected in these reviews, U.S. producers’ U.S. shipments in 2022 were 57.5 percent SYP, 24.3 percent DF, 9.5 percent HF, 4.8 percent SPF, and 4.0 percent other species. Importers’ U.S. shipments of Canadian softwood lumber in 2022 were 85.1 percent SPF, 8.4 percent DF, 1.6 percent HF, and 4.9 percent other species.³

¹ This paragraph is from the original publication, p. II-1.

² This paragraph is from the original publication, pp. 1-2 and is also discussed in Part I.

³ See appendix E.

Most responding U.S. producers (36 of 49) and some importers (57 of 132) and purchasers (11 of 26) indicated that the market was subject to distinctive conditions of competition other than business cycles. Distinctive conditions mentioned by firms included those related to demand (specifically housing starts) and supply, and tariffs on Canadian softwood lumber. Firms also mentioned that the lumber market is influenced by general economic conditions, government policies, building codes, and technological change. With regards to housing, firms mentioned a boom in new housing construction and renovations during the pandemic, followed by rising interest rates and fewer housing starts. Supply factors mentioned as distinct conditions included that harvestable lumber availability has been affected by natural disasters (including wildfires, beetle infestations, and floods) and by regulations (such as those related to old growth and endangered species). Firms also mentioned regional demand and supply differences and differences in species suitability for specific applications.⁴ Other conditions noted were increased competition from European sources, the large number of suppliers in the industry, industry consolidation, and competition from substitutes.

Apparent U.S. consumption of softwood lumber increased during 2017-22. Overall, apparent U.S. consumption in terms of quantity in 2022 was 10.6 percent higher than in 2017.

Channels of distribution

U.S. producers reported shipping substantial quantities of softwood lumber to all three specified channels: wholesalers/distributors, retailers, and other firms/end users, with the latter comprising the largest category of U.S. shipments during each full year and partial year of the review period (table II-1). Importers also reported shipments to all three channels, with wholesalers/distributors being the largest category of U.S. shipments for imports from Canada and from nonsubject sources.

⁴ For example, purchaser *** stated that "...softwood lumber is very regional in demand patterns and certain species perform and react different in the various climates in North America. For instance: SPF lumber does not mold, warp or twist as readily as SYP does in the U.S. South. SYP is readily accepted in some applications, but unsuitable and rejected by customers in others. HF and DF are generally more accepted, but not produced in adequate volume in the U.S. to be a suitable alternative to SPF across the country."

Table II-1**Softwood lumber: Share of U.S. shipments by source, channel of distribution, and period**

Shares in percent

Source	Channel	2017	2018	2019	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
United States	Wholesalers/ Distributors	36.2	35.9	36.1	35.3	35.2	34.4	32.9	33.7
United States	Retailers	25.9	25.6	25.9	26.0	25.3	25.1	26.1	25.6
United States	Other firms/ End users	37.9	38.6	38.0	38.6	39.4	40.5	40.9	40.7
Canada	Wholesalers/ Distributors	58.4	59.1	57.1	55.2	54.3	53.4	51.6	55.6
Canada	Retailers	22.3	21.9	23.9	24.2	22.8	23.7	24.0	23.9
Canada	Other firms/ End users	19.3	19.1	19.0	20.6	22.9	22.9	24.4	20.4
Nonsubject sources	Wholesalers/ Distributors	87.5	84.6	75.5	63.8	64.9	57.2	56.2	58.2
Nonsubject sources	Retailers	3.4	4.9	11.7	21.8	23.4	28.7	27.3	29.1
Nonsubject sources	Other firms/ End users	9.1	10.5	12.8	14.4	11.7	14.1	16.5	12.7
All import sources	Wholesalers/ Distributors	58.8	59.8	57.5	55.7	55.0	53.7	52.0	55.9
All import sources	Retailers	22.1	21.4	23.6	24.1	22.8	24.1	24.3	24.5
All import sources	Other firms/ End users	19.1	18.8	18.9	20.3	22.2	22.2	23.7	19.5

Source: Compiled from data submitted in response to Commission questionnaires.

Geographic distribution

U.S. producers and subject importers reported selling softwood lumber to all U.S. regions (table II-2). In 2022, the highest volume of U.S. producers' U.S. shipments were to the Southeast, followed by the Central Southwest and Pacific Coast regions. The largest volume of subject import shipments went to the Midwest, followed by the Southeast and Northeast regions. U.S. shipments by geographical region, species, and source, by quantity and by unit value, are presented in appendix E.

Table II-2
Softwood lumber: U.S. producers' and U.S. importers' geographic markets

Shares in percent

Region	U.S. producers	Subject U.S. importers
Northeast	8.6	16.6
Midwest	12.3	30.9
Southeast	32.2	22.4
Central Southwest	20.5	11.1
Mountain	8.5	9.2
Pacific Coast	17.4	8.3
Other	0.5	1.5
Total U.S. shipments	100.0	100.0
Number of reporting firms	46	94

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other U.S. markets include AK, HI, PR, and VI.

Purchaser *** reported particularly strong demand in the South and Southwest regions, particularly for SYP lumber used for trusses, and as treated and framing lumber. It reported that there have not generally been major changes in regional consumption patterns except in certain markets where SPF lumber is not available or is high cost.

U.S. producers generally reported shipping shorter distances than subject U.S. importers (table II-3). Most U.S. producers' U.S. shipments were within 500 miles of production facilities. Conversely, most subject imports were shipped more than 500 miles from U.S. shipment points, with one-third of shipments more than 1,000 miles.

Table II-3
Softwood lumber: Distances shipped from U.S. producers' production facilities and from subject importers' U.S. points of shipment, 2022

Shares in percent

Distance shipped within the United States	U.S. producers	Subject U.S. importers
Zero to 100 miles	14.5	17.9
101 to 250 miles	21.5	10.1
251 to 500 miles	27.0	13.3
501 to 750 miles	12.6	14.2
751 to 1,000 miles	8.5	11.2
Over 1,000 miles	15.8	33.3
Total U.S. shipments	100.0	100.0
Number of reporting firms	43	128

Source: Compiled from data submitted in response to Commission questionnaires.

Supply and demand considerations

U.S. supply

Table II-4 provides a summary of the supply factors regarding softwood lumber from U.S. producers and from Canada. The U.S. market is the largest market for both U.S. and Canadian producers, with more than 96 percent of U.S. producers' shipments and over 60 percent of Canadian shipments of softwood lumber going to the U.S. market in 2022, according to WWPA data. U.S. capacity increased between 2017 and 2022 while Canadian capacity decreased over this period. Most producers in both countries reported that they were unable to shift production to products other than softwood lumber.

Table II-4
Softwood lumber: Supply factors that affect the ability to increase shipments to the U.S. market, by country

Quantity in 1,000 mbf; ratio and share in percent

Factor	Measure	United States (questionnaire data)	United States (WWPA data)	Canada (questionnaire data)	Canada (WWPA data)
Capacity 2017	Quantity	26,538,803	39,273,256	24,659,191	31,482,222
Capacity 2022	Quantity	31,843,595	45,046,429	22,734,643	29,346,575
Capacity utilization 2017	Ratio	86.0	86.0	91.4	90.0
Capacity utilization 2022	Ratio	83.0	84.0	84.7	73.0
Inventories to total shipments 2017	Ratio	6.4	***	7.6	***
Inventories to total shipments 2022	Ratio	6.4	***	9.8	***
Home market shipments 2022	Share	99.3	96.5	37.0	31.8
Non-US export market shipments 2022	Share	0.7	3.5	5.2	7.1
Ability to shift production (firms reporting "yes")	Count	4 of 50	NA	9 of 106	NA

Source: Compiled from data submitted in response to Commission questionnaires, and WWPA, *Lumber Track*, December 2018 and June 2023 (<https://www.wwpa.org/reports>).

Note: Responding U.S. producers accounted for 69.9 percent of U.S. production of softwood lumber in 2022. Responding foreign producer/exporter firms accounted for 87.4 percent of U.S. imports of softwood lumber from Canada during 2022. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from Canada, please refer to Part I, "Summary Data and Data Sources."

Domestic production

Based on available information, U.S. producers of softwood lumber have the ability to respond to changes in demand with small-to-moderate changes in the quantity of shipments of U.S.-produced softwood lumber to the U.S. market. The main contributing factors to this degree of responsiveness of supply are increasing capacity, the availability of unused capacity and some inventories. Factors mitigating responsiveness of supply include limited ability to shift shipments from alternate markets and limited ability to shift production to or from alternate products.

U.S. production capacity for softwood lumber was higher in 2022 than in 2017 while capacity utilization was lower. Exports comprised a small share of U.S. producers' shipments. The vast majority of responding U.S. producers reported that they are unable to shift production to other products using the same equipment as softwood lumber production equipment.

Most purchasers (21 of 27) reported changes in the availability of domestic supply since January 1, 2017, while purchasers were evenly split regarding whether they anticipated any changes in domestic supply. Purchasers reported a mix of answers regarding the changes, with some firms reporting increased domestic capacity, particularly for pine species in the South, and other firms reporting a supply shortage. One firm reported a decline in supply in HF/DF from the West (because of weather and transportation issues and increased exports).

Subject imports from Canada

Based on available information, producers of softwood lumber from Canada have the ability to respond to changes in demand with small-to-moderate changes in the quantity of shipments of softwood lumber to the U.S. market. The main contributing factors to this degree of responsiveness of supply are the availability of unused capacity, some inventories, and some ability to shift shipments from alternate markets. Factors mitigating responsiveness of supply include declining overall capacity and a limited ability to shift production to or from alternate products.

Softwood lumber capacity in Canada declined from 2017 to 2022. Production also declined during this period, leading to lower capacity utilization in 2022 than in 2017. The share of Canadian shipments exported to non-U.S. markets declined from 2017 to 2022, from about 15 percent to about 5 percent of shipments. Asia was the second largest export market, after the United States, during the period.

Canada's wildfire season in the spring of 2023 has burned the largest amount of land ever recorded in a single year. The fires have disrupted production by shuttering sawmills,

causing a log shortage, and triggering increased prices.⁵ The mountain pine beetle has also constrained Canadian lumber supply, particularly in British Columbia.⁶

Most responding Canadian producers reported that changes in factors affecting supply have affected the availability of Canadian softwood lumber, with nearly all of these firms describing factors that reduced availability. Factors included reduced availability of logs (including in Western Canada) and high fiber costs, labor shortages (including labor strikes), wildfires (which affect the quantity and quality of timber),⁷ climate change, reduced transport (e.g., railcar) availability and higher transport pricing (particularly related to higher energy costs in 2022), weather conditions, insect infestations (mountain pine beetle and a spruce budworm outbreak active since 2006), and Canadian governmental (national and provincial) and First Nations policies and regulations.⁸ One Canadian producer mentioned that there were shortages because of high demand in 2020-22, that lumber prices began to decline in the second half of 2022 as supply became available, and that lumber shortages returned in 2023 when low demand and low prices caused mills to cut production. Another producer, ***, stated that it anticipates supply constraints in Canada to continue “at least until substantial areas of second growth managed stands reach merchantable size in 20-40 years.” About half of

⁵ See “Forestry in Canada” in Part IV for more information. Nickel, Rod, Reuters, “Analysis: Canadian wildfires shutter sawmills, drive up lumber prices,” Reuters, <https://www.reuters.com/business/environment/canadian-wildfires-shutter-sawmills-drive-up-lumber-prices-2023-06-12/>, June 12, 2023; Levine, Ally, Nia Williams, and Prinz Magtulis, “Canadian Wildfires Burning Land at Record Pace,” Reuters, <https://www.reuters.com/graphics/CANADA-WILDFIRE/HISTORIC/zvnzzebmv/>, July 24, 2023; Canadian Interagency Forest Fire Centre, Inc., “Fire Statistics,” <https://ciffc.net/statistics>, retrieved July 24, 2023.

⁶ Wood Resources International, *CISION PR Newswire*, “Increased demand for softwood lumber in the US and Asia”, <https://www.prnewswire.com/news-releases/increased-demand-for-softwood-lumber-in-the-us-and-asia-will-change-the-global-trade-flows-of-wood-in-the-coming-decade-301339933.html>, July 22, 2021. By 2017, the infestation killed an estimated *** percent of marketable pine in British Columbia. IBISWorld, *Sawmills & Wood Production in Canada*, December 2021.

⁷ One foreign producer stated that thus far in 2023, 3.7 million acres have been affected by forest fires in Quebec province, equivalent to about 5 years of harvest area for the province. It added that the fires had postponed “finalization of the Caribou strategy for the Quebec province which is also anticipated to have impact on harvest and wood supply. The strategy is now expected for Fall 2023. The target of 30 percent protected area by 2030 and the growing interest of First Nations in land management are also listed as potential impact on harvest and wood supply.”

⁸ Firms mentioned policies that affect the Allowable Annual Cut (“AAC”), including those regarding old-growth and endangered species, imposition of carbon taxes, labor legislation (regarding worker sick days and vacation days), and an export tax imposed in 2020 by British Columbia on certain products made from Western Red Cedar and Yellow Cedar. One foreign producer stated that an inability to obtain permits made it unable to harvest the full AAC. See “Forestry in Canada” in Part IV for more information on the AAC in Canada.

responding Canadian producers anticipate no change in future supply of Canadian exports to the U.S. market and about half anticipate decreased supply.⁹

Most purchasers (20 of 25) reported changes in the availability of subject import supply since January 1, 2017, and most (17 of 26) also anticipated changes in subject import supply. Purchasers generally reported decreased supply of subject imports, particularly from British Columbia. *** stated it has decreased purchases of softwood lumber from Western Canada as prices have increased which it has offset with increased purchases from other Canadian regions.

Imports from nonsubject sources

Nonsubject imports accounted for 23.1 percent of total U.S. imports in 2022, up from 9.8 percent in 2017. Nonsubject imports' share of total imports increased during each full year of the review period. The largest sources of nonsubject imports in 2022 were countries in Europe, specifically Germany (8.6 percent of total imports), Sweden (3.7 percent), Romania (2.1 percent), and Austria (2.0 percent). Combined, these countries accounted for 70.9 percent of nonsubject imports in 2022.

Most purchasers (17 of 24) reported changes in the availability of nonsubject import supply since January 1, 2017, while purchasers were evenly split regarding whether they anticipated any changes in nonsubject import supply. Many purchasers reported increased imports of softwood lumber from Europe. One purchaser reported that European lumber has been the main replacement for lost supply from Canada and another purchaser reported that European lumber was lower priced and better quality than other sources.

Supply constraints

Most U.S. producers (31 of 49) reported that they had not experienced supply constraints since January 1, 2017, while 18 U.S. producers reported that they had supply constraints. On the other hand, most importers (80 of 135) reported that they had experienced supply constraints. Seventeen of 27 purchasers reported supply constraints from their suppliers.

⁹ Seventy-eight foreign producers anticipate no change in supply, 76 anticipate decreased supply, and 4 anticipate increased supply.

A number of U.S. producers and importers reported that they had supply constraints during the COVID-19 pandemic, most frequently because demand exceeded supply during that period and also because of labor and supply chain constraints. Other supply constraints reported by importers were due to reduced log supply (caused by fires, climate change, storms, insects, diseases, and regulation); duties; labor shortages (including a strike in 2019); changes to produce more value-added products which limited lumber availability; and transportation difficulties (a shortage of truck drivers, truck blockades, reduced rail workforce, and extreme weather disruption of transportation).

Many purchasers reported supply constraints particularly during 2020 to 2022. Some firms reported that the supply situation had improved while others reported continuing supply constraints. Purchasers stated that demand spikes combined with low production during the pandemic decreased the availability of lumber and caused producers to put customers on allocation. In addition, purchasers mentioned that duties have forced Canadian product out of the U.S. market at times; that some U.S. suppliers cannot supply specific products;¹⁰ that truck and rail transportation difficulties and adverse weather conditions can constrain availability; and that producers in Western Canada have not been able to fully supply the purchaser's needs.

New suppliers

Twelve of 27 purchasers indicated that new suppliers entered the U.S. market since January 1, 2017, and nine expect additional entrants. Several purchasers reported new entrants from Europe. In addition, one purchaser reported that additional U.S. production facilities are planned in the Southeast.

U.S. demand

Based on available information, the overall demand for softwood lumber is likely to experience small changes in response to changes in price. The main contributing factors to this degree of responsiveness are the somewhat limited range of substitute products and the small cost share of softwood lumber in most of its final end-use products.

¹⁰ This purchaser stated that ***.

End uses and cost share

U.S. demand for softwood lumber depends on the demand for U.S.-produced downstream products. Most end uses for softwood lumber are for the construction or remodeling of residential and commercial buildings. Specific end uses for such applications include internal and external frames, trusses, mouldings, boards, columns, decking, furring, I-beams, concrete forms, siding and trim.¹¹ The vast majority of responding firms (40 of 49 U.S. producers, 124 of 135 importers, and 16 of 17 purchasers) reported no changes in softwood lumber end uses since January 1, 2017. Several U.S. producers and importers reported that mass timber (engineered wood) has begun to increase in use for construction purposes and is expected to be used more in both commercial and residential construction in the future.¹² The sole purchaser (***) that reported a change in end uses stated that it could substitute SYP for SPF in some markets for some customers.

Although the cost of softwood lumber can account for a large portion of an intermediate structure, such as the frame of a new home, it accounts for a relatively small share (roughly 3 percent) of the value of a finished home.¹³ In the original investigations, firms reported the following cost shares for intermediate structures: framing, 30-91 percent; trusses, 13-66 percent; mouldings, 60-80 percent; boards, 93 percent; columns, 65 percents; decking, 16-50 percent; furring, I-beams, concrete/foundation forms, 79 percent; and siding and trim, 10-50 percent.¹⁴

¹¹ Reported non-construction end uses included fence pickets, mattress and bed frame foundations, docks, outdoor furniture, saunas, reels, pallets, and crates. Original publication, p. II-9.

¹² Purchaser *** reported that end uses have not changed but that "...changes in construction trends, such as the growing prevalence of modular and prefabricated housing, may influence the specific type of dimension lumber utilized. For example, a shift towards heavier 2x4 usage may occur due to increased demand for walls in modular construction. Engineered wood affected end use for some of our dimension lumber, as we adjust production to target L3/Better laminated grades. A portion of our production is now directed towards Yellow Cedar, Douglas Fir, and potentially Hemlock laminated stock."

¹³ Original publication, p. II-9.

¹⁴ Reported cost shares for non-construction end uses were as follows: fences pickets, 16-75 percent; mattress and bed frame foundations, 20-60 percent; docks, 16 percent; reels, 67-95 percent; and pallets, 95 percent. Original publication, p. II-9.

Business cycles

Almost all responding firms (48 of 50 U.S. producers, 114 of 135 importers, and 25 of 27 purchasers) reported that the U.S. softwood lumber market was subject to business cycles. Firms reported that demand was seasonal and was related to demand in the housing market, which was, in turn, influenced by interest rates, the overall economy, demographics, and the age of housing stock. Firms stated that most home building and renovation occurs in the middle months of the year, that demand for lumber falls in the fourth quarter, and that customers start building up lumber supplies in the first quarter.

Demand trends

U.S. demand for softwood lumber depends primarily on residential construction activity, both for new homes as well as repairs and renovations on existing homes.¹⁵ According to WWPA data, in 2022, remodeling and repair accounted for about *** percent of U.S. consumption of softwood lumber, new housing accounted for about *** percent, and nonresidential construction and other uses accounting for the remainder (see part I, table I-8).

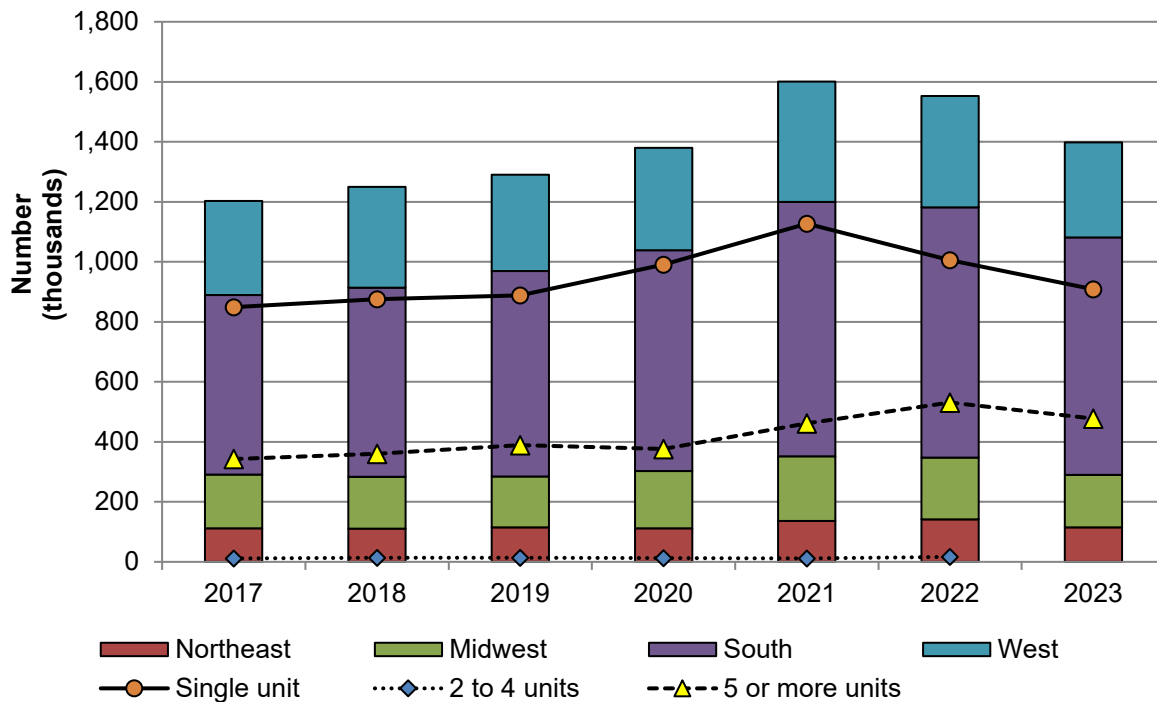
As shown in figure II-1 and table II-5, the total number of U.S. housing starts in 2022 was 29.1 percent higher than in 2017. By region, the South experienced the highest growth from 2017 to 2022 (39.3 percent), followed by the Northeast (27.6 percent). The number of housing starts increased by 14.6 percent in the Midwest and by 18.3 percent in the West from 2017 to 2022.¹⁶ The total number of housing starts increased in each year from 2017 to 2021 and then declined in 2022. Available data for January-September 2023 indicate that annualized housing starts in 2023 have been lower than in 2022 in each region.

¹⁵ In the original investigations, petitioners estimated that approximately 80 percent of the softwood lumber consumed in the United States is used in residential home construction, remodeling, and repair. Original publication, p. II-10.

¹⁶ In the original investigations, petitioners testified at the hearing that regional differences in demand trends are driven by the mortgage rates, labor trends, and general economic trends of each region. Original publication, p. II-11.

Figure II-1

Housing starts: New privately owned housing units started, total and total single units, overall and total by region, annually, 2017-23



Source: U.S. Census Bureau, <https://www.census.gov/construction/nrc/data/series.html>, retrieved October 21, 2023.

Note: See notes to table II-5.

Table II-5

Housing starts: New privately owned housing units started, by region

Number of housing units in thousands

Region	2017	2018	2019	2020	2021	2022	2023
Northeast	111	111	115	112	137	142	115
Midwest	180	173	169	192	216	206	175
South	599	630	685	736	848	834	791
West	313	336	321	341	401	371	316
All regions	1,203	1,250	1,290	1,380	1,601	1,553	1,398

Table continued.

Table II-5 Continued**Housing starts: New privately owned housing units started, by structure type**

Number of housing units in thousands

Structure type	2017	2018	2019	2020	2021	2022	2023
Single unit	849	876	888	991	1,127	1,005	908
2 to 4 units	11	14	13	12	12	16	NA
5 or more units	343	360	389	377	462	531	478
All structures	1,203	1,250	1,290	1,380	1,601	1,553	1,398

Source: U.S. Census Bureau, <https://www.census.gov/construction/nrc/data/series.html>, retrieved October 21, 2023.

Note: Due to data availability, annual 2023 data are estimated by averaging monthly seasonally adjusted data for January-September 2023. Monthly seasonally adjusted data are not available for 2 to 4 unit structures for 2023. The Census Bureau classifies the states of CT, MA, ME, NH, NJ, NY, PA, RI, and VT as the “Northeast;” IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, and WI as the “Midwest;” AL, AR, DE, FL, GA, KY, LA, MD, MS, NC, OK, SC, TN, TX, WV, VA, and the District of Columbia as the “South;” and AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, and WY as the “West.”

Data on remodeling also show slowing demand in 2023 and expected reductions in 2024, as shown in table II-6, which presents the Leading Indicator of Remodeling Activity (LIRA).¹⁷ The Joint Center for Housing Studies (JCHS) states, “Annual spending for improvements and repairs to owner-occupied homes is expected to decrease at a moderate rate over the coming year.”¹⁸ Another measure of remodeling, the NAHB/Westlake Royal Remodeling Market Index (RMI), fell in the third quarter of 2023 to 65, its lowest level since the third quarter of 2020.¹⁹

¹⁷ “The Leading Indicator of Remodeling Activity (LIRA) provides a short-term outlook of national home improvement and repair spending to owner-occupied homes. The indicator, measured as an annual rate-of-change of its components, is designed to project the annual rate of change in spending for the current quarter and subsequent four quarters, and is intended to help identify future turning points in the business cycle of the home improvement and repair industry.”

<https://jchs.harvard.edu/research-areas/remodeling/lira>, retrieved October 27, 2023.

¹⁸ “Weakening of Residential Remodeling Activity Anticipated for 2024,”

<https://jchs.harvard.edu/research-areas/remodeling/lira>, retrieved October 27, 2023.

¹⁹ “The overall RMI and its subcomponents are measured on a scale of 0 to 100, where an index number of 50 indicates equal numbers of remodelers report activity is good and poor for the previous quarter.” NAHB/Westlake Royal Remodeling Market Index, Economics & Housing Policy Group, Second Quarter 2023, <https://www.nahb.org/news-and-economics/housing-economics/indices/remodeling-market-index>, retrieved October 27, 2023.

Table II-6**Home improvement and repair: Leading Indicator of Remodeling Activity (LIRA), by quarter**

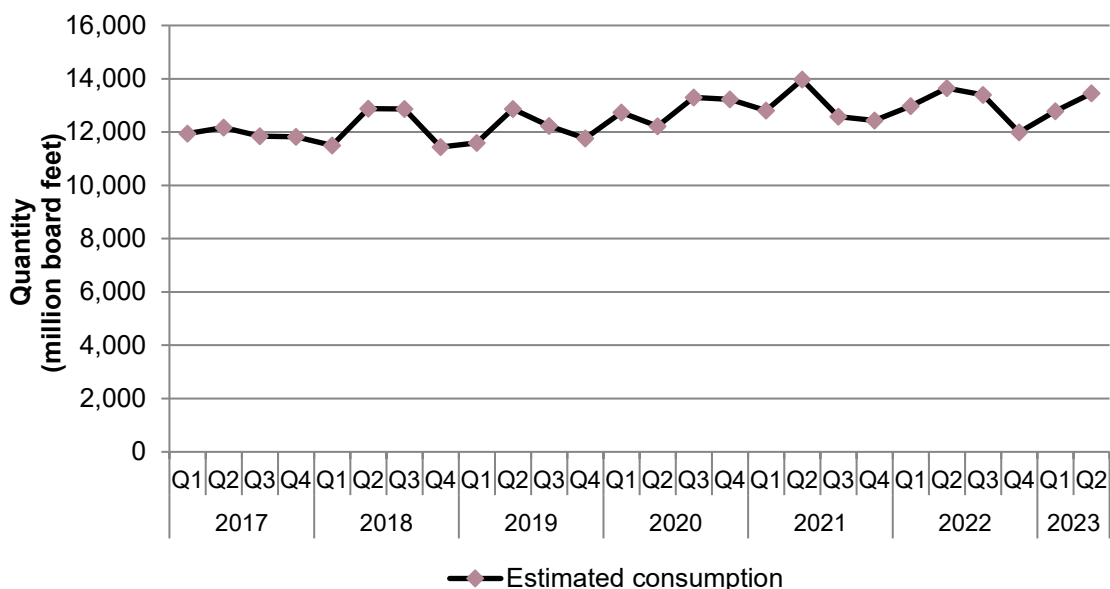
Period	Four-quarter moving total (billion dollars)	Four-quarter moving rate of change (percent)
2017 Q1	281	1.5
2017 Q2	284	2.1
2017 Q3	287	2.8
2017 Q4	289	3.3
2018 Q1	295	5.0
2018 Q2	305	7.4
2018 Q3	315	9.9
2018 Q4	323	11.9
2019 Q1	324	9.7
2019 Q2	325	6.7
2019 Q3	327	3.8
2019 Q4	328	1.5
2020 Q1	335	3.3
2020 Q2	344	5.8
2020 Q3	354	8.4
2020 Q4	363	10.6
2021 Q1	371	10.9
2021 Q2	383	11.3
2021 Q3	396	11.7
2021 Q4	406	12.0
2022 Q1	414	11.5
2022 Q2	443	15.7
2022 Q3	464	17.2
2022 Q4	470	15.8
2023 Q1	469	13.4
2023 Q2	484	9.3
2023 Q3	489	5.4
2023 Q4 (projected)	479	2.0
2024 Q1 (projected)	457	(2.7)
2024 Q2 (projected)	454	(6.3)
2024 Q3 (projected)	452	(7.7)

Source: Joint Center for Housing Studies of Harvard University (JCHS), <https://jchs.harvard.edu/research-areas/remodeling/lira>, retrieved October 22, 2023.

Note: The JCHS website states, “The LIRA is computed as a weighted average of the annual rates of change in several key economic indicators that typically influence and lead remodeling activity by one or more quarters. The LIRA projects the change in national home improvement and repair spending levels with a time horizon of four quarters. The annual, or moving four-quarter, rate of change produced by the LIRA is the rate of change in national spending in any given four-quarter period to the spending that occurred in the four quarters prior to that period.”

In the original investigations, both Petitioners and Joint Respondents indicated that they use WWPA data to assess softwood lumber demand.²⁰ WWPA data show that total U.S. consumption of softwood lumber was 7.0 percent higher in the first quarter of 2023 than in the first quarter 2017 (figure II-2 and table II-7). Estimated consumption in the second quarter of 2023 was higher than in the first quarter of the year.

Figure II-2
Softwood lumber: Estimated U.S. softwood lumber consumption, by quarter, January 2017 through June 2023



Source: Western Wood Products Association, 2022 Statistical Yearbook of the Western Lumber Industry; WWPA Lumber Track reports (various issues 2018-2023) (<https://www.wwpa.org/reports>).

²⁰ Original publication, p. II-12.

Table II-7
Softwood lumber: Estimated U.S. softwood lumber consumption, by quarter, January 2017 through June 2023

Quantity in 1,000 mbf

Quarter	Estimated consumption
2017 Q1	11,943,000
2017 Q2	12,168,000
2017 Q3	11,843,000
2017 Q4	11,818,000
2018 Q1	11,496,000
2018 Q2	12,884,000
2018 Q3	12,862,000
2018 Q4	11,439,000
2019 Q1	11,593,000
2019 Q2	12,869,000
2019 Q3	12,234,000
2019 Q4	11,768,000
2020 Q1	12,739,000
2020 Q2	12,222,000
2020 Q3	13,304,000
2020 Q4	13,228,000
2021 Q1	12,810,000
2021 Q2	13,967,000
2021 Q3	12,581,000
2021 Q4	12,432,000
2022 Q1	12,973,000
2022 Q2	13,651,000
2022 Q3	13,398,000
2022 Q4	11,987,000
2023 Q1	12,780,000
2023 Q2	13,450,000

Source: Western Wood Products Association, 2022 Statistical Yearbook of the Western Lumber Industry; WWPA Lumber Track reports (various issues 2018-2023) (<https://www.wwpa.org/reports>).

Most firms reported an increase in U.S. demand for softwood lumber from January 2017-December 2019, and an even higher number of firms reported that U.S. demand increased from January 2020-December 2022 (table II-8). A plurality of Canadian producers reported no change in demand for softwood lumber in Canada from 2017 to 2019 and increased demand in Canada from 2020 to 2022. Most firms reported decreased U.S. demand since January 1, 2023 and anticipated this trend to continue (table II-9).

Table II-8

Softwood lumber: Count of firms' responses regarding overall domestic and foreign demand from 2017-2019, and from 2020-2022, by firm type

Number of firms reporting

Market	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
U.S. demand 2017-2019	U.S. producers	6	17	13	2	1
U.S. demand 2020-2022	U.S. producers	18	17	0	5	0
U.S. demand 2017-2019	Importers	20	41	51	19	2
U.S. demand 2020-2022	Importers	36	79	12	9	3
U.S. demand 2017-2019	Purchasers	8	10	6	3	2
U.S. demand 2020-2022	Purchasers	9	12	2	2	2
U.S. demand 2017-2019	Foreign producers	22	35	62	34	4
U.S. demand 2020-2022	Foreign producers	40	78	21	20	5
Foreign demand 2017-2019	U.S. producers	1	6	10	2	2
Foreign demand 2020-2022	U.S. producers	6	4	4	8	1
Foreign demand 2017-2019	Importers	11	31	64	18	2
Foreign demand 2020-2022	Importers	25	57	26	16	5
Foreign demand 2017-2019	Purchasers	1	1	6	3	0
Foreign demand 2020-2022	Purchasers	2	6	1	2	0
Demand in Canada 2017-2019	Foreign producers	20	36	75	23	1
Demand in Canada 2020-2022	Foreign producers	43	74	32	12	3
Demand in other export markets 2017-2019	Foreign producers	5	19	66	14	2
Demand in other export markets 2020-2022	Foreign producers	16	23	43	16	5
Demand for end use products	Purchasers	6	9	2	1	1

Source: Compiled from data submitted in response to Commission questionnaires.

Table II-9

Softwood lumber: Count of firms' responses regarding overall domestic and foreign demand since January 1, 2023, and anticipated, by firm type

Number of firms reporting

Market	Firm type	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease
U.S. demand	U.S. producers	2	9	6	19	3
U.S. demand	Importers	8	26	31	57	14
U.S. demand	Purchasers	7	4	5	9	2
U.S. demand	Foreign producers	13	25	39	62	18
Foreign demand	U.S. producers	1	2	7	8	2
Foreign demand	Importers	8	17	35	50	16
Foreign demand	Purchasers	0	3	2	6	0
Demand in Canada	Foreign producers	12	26	38	62	18
Demand in other export markets	Foreign producers	6	11	41	32	8

Source: Compiled from data submitted in response to Commission questionnaires.

Substitute products

In the original investigations, most responding U.S. producers and importers reported that there were substitutes for softwood lumber, while most purchasers reported no substitutes.²¹ The large majority of the firms listing substitutes during the investigations reported that the prices of substitutes had not affected the price of softwood lumber.²² In these reviews, most responding firms (34 of 46 U.S. producers, 100 of 130 importers, 20 of 25 purchasers, and 127 of 155 foreign producers) reported no changes in the types or number of substitutes since January 1, 2017, and no anticipated changes. Most firms (33 of 45 U.S. producers, 83 of 128 importers, and 16 of 24 purchasers) also reported no changes in the use of substitute products since January 1, 2017. Many of the purchasers that indicated changes in the uses of substitute products referred to changes between different types of softwood lumber products rather than changes in the use of other products. For example, firms reported substituting between pine and spruce or substituting softwood lumber from Europe for product from Canada or the United States.

²¹ Forty-one of 45 U.S. producers and 37 of 52 importers reported that there were substitutes while 23 of 39 purchasers reported that there were not substitutes. Original publication, p. II-14.

²² Original publication, p. II-14.

In the original investigations, the main substitutes listed for general construction applications included steel (primarily steel studs), concrete/cement (siding and structural uses), plastics (including PVC/vinyl for decking, finish, and trim), engineered wood products (including LVL, LSL, OSB, MDF for trim or structural uses),²³ hardwood (for decking, siding, and trim), and other composites (for decking, siding, trim, and fencing). Hardwood lumber was also listed as a substitute in pallets and crates as well as railroad ties, and panel products were listed as a substitute in moulding and furniture.²⁴

Substitutability issues

This section assesses the degree to which U.S.-produced softwood lumber and imports of softwood lumber from subject countries can be substituted for one another by examining the importance of certain purchasing factors and the comparability of softwood lumber from domestic and imported sources based on those factors. Based on available data, staff believes that there is at least a moderate degree of substitutability between domestically produced softwood lumber and softwood lumber imported from Canada.²⁵ Factors contributing to this level of substitutability include little preference for particular country of origin or producers; similarities between domestically produced softwood lumber and subject imported softwood lumber across multiple purchase factors (including quality and availability); similar lead times; and some interchangeability between different species produced in each country and a high degree of interchangeability between the same species produced in each country. The main factors reducing substitutability are species differences, some customer preferences for specific species (although a number of purchasers reported switching between species), and some regional preferences.

²³ Abbreviations stand for laminated veneer lumber (LVL), laminated strand lumber (LSL), oriented strand board (OSB), and medium density fiberboard (MDF).

²⁴ Original publication, p. II-14.

²⁵ The degree of substitution between domestic and imported softwood lumber depends upon the extent of product differentiation between the domestic and imported products and reflects how easily purchasers can switch from domestically produced softwood lumber to the softwood lumber imported from subject countries (or vice versa) when prices change. The degree of substitution may include such factors as relative prices (discounts/rebates), quality differences (e.g., grade standards, defect rates, etc.), and differences in sales conditions (e.g., lead times between order and delivery dates, reliability of supply, product services, etc.).

Factors affecting purchasing decisions²⁶

Purchaser decisions based on source and species

As shown in table II-10, species tends to be more important in purchase decisions than the producer or the country of origin. Most purchasers reported that they and their customers always or usually purchased softwood lumber based on the species. A plurality of purchasers reported that they sometimes make purchasing decisions based on the producer or country of origin, with more firms reporting basing decisions on the producer than on the country. Of the four purchasers that reported that they always make decisions based on the producer, one purchaser cited product quality as a factor, one reported that the producer must be able to provide enough supply, and the other two did not explain their reasons.

Table II-10
Softwood lumber: Count of purchasers' responses regarding frequency of purchasing decisions based on producer, country of origin, and species

Firm making decision	Decision based on	Always	Usually	Sometimes	Rarely	Never
Purchaser	Producer	4	6	10	2	5
Customer	Producer	2	4	8	5	5
Purchaser	Country	2	2	10	6	9
Customer	Country	2	1	8	5	8
Purchaser	Species	7	11	7	1	1
Customer	Species	4	12	5	2	0

Source: Compiled from data submitted in response to Commission questionnaires.

A plurality of responding purchasers and their customers usually base purchase decisions on the species. Firms that always base decisions on the species reported that the choice of species depends on the end-use product, that each species has unique design values, and that yellow pine is used for structural purposes whereas clear spruce is used for exposed wood. Firms that reported “usually” stated that species and grade are the prime factors for home builders, that local building codes and preferences are key factors, that there are different species for different applications, that strength values vary, that customers’ species preferences direct purchases, and that certain regional markets have preferred species. One purchaser reported that its location in the Midwest that manufactures trusses prefers “the higher design values of Canadian SPF” but for treating purposes it prefers domestic SYP.

²⁶ Twenty-six of 27 purchasers indicated they had marketing/pricing knowledge of domestic product, 27 of Canadian product, and 17 of product from nonsubject countries (including European countries, as well as Brazil, Chile, China, Japan, New Zealand, and Vietnam).

Importance of purchasing domestic product

Purchaser responses indicate that 93.4 percent of these firms' purchases in 2022 had no domestic requirements, 5.6 percent were required to be domestic by these firms' customers, and 1.0 percent were required by law or for other reasons to be domestic. By number of firms, most responding purchasers (23 of 25) reported that all or nearly all (90 to 100 percent) of their softwood lumber purchases in 2022 had no domestic requirements, and the remaining two purchasers reported that most of their purchases (55 and 80 percent, respectively) had no domestic requirements.

Most important purchase factors

The most often cited top three factors that firms consider in their purchasing decisions for softwood lumber were price (26 firms), availability (21 firms), and quality (20 firms) as shown in table II-11. Price was the most frequently cited first-most important factor (cited by 17 firms), followed by availability (6 firms); availability and quality were the most frequently reported second-most important factors (9 firms each); and price and quality were the most frequently reported third-most important factors (8 firms and 7 firms, respectively).

Table II-11
Softwood lumber: Count of ranking of factors used in purchasing decisions as reported by purchasers, by factor

Factor	First	Second	Third	Total
Price	17	1	8	26
Availability/consistency of supply	6	9	6	21
Quality	4	9	7	20
Delivery/lead time	1	7	2	10
Availability of specific products/species	3	2	1	6
Consistency	0	0	2	2
Canadian product	0	0	1	1

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Several firms reported multiple factors, each of which has been included in the table.

Although price was most often cited as the first most important factor by a majority of purchasers, the largest responding purchasers reported that other factors such as quality, species, grade, and availability were more important factors than price in their purchase decisions. *** reported that its top three factors were ***. *** cited *** reported that its top three factors were ***.

Most purchasers (15 of 27) reported that they usually purchase the lowest-priced product. Of the remaining firms, four purchasers always purchase the lowest-priced product, five sometimes do, and four rarely do. No purchasers reported that they never purchase the lowest-priced product.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 22 factors in their purchasing decisions (table II-12). The factors rated as very important by more than half of responding purchasers were availability (25 purchasers); price, product consistency and quality meets industry standards (23 each); delivery time and grade (22 each); reliability of supply (19); U.S. transportation costs (18); species suitability for end use (16); and delivery terms (13). In contrast, most responding purchasers reported that chemical treatment status (14) and susceptibility to treatment (13) were not important factors.

Table II-12**Softwood lumber: Count of purchasers' responses regarding importance of purchase factors, by factor**

Factor	Very important	Somewhat important	Not important
Availability	25	1	0
Chemical treatment status	2	9	14
Delivery terms	13	9	3
Delivery time	22	4	0
Discounts offered	10	15	1
Geographic proximity	7	13	5
Grade	22	3	0
Minimum quantity requirements	6	9	10
Packaging	4	13	8
Payment terms	10	12	3
Price	23	3	0
Product consistency	23	2	0
Product range	4	13	8
Quality meets industry standards	23	3	0
Quality exceeds industry standards	7	14	4
Reliability of supply	19	7	0
Species availability	13	8	3
Species suitability for end use	16	8	2
Strength rating	12	10	3
Susceptibility to treatment	3	7	13
Technical support/service	2	11	12
U.S. transportation costs	18	4	3

Source: Compiled from data submitted in response to Commission questionnaires.

Importance of species

In the original investigations, almost all responding purchasers reported that they were always aware of the species of softwood lumber that they purchased and most reported that their customers were also aware of the species.²⁷ Most responding purchasers reported that substituting species in an application requires a change in construction techniques or the amount of lumber used.²⁸ In the original investigations, purchasers were asked to rate the frequency with which they or their customers used a particular species for a series of applications. For all specified applications except decks and decking structures, most species (except cedar/redwood and other) were either “frequently” or “sometimes” used. At least a plurality of firms reported that SPF and DF were never used for decks and decking structures. Some purchasers reported regional differences in the species used for various applications.²⁹

In these reviews, when asked whether they typically purchase different species of softwood lumber from the United States than from other countries, 14 firms responded yes and 8 responded no with respect to Canada, and 9 responded yes and 2 responded no with respect to nonsubject countries.³⁰ Most purchasers that reported buying different species from Canada than from the United States reported that very little SPF is produced in the United States and that what is produced is lower quality in strength and/or that SYP is available in the United States but not in Canada. Purchasers reported that SYP rather than SPF is used for pressure treating since the preservative can better penetrate the wood. One purchaser stated that unlike SPF, it could buy DF from both Canadian and U.S. producers. Regarding nonsubject countries, purchaser *** stated Europe mainly supplies SPF lumber, which “has largely become a direct substitute for Canadian supply, where customers will not accept SYP, HF or DF as a substitute or SYP, HF or DF are not available in adequate supply of grade or size.” A

²⁷ Thirty-seven of 40 purchasers reported that they were always aware of the species and 24 of 40 reported that their customers were always aware of the species. Original publication, p. II-18.

²⁸ Explanations included: different species have different engineering requirements; SYP is stronger than SPF so less wood might be needed; strength of species is particularly important for roof trusses and floor joists; species differ in density, weight, workability, and pneumatic settings; SYP is better than ponderosa pine for treating, while red pine is not used; local customers do not like SYP for house framing; WRC works best in the local area because it resists rot and decay; and SYP and SPF have different design values, while DF and hem-fir are substitutable. Original publication, pp. II-18-19.

²⁹ Original publication, p. II-19.

³⁰ In addition, 5 firms responded don’t know/not applicable with respect to Canada and 9 responded don’t know/not applicable for nonsubject countries. One purchaser responded both yes and no, reporting that DF is available from both the United States and Canada, but that SPF from Canada is more available and better quality than domestic product.

plurality (13 of 27) of purchasers sometimes change species based on differences in prices among species, while 5 rarely do, 4 never do, 3 usually do, and 2 always do.

In these reviews, 15 of 26 purchasers reported that they or their customers had changed the species purchased for a particular end use since January 1, 2017, while 11 firms reported that they had not. A number of purchasers reported that they and their customers switch between SYP, SPF, DF, and/or HF based on price and availability.³¹ One purchaser reported that SYP has been “taking over for Doug-fir, SPF and Hem-fir, especially in wider width{s}.” Another firm reported that it can sometimes substitute SYP for SPF and DF/HF, when it is lower cost, and that its customers will usually switch back to SPF or HF/DF when SYP costs increase or when SPF or HF/DF are available. It added that availability rather than cost has driven substitution over the past few years. Another purchaser reported that although truss manufacturers may have a preferred species, they will change species between SPF, SYP, and DF based on price and availability. One purchaser reported that the Midwest market for framing has begun using SYP because DF was not available. Reasons reported by several purchasers for changing species were price and availability, and one purchaser added that delivery time was also a factor.

When asked how often they compare prices across species groupings, the most frequent purchaser response was “sometimes” (10 firms), six reported “usually”, five reported “always”, three reported “rarely”, and four reported “never” (table II-13). Most purchasers (21 of 26) reported that they “always” or “usually” compare prices within a species grouping.

Table II-13
Softwood lumber: Count of purchasers’ responses regarding comparing prices among species and product types

Item	Always	Usually	Sometimes	Rarely	Never
Compare prices across species groupings	5	6	10	3	4
Compare prices within a single species grouping	12	9	1	2	2
Compare prices across product types/specifications	6	3	12	3	2
Compare prices within a product type/specification	8	9	5	2	2

Source: Compiled from data submitted in response to Commission questionnaires.

³¹ In addition, one firm reported that Japanese cedar could be used in the place of western red cedar for decks and fences. Of the two firms that reported reasons for not changing species, one reported it specialized in SPF and the other reported it specialized in cedar siding.

When asked how often they compare prices across product types/specifications, the most common purchaser response was “sometimes” (12 firms), while six reported “always”, three reported “usually”, three reported “rarely”, and two reported “never.” Most purchasers reported that they either “always” or “usually” compare prices within types/specifications.

Twelve of the 27 purchasers reported that certain grades, types, or sizes of softwood lumber were only available from one source. Many of these firms reported that SPF is mostly available from Canada and in some cases, Europe, whereas SYP is produced in the United States.

Lead times

Softwood lumber is primarily sold from inventory. U.S. producers and subject importers reported similar shares of shipments from inventories and similar lead times. U.S. producers reported that about 80 percent of their commercial shipments were from inventories, with lead times averaging 14 days. Importers reported that 81 percent of their commercial shipments were from inventories, with average lead times of 15 days from U.S. inventories and 16 days from foreign inventories.

Supplier certification

Responding purchasers were nearly split regarding whether they require their suppliers to become certified or qualified to sell softwood lumber to their firm, with 13 requiring certification and 14 not requiring certification. The four purchasers that reported the number of days to qualify a new supplier reported answers ranging from 1 to 45 days.³² The sole purchaser reporting that a supplier failed to qualify reported that some European product did not qualify.

Minimum quality specifications

As can be seen from table II-14, most responding purchasers (15 of 27) reported that domestically produced product always met minimum quality specifications and the remaining 12 reported it usually met minimum quality specifications. Similar number of purchasers (16 of 27) reported that Canadian product always met minimum quality specifications and the remaining 11 reported it usually met minimum quality specifications. Ten of 17 purchasers reported that nonsubject sources always met minimum quality specifications and the remaining 7 reported it usually did.

³² Two firms reported 45 days, one reported 1 day, and one reported 3 days.

Table II-14

Softwood lumber: Count of purchasers' responses regarding suppliers' ability to meet minimum quality specifications, by source

Source of purchases	Always	Usually	Sometimes	Rarely or never
United States	15	12	0	0
Canada	16	11	0	0
Nonsubject sources	10	7	1	0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Purchasers were asked how often domestically produced or imported softwood lumber meets minimum quality specifications for their own or their customers' uses.

Purchasers reported factors that determined softwood lumber quality included flaws in the wood (wane,³³ knots, splits, insect holes); dimension stability (ability to stay straight and not warp, cup, or twist); quality of packaging; grade; species; appearance; susceptibility to mold or fungus; moisture content; customer acceptance; and consistent size.

Changes in purchasing patterns

All 27 responding purchasers reported that they had purchased subject imports from Canada before the orders. Seventeen firms reported no changes in their subject import purchases because of the orders, one reported discontinuing purchases from Canada because of the orders, four reported reducing purchases from Canada because of the orders, and four reported changes in their subject import purchases for reasons other than the orders.³⁴ In regards to purchases from nonsubject countries, four firms reported no purchases from nonsubject countries before or after the orders, eight reported their purchasing pattern for nonsubject imports was essentially unchanged, six reported increasing purchases of nonsubject imports because of the orders, and eight reported changes in purchase patterns from nonsubject countries for reasons other than the orders. Several firms reported that softwood lumber from Europe has become more available and more price competitive.

Fourteen of 25 responding purchasers reported that they had changed suppliers since January 1, 2017. Many of these purchasers cited availability as the reason for changing suppliers. Some purchasers reported that new European suppliers have entered the market, with one purchaser reporting that it added European SPF producers and brokers to fill the gap

³³ Wane is when bark appears in a plank or a corner or edge is absent.

³⁴ In addition, one purchaser did not respond to the question, stating that it usually does not know the country of origin of the softwood lumber it purchases.

in SPF lumber caused by a loss in Canadian supply. Price was also cited as a reason for changing suppliers.

Purchasers were also asked about changes in their purchasing patterns from different countries since January 1, 2017 (table II-15). Purchasers reported increased purchases of U.S. product because of increased supply, increased demand/sales growth (including during the pandemic), programs with U.S. producers, and price. Purchasers also reported increased purchases of Canadian product because of increased demand/sales. Purchasers reported decreased purchases of Canadian softwood lumber because of price and reduced availability (including because of lumber losses due to the pine beetle). Purchasers reported increased purchases of product from nonsubject countries because of increased demand/sales and replacement of Canadian product.

Table II-15
Softwood lumber: Count of purchasers' responses regarding changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Steadily increase	Fluctuate up	No change	Fluctuate down	Steadily decrease	Did not purchase
United States	8	7	10	0	0	0
Canada	4	5	6	9	2	0
Nonsubject sources	8	9	1	1	0	6
Sources unknown	2	1	4	0	0	10

Source: Compiled from data submitted in response to Commission questionnaires.

Purchase factor comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing softwood lumber produced in the United States, Canada, and nonsubject countries. First, purchasers were asked for a comparison of softwood lumber from the United States and Canada on the same 22 factors (table II-16) for which they were asked to rate the importance. Most responding firms reported that the domestic and Canadian products were comparable for 21 of the 22 factors.³⁵ The exception was susceptibility to treatment, for which nine firms reported U.S. product was superior to the Canadian product and nine reported that the U.S. and Canadian product were comparable. This factor was rated by most responding purchasers as not an important factor in purchase decisions (see table II-12).

³⁵ In the original investigations, most responding purchasers reported that the U.S. and Canadian products were comparable on all 20 factors for which purchasers were asked to compare the products. Original publication, p. 22.

A majority of purchasers reported that U.S. and nonsubject softwood lumber were comparable on 15 of 22 factors. For the other seven factors (availability, chemical treatment, delivery terms, delivery time, geographic proximity, susceptibility to treatment, and U.S. transportation costs), most purchasers reported that the U.S. product was comparable or superior to nonsubject imports.

Most purchasers reported that Canadian and nonsubject product were comparable for 16 of 22 factors. For five factors (delivery terms, delivery time, geographic proximity, strength rating, and U.S. transportation costs), most purchasers reported that the Canadian product was comparable or superior to nonsubject product. For one factor, chemical treatment status, a plurality of firms reported that the Canadian product was inferior to nonsubject imports.

Table II-16
Softwood lumber: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	US v. Canada	2	21	3
Chemical treatment status	US v. Canada	7	10	1
Delivery terms	US v. Canada	3	21	1
Delivery time	US v. Canada	7	18	1
Discounts offered	US v. Canada	2	22	1
Geographic proximity	US v. Canada	11	13	1
Grade	US v. Canada	1	23	1
Minimum quantity requirements	US v. Canada	2	22	0
Packaging	US v. Canada	0	22	0
Payment terms	US v. Canada	1	23	0
Price	US v. Canada	1	21	3
Product consistency	US v. Canada	1	22	2
Product range	US v. Canada	5	17	2
Quality meets industry standards	US v. Canada	0	24	0
Quality exceeds industry standards	US v. Canada	1	24	0
Reliability of supply	US v. Canada	3	21	1
Species availability	US v. Canada	3	18	2
Species suitability for end use	US v. Canada	2	20	2
Strength rating	US v. Canada	3	14	7
Susceptibility to treatment	US v. Canada	9	9	1
Technical support/service	US v. Canada	1	23	0
U.S. transportation costs	US v. Canada	10	14	0

Table continued.

Table II-16 Continued**Softwood lumber: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair**

Factor	Country pair	Superior	Comparable	Inferior
Availability	US v. Nonsubject	6	7	4
Chemical treatment status	US v. Nonsubject	3	4	3
Delivery terms	US v. Nonsubject	8	7	2
Delivery time	US v. Nonsubject	7	7	3
Discounts offered	US v. Nonsubject	2	14	1
Geographic proximity	US v. Nonsubject	10	3	4
Grade	US v. Nonsubject	2	13	2
Minimum quantity requirements	US v. Nonsubject	3	11	3
Packaging	US v. Nonsubject	1	14	1
Payment terms	US v. Nonsubject	2	15	0
Price	US v. Nonsubject	1	12	4
Product consistency	US v. Nonsubject	1	12	4
Product range	US v. Nonsubject	5	9	2
Quality meets industry standards	US v. Nonsubject	2	12	1
Quality exceeds industry standards	US v. Nonsubject	1	12	4
Reliability of supply	US v. Nonsubject	6	11	0
Species availability	US v. Nonsubject	4	10	2
Species suitability for end use	US v. Nonsubject	4	13	0
Strength rating	US v. Nonsubject	8	9	0
Susceptibility to treatment	US v. Nonsubject	3	5	3
Technical support/service	US v. Nonsubject	4	12	0
U.S. transportation costs	US v. Nonsubject	7	8	2

Table continued.

Table II-16 Continued

Softwood lumber: Count of purchasers' responses comparing U.S.-produced and imported product, by factor and country pair

Factor	Country pair	Superior	Comparable	Inferior
Availability	Canada v. Nonsubject	3	10	3
Chemical treatment status	Canada v. Nonsubject	2	3	4
Delivery terms	Canada v. Nonsubject	6	8	2
Delivery time	Canada v. Nonsubject	7	6	3
Discounts offered	Canada v. Nonsubject	1	13	2
Geographic proximity	Canada v. Nonsubject	9	4	3
Grade	Canada v. Nonsubject	2	12	1
Minimum quantity requirements	Canada v. Nonsubject	4	10	2
Packaging	Canada v. Nonsubject	3	12	0
Payment terms	Canada v. Nonsubject	1	12	3
Price	Canada v. Nonsubject	2	10	4
Product consistency	Canada v. Nonsubject	1	11	4
Product range	Canada v. Nonsubject	4	8	3
Quality meets industry standards	Canada v. Nonsubject	2	13	1
Quality exceeds industry standards	Canada v. Nonsubject	1	10	5
Reliability of supply	Canada v. Nonsubject	5	11	0
Species availability	Canada v. Nonsubject	5	9	1
Species suitability for end use	Canada v. Nonsubject	4	12	0
Strength rating	Canada v. Nonsubject	8	8	0
Susceptibility to treatment	Canada v. Nonsubject	1	7	2
Technical support/service	Canada v. Nonsubject	3	12	0
U.S. transportation costs	Canada v. Nonsubject	7	6	2

Source: Compiled from data submitted in response to Commission questionnaires.

Note: A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Comparison of U.S.-produced and imported softwood lumber

In order to determine whether U.S.-produced softwood lumber can generally be used in the same applications as imports from Canada, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably. As shown in table II-17, most U.S. producers reported that U.S. and Canadian softwood lumber were always interchangeable and that nonsubject imports were always or frequently interchangeable with U.S. and Canadian softwood lumber. Most importers and purchasers reported that softwood lumber from all country pairs were either frequently or sometimes interchangeable. Among the largest responding purchasers, *** responded that softwood lumber from the U.S., Canada, and nonsubject sources were

sometimes interchangeable while *** responded that U.S. and Canadian product were never interchangeable and that Canadian and nonsubject product were sometimes interchangeable.

Table II-17
Softwood lumber: Count of U.S. firms reporting the interchangeability between product produced in the United States and in other countries, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. Canada	Producer	29	8	10	0
U.S. vs. other	Producer	12	7	7	2
Canada vs. Other	Producer	10	7	6	1
U.S. vs. Canada	Importer	15	46	49	14
U.S. vs. other	Importer	5	31	22	6
Canada vs. Other	Importer	6	27	25	6
U.S. vs. Canada	Purchaser	5	10	8	2
U.S. vs. other	Purchaser	4	7	9	2
Canada vs. Other	Purchaser	4	6	6	2

Source: Compiled from data submitted in response to Commission questionnaires.

Factors reported as limiting interchangeability between U.S and Canadian product generally focused on the different species produced in each country. Firms reported that strength properties differ among species, as does useability in different end uses, and regional preferences, building codes, and customer preferences can call for specific species for specific uses. Firms also reported that there are costs associated with changing species and not enough U.S. production of certain species, sizes, or grades.

A number of firms compared domestic SYP with Canadian SPF. Some firms reported that SPF was preferred for wall framing; for its workability (ease of nailing and sawing), strength, stability (minimal warp and twist), and low density (light weight), appearance (smaller knots and fine grain); and for the do-it-yourself market because it is easier to work. Some firms reported that domestic SPF is rated as SPF-S, which has a lower strength rating than the SPF produced in Canada. One firm reported that for framing walls, domestic and Canadian softwood lumber are interchangeable but for other uses such as roof trusses, the Canadian product is better. Another firm reported that customers generally prefer Canadian SPF because of its weight and stability but that customers in the South have recently starting using SYP instead of SPF because of price and availability. Firms reported that U.S. produced SYP was superior to Canadian products because of its high strength and cellular structure that permits deep, uniform penetration of preservatives. In addition, some firms reported differences in specialty woods including cedar from Canada.

Regarding nonsubject imports, firms reported that white wood from Europe has similar characteristics to SPF produced in Canada; that U.S. and European measurements standards differ; and that softwood lumber from Brazil and China tended to be lower quality.

In addition, U.S. producers, importers, and purchasers were asked to assess how often differences other than price were significant in sales or purchases of softwood lumber from the United States, subject, or nonsubject countries. As seen in table II-18, most U.S. producers reported that differences other than price between U.S. and Canadian softwood lumber were never significant in their sales while most importers and purchasers reported that differences other than price were frequently or sometimes significant in sales or purchases. Differences reported included logistics, delivery time, freight rates, market proximity, reliability of transport; consistency of supply; exchange rates; and customer service. Differences other than price cited between domestic and European products included long lead times and costs associated with carrying higher inventory and credit risks.

Table II-18
Softwood lumber: Count of U.S. firms reporting the significance of differences other than price between product produced in the United States and in other countries, by country pair

Country pair	Firm type	Always	Frequently	Sometimes	Never
U.S. vs. Canada	Producer	6	6	7	28
U.S. vs. other	Producer	6	2	6	14
Canada vs. Other	Producer	4	3	4	12
U.S. vs. Canada	Importer	26	36	44	15
U.S. vs. other	Importer	15	11	21	7
Canada vs. Other	Importer	16	15	23	5
U.S. vs. Canada	Purchaser	2	11	8	3
U.S. vs. other	Purchaser	3	7	6	3
Canada vs. Other	Purchaser	2	5	6	4

Source: Compiled from data submitted in response to Commission questionnaires.

Elasticity estimates

This section discusses elasticity estimates.

U.S. supply elasticity

The domestic supply elasticity for softwood lumber measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of softwood lumber. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, the existence of inventories, and the availability of alternate markets for U.S.-produced softwood lumber. Analysis of these factors above indicates that the U.S. industry has the ability to somewhat increase or decrease shipments to the U.S. market; an estimate in the range of 1 to 3 is suggested.³⁶

U.S. demand elasticity

The U.S. demand elasticity for softwood lumber measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of softwood lumber. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the softwood lumber in the production of any downstream products. Based on the available information, the aggregate demand for softwood lumber is likely to be relatively inelastic; a range of -0.2 to -0.8 is suggested.³⁷

³⁶ Since the domestic industry has increased its capacity since 2017, staff proposes a slightly higher supply elasticity estimate than the 0.5 to 2 estimate of the original investigations. In the original investigations, Petitioners testified that supply is relatively inelastic due to the length of time need for timber to mature and Joint Respondents argued that timber supply differs drastically between the Southern and Western United States, with greater supply and capacity in the South than the West. Both Petitioners and Joint Respondents stated that timber rotation ages in the South can be up to half of what they are in the northern tier and the West Coast. In the addition, the report cited academic research that U.S. supply elasticities for softwood lumber varied based on geographic region, with lower estimates for the West than the South/Southeast. Original publication, pp. II-27-28. No party commented on the elasticity of supply in these reviews.

³⁷ Staff believes that demand elasticity is unlikely to have changed since the original investigations; most responding firms reported no changes in end uses or substitute products since January 1, 2017.

The original investigations' staff report noted that Petitioners' counsel described demand for softwood lumber as inelastic due to the small cost share of softwood lumber in residential construction, that some academic research on North American softwood lumber also found relatively inelastic demand at the industry level, and that some research found demand elasticities to vary at the species level, with higher elasticities for DF and treated SYP than for SPF and other types of softwood lumber. Original publication, p. II-28. No party commented on the elasticity of demand in these reviews.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.³⁸ Product differentiation, in turn, depends upon such factors as quality (e.g., chemistry, appearance, etc.) and conditions of sale (e.g., availability, sales terms/discounts/promotions, etc.). Based on available information, the elasticity of substitution between U.S.-produced softwood lumber and subject imported softwood lumber is likely to be in the range of 2 to 5, although as was found in the original investigations, substitutability can vary depending on the species being compared, the strength of regional and builder preferences, and the availability of product in particular markets.³⁹ The major factors driving substitutability, including purchaser ratings that U.S. and Canadian softwood lumber are comparable across multiple purchase factors, have not changed considerably since the original investigations, although available information indicates increasing substitutability between different species.

³⁸ The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This measure reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

³⁹ In the original investigations staff report, staff stated, “For applications in which purchasers have strong species preferences, substitutability is likely to be on the lower end of the range. For species that are largely interchangeable in the same application and for species that are produced by both U.S. and Canadian firms, the substitution elasticity is likely to be on the higher end of the range.” In the original investigations, Joint Respondents argued that studies they presented showed, “the elasticity of substitution is likely low – and no greater than the low end of the ITC Staff’s estimated range of 2.0-5.0” while Petitioners argued that a substitution elasticity estimate of 2.0 to 5.0 was appropriate. Original publication, pp. II-28-29.

In these reviews, Joint Respondents’ consultant stated, “The estimates for elasticity of substitution between Canadian softwood lumber species and different U.S. softwood species found in the academic literature range from 0.0385 to 1.46. Joint respondents’ prehearing brief, exhibit 5, “Expert Report of Barry Goodwin, PH.D.,” p. 30. The report cites academic studies from 2004-2007. Domestic interested parties did not specifically comment on the elasticity estimate, but stated, “The abundance of evidence detailed above thus demonstrates that the domestic like product and Canadian subject imports remain at least moderately substitutable.” Coalition prehearing brief, p. 29.

Part III: Condition of the U.S. industry

Overview

The information in this section of the report was compiled from responses to the Commission's questionnaires, as well as from third-party data. U.S. producer questionnaire responses were received from 50 firms,¹ which are estimated to account for 69.9 percent of U.S. production of softwood lumber during 2022.²

¹ Additionally, four other U.S. producers provided questionnaire responses but were removed from the dataset: ***. ***. Additionally, nine firms submitted responses certifying that they had not produced softwood lumber in the United States at any time since January 1, 2017: ***.

² This estimate is based on data published by WWPA Lumber Track. WWPA Lumber Track estimated U.S. production of softwood lumber in 2022 to be 37.8 billion board feet. Comparatively, U.S. producers that provided questionnaire responses in these reviews collectively reported approximately 26.4 billion board feet of production in 2022 (see table III-8).

Changes experienced by the industry

Table III-1 presents events in the U.S. industry since January 1, 2017 as reported in publicly available sources.

Table III-1
Softwood lumber: Developments in the U.S. industry since 2017

Item	Firm	Event
Acquisition	West Fraser	On July 26, 2017, West Fraser announced its purchase of the Gilman Companies for \$430 million. The acquisition covers six sawmills, a fingerjoint mill, and an administrative office in Florida and Georgia. At that time, Gilman employed 900 people and had a total annual production capacity of 700 million board feet of southern yellow pine.
Merger	Potlatch – Deltic Timber	On February 20, 2018, Potlatch and Deltic Timber announced they completed a merger to become PotlatchDeltic Corporation. The combined company has a portfolio of 2 million acres of timberland and six lumber manufacturing facilities with an annual lumber capacity of 1.2 billion board feet.
Expansion: New Mill	Canfor Southern Pine	On February 22, 2018, Canfor announced a delay in plans to construct a \$120 million sawmill in Washington, Georgia that will have a production capacity of 275 million board feet annually. Opening was originally scheduled for third quarter of 2019.
Expansion: New Mill	Hunt Forest & Tolko Industries	In February 2018, Hunt Forest and Tolko Industries announced a joint venture to construct a \$115 million lumber mill in Urania, Louisiana. The venture—named LaSalle Lumber Co.—became operational in January 2019, employs 110 people, and produces more than 200 million board feet of local southern yellow pine annually.
Expansion	Charles Ingram Lumber	In March 2018, Charles Ingram announced plans to invest \$33 million in its existing lumber mill in Effingham, South Carolina, creating 22 new jobs and enabling the drying of an estimated 70 million board feet of lumber per year.
Expansion: New Mill	Rex Lumber	On July 17, 2018, Rex Lumber began construction on a \$110 million sawmill five miles north of Troy, Alabama. The sawmill started operating in 2019, creating 110 jobs and producing at least 240 million board feet annually.
Acquisition	Groupe Lebel- Maibec	On August 6, 2018, the firms announced Groupe Lebel's acquisition of Maibec's lumber division, which includes two sawmills in St-Pamphile, Quebec, and Masardis, Maine.
Expansion	Weyerhaeuser	In October 2018, Weyerhaeuser firm completed \$190 million in upgrades to its Dierks, Arkansas sawmill, which can now produce 380 million board feet of lumber annually.

Item	Firm	Event
Acquisition	Canfor Southern Pine	In November 2018, Canfor acquired Elliott Sawmilling Company for \$110 million. South Carolina-based Elliott has production capacity of 210 million board feet annually. The purchase was completed May 31, 2020.
Acquisition	Western Forest Products	On November 20, 2018, Western Forest Products announced its \$30.5 million acquisition of Columbia Vista, a lumber manufacturer based in Vancouver, Washington.
Expansion: New Mill	Westervelt Lumber	In late November 2018, Westervelt announced that construction of a new sawmill in Thomasville, Alabama would create 125 jobs and result in an additional annual production capacity of 250 million board feet of southern yellow pine lumber. The mill was completed March 5, 2021.
Mill Closure	Swanson	In early March 2019, Swanson announced the permanent closure of its Glendale mill in Glendale, Oregon in May of the same year.
Production Operation Shift	Stimson Lumber	On May 31, 2019, Stimson Lumber announced movement of operations in Oregon to Idaho and Montana, with the CEO directly attributing 60 layoffs at Stimson's Forest Grove mill to environmental policies in Oregon.
Mill Acquisitions	Resolute	On December 24, 2019, Resolute entered into a \$163 million purchase agreement with Conifex Timber for three sawmills; the Cross City mill in Florida and Glenwood and El Dorado mills in Arkansas have a combined annual production capacity of 550 million board feet.
Mill Closure	RY Timber	In January 2020, RY Timber announced closure and associated layoffs at its mill in Townsend, Montana. The firm cited chronic supply issues in its decision. A fire destroyed the closed mill in May 2022.
Mill Closure	Klausner	In March 2020, Klausner permanently shut down its sawmill operations in Live Oak, Florida and Enfield, North Carolina, displacing 250 workers who subsequently sued the company for failing to provide proper termination notice and for remaining undistributed wages.
Acquisition	Binderholz Group-Klausner	In December 2020, Austrian firm Binderholz purchased Klausner's Enfield, North Carolina sawmill for \$83 million, months after purchasing Klausner's Florida sawmill for \$61 million. Each sawmill produces roughly 350 million board feet of southern yellow pine annually.
Expansion: New Mill	Idaho Forest Group	In December 2020, Idaho Forest Group announced plans to invest \$120 million in a new sawmill in Lumberton, Mississippi, marking its first expansion into the South. As of March 28, 2022, 100 of 130 anticipated construction jobs were filled, with operations set to begin in May or June 2022.

Item	Firm	Event
Expansion: New Mill	Biewer Lumber	In early January 2021, Biewer announced plans for a \$130 million sawmill in Winona, Mississippi. Operations began in March 2022 with the ability to produce more than 250 million board feet of lumber annually and create more than 150 jobs.
Expansion	West Fraser	In May 2021, West Fraser announced a \$150 million investment in five lumber sawmills in the southern U.S. as an effort to expand production capacity during a period of high demand for housing and renovation.
Expansion	Interfor	On May 10, 2021, Georgia Governor Brian Kemp announced Interfor's \$30 million investment to expand sawmill operations at its mill in Perry, Georgia.
Expansion: New Mill	Hankins Lumber	On May 11, 2021, Mississippi Governor Tate Reeves announced Hankins' \$12 million investment in a new sawmill in Grenada County. The mill will employ 43 people and produce 40 million board feet of southern yellow pine lumber annually.
Acquisition	Interfor	In July 2021, Interfor acquired four sawmill operations from Georgia-Pacific in a deal worth \$375 million. The four sawmill locations are in Bay Springs, Mississippi; Fayette, Alabama; DeQuincy, Louisiana; and Philomath, Oregon and have a combined annual production capacity of 720 million board feet.
Acquisition	Sierra Pacific	In early August 2021, Sierra Pacific acquired Seneca Sawmill, including its four Oregon sawmills which produce a combined 650 million board feet annually.
Plant Re-Opening	Interfor	In August 2021, Interfor announced plans to invest \$8 million to reopen a sawmill in DeQuincy, Louisiana, formerly operated by Georgia Pacific but shuttered in 2020 due to the pandemic. Interfor planned to employ 170 people permanently with the reopening. The DeQuincy sawmill is currently operational.
Plant Closure	Idaho Forest Group	In Fall 2021, Idaho Forest Group closed its St. Regis sawmill in Western Montana, citing difficulties filling job vacancies and lack of cost competitiveness with newer mills. The closure reportedly displaced 99 workers, many of which relocated to other local company positions. The firm acquired the St. Regis sawmill in 2017 from Tricon Timber.
Acquisition	SDS Lumber	In November 2021, a consortium (Twin Creeks Timber LLC, The Conservation Fund, and WKO Inc.) announced acquisition of SDS Lumber and Timber Companies. The purchase includes lumber and plywood mills in Bingen, Washington, along with 96,000 acres of timberlands in Washington and Oregon.

Item	Firm	Event
Mill Acquisition	West Fraser	On December 1, 2021, West Fraser completed its \$300 million acquisition of Angelina Forest Products' turn-key sawmill in Lufkin, Texas. The firm expects to produce 305 million board feet annually—full capacity—within three to four years.
Production Capacity	Canfor Southern Pine	In January 2022, Canfor announced investment in 50 new sling sorters at its planer mill facility in Graham, North Carolina.
Timberlands Acquisition	Weyerhaeuser	In mid-April 2022, the firm agreed to purchase more than 80,000 acres of timberlands from Campbell Global for \$265 million. The timberlands are located near existing Weyerhaeuser operations in North Carolina and South Carolina.
Expansion: New Mill	Canfor Southern Pine	On April 21, 2022, Canfor broke ground on construction of a new \$160 million sawmill plant in Deridder, Louisiana. The site will process yellow pine from local Louisiana forests. The sawmill complex is the firm's 16 th operation site in the U.S., first investment in Louisiana, and first greenfield project. Canfor indicates that full operations will begin in early 2023, and the plant will create more than 500 direct and indirect jobs.
Expansion	Canfor Southern Pine	In late April 2022, Canfor announced an investment of \$130 million in its sawmill and planer facility in Union County, Arkansas. The investment increased annual production at the Urbana facility by 115 million board feet. Upgrades commenced in the third quarter of 2022 and are expected to be completed in 2024. Normal operations will continue during the expansion.
Environmental Lawsuit Settlement	Weyerhaeuser	In May 2022, the firm settled a lawsuit with environmental group Columbia Riverkeeper over claims its Longview timber mill was discharging unsafe levels of runoff into the Columbia River. The settlement includes upgrades to the Longview facility.
Investment	Canfor Southern Pine	On June 23, 2022, the Governor and South Carolina Department of Commerce announced Canfor's \$25 million investment in modernization of its Estill facility in Hampton County, South Carolina.
Expansion: New Mill	Teal Jones Group	In mid-July 2022, Teal Jones Group, a Canadian company, broke ground on a new lumber facility in Plain Dealing, Louisiana that produces dimensional and specialty lumber products. The facility is expected to produce 300 million board feet per year and employ 125 people.
Expansion: New Mill	Canfor Southern Pine	In July 2022, Canfor announced its \$210 million investment in a new sawmill manufacturing complex in Mobile, Alabama. The new sawmill is set to replace the existing facility in Mobile and will retain 130 jobs while producing 250 million board feet per year. The investment also includes a biomass-fueled lumber drying system that will support the firm's decarbonization targets.

Item	Firm	Event
Labor Strike	Weyerhaeuser	On October 28, 2022, union workers at Weyerhaeuser ended a 46-day strike at their Oregon and Washington locations after ratifying a four-year agreement with the company. The deal included compromise on fixed costs for health care premiums.

Sources: Koenig, Karen, Woodworking Network, "West Fraser expands, acquires Gilman lumber," <https://www.woodworkingnetwork.com/news/canadian-news/west-fraser-expands-us-acquires-gilman-lumber-430-million/>, July 27, 2017; PotlatchDeltic, "Potlatch and Deltic Timber Complete Merger," <https://investors.potlatchdeltic.com/news-and-events/news-releases/press-release-details/2018/Potlatch-and-Deltic-Timber-Complete-Merger/default.aspx#:~:text=In%20February%202018%20%2C%20Potlatch%20Corporation,at%20www.PotlatchDeltic.com>, February 20, 2018; Magnolia Banner News, "Potlatch and Deltic Timber Complete Merger," <https://www.magnoliabannernews.com/news/2018/feb/22/potlatch-and-deltic-timber-complete-merger/>, February 22, 2018; Koenig, Karen, Woodworking Network, "Canfor plans \$120 million Georgia sawmill," <https://www.woodworkingnetwork.com/news/woodworking-industry-news/canfor-plans-120-million-us-sawmill/>, February 23, 2018; CFI Forest Industries, "Canfor expansion plans may be delayed," <https://www.woodbusiness.ca/canfor-expansion-plans-may-be-delayed-4767/>, February 23, 2018; Tolko Industries, "Lasalle Lumber Company, LLC. Urania, Louisiana," <https://tolko.com/divisions/usa/lasalle-lumber-company-llc-urania-louisiana/>, n.d., accessed February 1, 2023; Dalheim, Robert, Woodworking Network, "Hunt Forest and Canadian Tolko will build mill in Louisiana," <https://www.woodworkingnetwork.com/news/woodworking-industry-news/hunt-forest-and-canadian-tolko-will-build-115-million-lumber-mill/>, February 28, 2018; Area Development, "Charles Ingram Lumber Expands Effingham Sawmill," <https://www.areadevelopment.com/newsitems/3-16-2018/charles-ingram-lumber-effingham-south-carolina.shtml>, March 16, 2018; CDG, "Rex Lumber Troy Sawmill Development," https://www.cdge.com/portfolio_page/rex-lumber-troy-sawmill-site-development/, 2020; Construction Equipment Guide, "Crew Prepares Site for Rex Lumber's Sawmill," <https://www.constructionequipmentguide.com/crew-prepares-site-for-rex-lumbers-110m-sawmill/41819>, September 6, 2018; Koenig, Karen, Woodworking Network, "Groupe Lebel to acquire Maibec lumber division," <https://www.woodworkingnetwork.com/news/canadian-news/groupe-lebel-acquires-maibec-lumber-division-us-mill/>, August 20, 2018; Dalheim, Robert, Woodworking Network, "Weyerhaeuser's new sawmill a boon to rural Arkansas," <https://www.woodworkingnetwork.com/news/woodworking-industry-news/weyerhaeusers-new-sawmill-boon-rural-arkansas/>, October 19, 2018; Canfor, "Canfor Completes Purchase of Elliott Sawmilling," <https://www.canfor.com/investor-relations/investor-news-press-releases/archive-news/archive-news-detail/2020/06/01/canfor-completes-purchase-of-elliott-sawmilling-company-inc>, June 1, 2020; Dalheim, Robert, Woodworking Network, "Canfor acquires South Carolina's Elliott Sawmilling," <https://www.woodworkingnetwork.com/news/woodworking-industry-news/canfor-acquires-south-carolinas-elliott-sawmilling>, November 13, 2018; Western Forest Products, Inc., "Western Forest Products Inc. Announces Acquisition of Columbia Vista Corporation," <https://www.westernforest.com/wp-content/uploads/2018/06/NR-Acquisition-of-Columbia-Vista-Corporation-FINAL.pdf>, November 20, 2018; Forest Economic Advisors, "Completion of New Thomasville Alabama Sawmill Facility," https://getfea.com/mill-capacity-changes/westervelt-company-celebrates-the-completion-of-their-new-thomasville-alabama-sawmill-facility?doing_wp_cron=1674854991.7221949100494384765625, March 8, 2021; Roberts, Ken, Tuscaloosa News, "New lumber mill to create jobs," <https://www.tuscaloosaneews.com/story/news/local/2018/11/27/new-westervelt-lumber-mill-will-create-jobs-in-thomasville/8273198007/>, November 27, 2018; Polcyn, Janelle, The News-Review, "Swanson to close Glendale sawmill," https://www.nrtoday.com/business/local_biz/swanson-to-close-glendale-sawmill/article_7448dbc7-74e4-5d13-903a-47d4dfacac5a.html, March 5, 2019; Mesh, Aaron, Willamette Week, "Stimson Lumber Pulling Timber Jobs Out of Oregon," <https://www.wweek.com/news/2019/05/31/stimson-lumber-announces-its-pulling-timber-jobs-out-of-oregon-in-rebuke-to-new-taxes-and-carbon-caps/>, May 31, 2019; Resolute Forest Products, "Resolute to Acquire Conifex's Three U.S. Sawmills," <https://resolutefp.mediaroom.com/2019-12-24-Resolute-to-Acquire-Conifexs-Three-U-S-Sawmills>, December 14, 2019; Dalheim, Robert, Woodworking News, "RY Timber closes Montana mill," <https://www.woodworkingnetwork.com/news/woodworking-industry-news/ry-timber-closes-montana-mill/>

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Producers in the United States were asked to report whether their firm had experienced any mill/production location openings; mill/production location closings; prolonged shutdowns; production curtailments; relocations; expansions; acquisitions; consolidations; timber supply disruptions related to weather, wildfires, pest infestations, or force majeure events; timber supply constraints related to environmental protection regulations; labor shortages; or any other changes in the character of their operations or organization relating to the production of softwood lumber since January 1, 2017. Of the 50 responding firms, 10 reported mill/plant openings, 7 reported mill/plant closings, 3 reported prolonged shutdowns, 16 reported production curtailments, 20 reported expansions, 11 reported acquisitions, 2 reported consolidations, 13 reported timber supply disruptions related to weather or force majeure events, 8 reported timber supply disruptions related to environmental protection regulations, 26 reported labor shortages, and 15 reported changes categorized under “other.” Table III-2 presents the changes identified by these producers.

Table III-2**Softwood lumber: U.S. producers' reported changes in operations since January 1, 2017, by type of change and firm**

Type of change	Firm name and narrative on changes in operations
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Prolonged shutdowns	***

Type of change	Firm name and narrative on changes in operations
Prolonged shutdowns	***
Prolonged shutdowns	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***

Type of change	Firm name and narrative on changes in operations
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***

Type of change	Firm name and narrative on changes in operations
Production curtailments	***
Production curtailments	***
Production curtailments	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***

Type of change	Firm name and narrative on changes in operations
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***

Type of change	Firm name and narrative on changes in operations
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Acquisitions	***
Acquisitions	***

Type of change	Firm name and narrative on changes in operations
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Consolidations	***

Type of change	Firm name and narrative on changes in operations
Consolidations	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***

Type of change	Firm name and narrative on changes in operations
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***

Type of change	Firm name and narrative on changes in operations
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***

Type of change	Firm name and narrative on changes in operations
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Other	***
Other	***
Other	***
Other	***

Type of change	Firm name and narrative on changes in operations
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

Anticipated changes in operations

The Commission asked domestic producers whether they anticipated any changes in the character of operations or organization relating to the production of softwood lumber in the future and to describe the details of any such anticipated changes. Of the 50 responding firms, 30 provided a narrative response to this question. Responses appear in table III-3.

Table III-3

Softwood lumber: U.S. producers' anticipated changes in operations, by firm

Firm	Narrative on anticipated changes in operations
Bennett Lumber	***
C&D Lumber	***
Claude Howard Lumber	***
Collum Lumber	***
Hankins	***
Harrigan Lumber	***
Hood Industries	***
Idaho Forest	***
Interfor U.S.	***
Montrose Forest	***
Pleasant River	***

Firm	Narrative on anticipated changes in operations
PotlatchDeltic	***
Precision Lumber	***
Robbins Lumber	***
Roseburg Forest	***
Seneca Sawmill	***
Shuqualak Lumber	***
Sierra Pacific	***
South Coast Lumber	***
Southeastern Timber	***
Southport Lumber	***
Starfire Lumber	***
Steely Lumber	***
Stimson Lumber	***
Stoltze	***
Swanson Group	***
The Westervelt Company	***
Tupper Lake Hardwood	***
Weyerhaeuser	***

Firm	Narrative on anticipated changes in operations
Wilkins, Kaiser & Olsen	***

Source: Compiled from data submitted in response to Commission questionnaires.

Anticipated changes in available harvest/wood supply

Firms were also asked if they anticipated any changes in the available harvest and wood supply in the future and to describe the timing, nature, and significance of any anticipated changes. Of the 50 responding firms, 18 firms provided a narrative response discussing anticipated changes. Responses from these firms are displayed in table III-4.

Table III-4

Softwood lumber: U.S. producers' anticipated changes in harvest or wood supply, by firm

Firm	Narrative on anticipated changes in harvest or wood supply
Buse Timber	***
Georgia-Pacific Wood	***
Hampton Lumber	***
Hankins	***
Interfor U.S.	***
Montrose Forest	***

Firm	Narrative on anticipated changes in harvest or wood supply
Precision Lumber	***
Robbins Lumber	***
Rosboro	***
Roseburg Forest	***
Sierra Forest	***
Southport Lumber	***
Stimson Lumber	***
Stoltze	***
Stratton Lumber	***
Tupper Lake Hardwood	***
West Fraser (USA)	***
Western Forest Products US	***

Source: Compiled from data submitted in response to Commission questionnaires.

Impact of COVID-19

Lastly, firms were asked if the COVID-19 pandemic or government actions taken to contain the spread of COVID-19 virus had impacted their supply-chain arrangements, production, shipments, and employment as related to softwood lumber and to describe such impacts. Of the 50 responding firms, 35 provided narrative responses describing such impacts. Responses from these firms are displayed in table III-5.

Table III-5
Softwood lumber: U.S. producers' COVID-19 impact on operations, by firm

Firm	Narrative on COVID-19 impact on operations
Binderholz US	***
Canfor Southern Pine	***
Collum Lumber	***
Georgia-Pacific Wood	***
Hampton Lumber	***
Hankins	***
Harrigan Lumber	***

Firm	Narrative on COVID-19 impact on operations
Hood Industries	***
Idaho Forest	***
Interfor U.S.	***
Irving Forest	***
Jasper Lumber	***
Montrose Forest	***
Pleasant River	***
PotlatchDeltic	***
R A Yancey Lumber	***
Resolute US	***
Robbins Lumber	***
Rosboro	***

Firm	Narrative on COVID-19 impact on operations
Seneca Sawmill	***
Shuqualak Lumber	***
Sierra Pacific	***
Southeastern Timber	***
Southport Lumber	***
Starfire Lumber	***

Firm	Narrative on COVID-19 impact on operations
Stimson Lumber	***
Stoltze	***
Swanson Group	***
T.R. Miller Mill	***
The Westervelt Company	***
Vaagen Bros. Lumber	***
West Fraser (USA)	***

Firm	Narrative on COVID-19 impact on operations
Western Forest Products US	***
Weyerhaeuser	***
Wilkins, Kaiser & Olsen	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. production, capacity, and capacity utilization

Installed and practical capacity

The Commission asked U.S. firms to report their installed overall, practical overall, and practical softwood lumber capacities. Installed or “theoretical” overall capacity measures the level of production firms could have attained based solely on existing capital investments and not considering other constraints such as availability of material inputs, labor force, and normal downtime. The two practical capacity measures take into consideration both existing capital investment as well as non-capital investment constraints. Practical overall capacity measures firms’ capacity to produce softwood lumber as well as any other products produced using the same equipment/machinery based on firms’ actual product mix over the period, whereas practical softwood lumber capacity measures only the practical capacity of firms to produce softwood lumber. Table III-6 presents U.S. producers’ installed overall, practical overall, and practical softwood lumber capacities as well as overall production, softwood lumber production, and the associated capacity utilization rates.

From 2017-22, reported installed overall, practical overall, and practical softwood lumber capacity measures all increased in each year-to-year comparison. From 2017-22, reported installed capacity increased 16.7 percent, practical overall capacity increased 20.1 percent, and practical softwood lumber capacity increased 20.0 percent. The three capacity measures were all also higher in the interim 2023 period than in interim 2022 (by 1.3, 0.4, and 0.4 percent, respectively).

Firms only reported a small number of other products produced using the same equipment/machinery, therefore the overall and softwood lumber production figures were similar. Overall and softwood lumber production also both increased in each year-to-year comparison. From 2017-22, overall production increased *** percent and softwood lumber production increased *** percent. Overall and softwood lumber production, however, were both lower in interim 2023 than in interim 2022, by *** and 2.8 percent, respectively.

Resultingly, the three capacity utilization measures fluctuated between 2017 and 2022 all ending slightly lower in 2022 than in 2017 (overall capacity utilization was *** percentage points lower in 2022 while practical overall and practical softwood lumber capacities were *** percentage points lower in 2022 than in 2017). The capacity utilization rates were also lower in interim 2023 than interim 2022 (the overall capacity utilization rate was *** percentage points lower, while the practical overall and practical softwood lumber capacities were both *** percentage points lower in interim 2023 than in interim 2022).

Table III-6

Softwood lumber: U.S. producers' installed and practical capacity, production, and utilization on the same equipment as in-scope production, by measure and period

Capacity and production in mbf; utilization in percent

Item	Measure	2017	2018	2019
Installed overall	Capacity	37,822,267	38,629,880	38,831,889
Installed overall	Production	***	***	***
Installed overall	Utilization	***	***	***
Practical overall	Capacity	26,715,834	27,852,312	28,252,275
Practical overall	Production	***	***	***
Practical overall	Utilization	***	***	***
Practical softwood lumber	Capacity	26,538,803	27,675,746	28,077,357
Practical softwood lumber	Production	22,813,426	24,176,175	24,318,902
Practical softwood lumber	Utilization	86.0	87.4	86.6

Table continued.

Table III-6 Continued

Softwood lumber: U.S. producers' installed and practical capacity, production, and utilization on the same equipment as in-scope production, by measure and period

Capacity and production in mbf; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	40,454,450	42,647,871	44,138,844	10,965,883	11,104,940
Installed overall	Production	***	***	***	***	***
Installed overall	Utilization	***	***	***	***	***
Practical overall	Capacity	29,341,744	30,994,221	32,077,107	7,998,146	8,027,128
Practical overall	Production	***	***	***	***	***
Practical overall	Utilization	***	***	***	***	***
Practical softwood lumber	Capacity	29,139,008	30,821,484	31,843,595	7,955,798	7,984,354
Practical softwood lumber	Production	25,405,311	26,081,796	26,444,549	6,717,882	6,530,186
Practical softwood lumber	Utilization	87.2	84.6	83.0	84.4	81.8

Source: Compiled from data submitted in response to Commission questionnaires.

Constraints on practical capacity

Table III-7 presents U.S. producers' narratives regarding constraints on practical capacity. Of the 50 responding U.S. producers, 11 reported production bottleneck constraints, 27 reported existing labor force constraints, 14 reported supply of material input constraints, 1 reported a fuel or energy constraint, 5 reported storage capacity constraints, 7 reported logistics/transportation constraints, and 13 reported other constraints.

Table III-7
Softwood lumber: U.S. producers' reported capacity constraints, by type of constraint and firm

Type of change	Firm name and narrative on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Existing labor force	***

Type of change	Firm name and narrative on constraints to practical overall capacity
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***

Type of change	Firm name and narrative on constraints to practical overall capacity
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***

Type of change	Firm name and narrative on constraints to practical overall capacity
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Fuel or energy	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Storage capacity	***
Logistics/ transportation	***
Logistics/ transportation	***
Logistics/ transportation	***
Logistics/ transportation	***
Logistics/ transportation	***
Logistics/ transportation	***
Logistics/ transportation	***
Other constraints	***

Type of change	Firm name and narrative on constraints to practical overall capacity
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' capacity, production, and capacity utilization

Table III-8 presents U.S. producers' production, capacity, and capacity utilization based on both data published by the WWPA and from data submitted in response to Commission questionnaires. WWPA's data shows a 12.0 percent increase in softwood lumber production from 2017-22, while questionnaire data shows a 15.9 percent increase in softwood lumber production across the same period. WWPA Lumber Track data accounts for 45.1 billion board feet of softwood lumber capacity and 37.8 billion board feet of softwood lumber production in 2022 while questionnaire data accounts for 31.8 billion board feet of practical softwood lumber capacity and 26.4 billion board feet of softwood lumber production in 2022.

Overall capacity and production trends as reported by WWPA Lumber Track and questionnaire data track closely with both capacity and production increasing across each year-to-year comparison from 2017-22. WWPA Lumber Track's data shows a 14.7 percent increase in U.S. capacity from 2017-22 while questionnaire data shows a 20.0 percent increase in practical softwood lumber capacity across the same period. In comparing interim 2023 to interim 2022, WWPA Lumber Track's data shows production to be 2.0 percent lower, while questionnaire data shows production to be 2.8 percent lower. Questionnaire data shows practical softwood lumber capacity to be 0.4 percent higher in interim 2023 than interim 2022, while capacity information from WWPA is not available for the interim periods.

Resultingly, WWPA Lumber Track's data shows capacity utilization to have decreased irregularly from 2017-22 starting at 86.0 percent in 2017 and ending at 84.0 percent in 2022. Questionnaire data also shows capacity utilization to have decreased irregularly from 2017-22 starting at 86.0 percent in 2017 and ending at 83.0 percent in 2022. Questionnaire data also shows capacity utilization to be lower in interim 2023 than in interim 2022 (81.8 percent as compared to 84.4 percent, respectively). As noted, capacity utilization information from WWPA for the interim periods is not available, thus capacity estimates for the interim periods are also unavailable.

Figure III-1 also shows U.S. producers' capacity, production, and capacity utilization, by period, based on the data published in WWPA Lumber Track, while figure III-2 shows U.S. producers' capacity, production, and capacity utilization, by period based on questionnaire data.

Table III-8**Softwood lumber: U.S. producers' capacity, production, and capacity utilization, by period**

Capacity and production in mbf; utilization in percent

Item	Measure	2017	2018	2019
WWPA: Capacity	Quantity	39,273,256	41,068,235	41,370,588
WWPA: Production	Quantity	33,775,000	34,908,000	35,165,000
WWPA: Capacity utilization	Ratio	86.0	85.0	85.0
Questionnaire: Capacity	Quantity	26,538,803	27,675,746	28,077,357
Questionnaire: Production	Quantity	22,813,426	24,176,175	24,318,902
Questionnaire: Capacity utilization	Ratio	86.0	87.4	86.6

Table continued.

Table III-8 Continued**Softwood lumber: U.S. producers' capacity, production, and capacity utilization, by period**

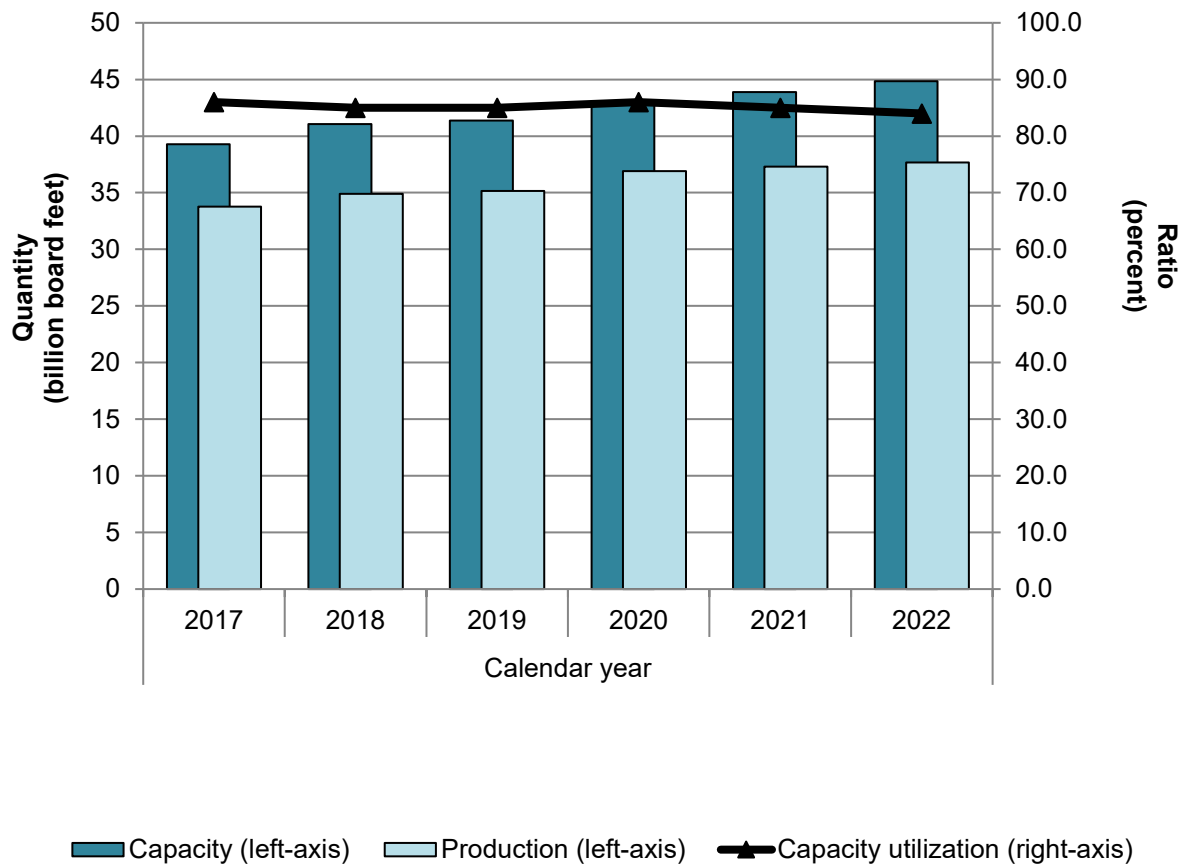
Capacity and production in mbf; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
WWPA: Capacity	Quantity	42,915,116	43,887,059	45,046,429	NA	NA
WWPA: Production	Quantity	36,907,000	37,304,000	37,839,000	9,467,000	9,280,000
WWPA: Capacity utilization	Ratio	86.0	85.0	84.0	NA	NA
Questionnaire: Capacity	Quantity	29,139,008	30,821,484	31,843,595	7,955,798	7,984,354
Questionnaire: Production	Quantity	25,405,311	26,081,796	26,444,549	6,717,882	6,530,186
Questionnaire: Capacity utilization	Ratio	87.2	84.6	83.0	84.4	81.8

Source: Compiled from data published in the WWPA 2022 Statistical Yearbook of the Western Lumber Industry and WWPA Lumber Track (April 2023 and June 2023) (<https://www.wwpa.org/reports>) and from data submitted in response to Commission questionnaires.

Note: WWPA capacity was estimated by dividing production by capacity utilization (both from WWPA). Quarterly WWPA capacity utilization was not available, so both WWPA capacity and WWPA capacity utilization are not available for the interim periods.

Figure III-1
Softwood lumber: U.S. producers' capacity, production, and capacity utilization (WWPA data), by period



Source: Compiled from data published on WWPA Lumber Track.

Note: WWPA capacity was estimated by dividing production by capacity utilization (both from WWPA). Quarterly WWPA capacity utilization was not available.

Firm by firm average production capacity and production, capacity utilization, and production shares

Table III-9 presents information on the average practical production capacity, production, practical capacity utilization, and production share by period of the ten largest U.S. producers by production in 2022, by all other firms, and by all firms. The ten largest firms by 2022 production in descending order were ***. The ten largest firms generally reported increasing levels of capacity from 2017-22 with *** being the only firm reporting a lower practical capacity in 2022 than in 2017.

Production as reported by the ten largest firms fluctuated from 2017-22 with seven of the ten largest firms reporting higher levels of production in 2022 than in 2017. Production as reported by all other firms was higher in 2022 than in 2017, and total reported production by all firms was *** percent higher in 2022 than in 2017. Seven of the ten largest firms reported lower production in interim 2023 than in interim 2022. All other firms and all firms collectively also reported lower production in interim 2023 than in interim 2022.

Practical capacity utilization rates fluctuated from 2017-22 with five of the largest producers reporting higher capacity utilization rates in 2022 than in 2017 and the other five reporting lower capacity utilization rates. The practical capacity utilization rates reported by all other firms and all firms in total were lower in 2022 than in 2017. Seven of the ten largest firms reported lower practical capacity utilization rates in interim 2023 than interim 2022. The practical capacity rates reported by all other firms and all firms in total were lower in interim 2023 than in interim 2022.

As noted, figure III-2 shows U.S. producers' capacity, production, and capacity utilization, by period based on questionnaire data.

Table III-9**Softwood lumber: Firm-by-firm U.S. producers' average production capacity, by period**

Capacity in mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All others	***	***	***
All firms	26,538,803	27,675,746	28,077,357

Table continued.

Table III-9 Continued**Softwood lumber: Firm-by-firm U.S. producers' average production capacity, by period**

Capacity in mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All others	***	***	***	***	***
All firms	29,139,008	30,821,484	31,843,595	7,955,798	7,984,354

Table continued.

Table III-9 Continued
Softwood lumber: Firm-by-firm U.S. producers' production, by period

Production in mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All others	***	***	***
All firms	22,813,426	24,176,175	24,318,902

Table continued.

Table III-9 Continued
Softwood lumber: Firm-by-firm U.S. producers' production, by period

Production in mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All others	***	***	***	***	***
All firms	25,405,311	26,081,796	26,444,549	6,717,882	6,530,186

Table continued.

Table III-9 Continued**Softwood lumber: Firm-by-firm U.S. producers' capacity utilization, by period**

Capacity utilization ratios in percent

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All others	***	***	***
All firms	86.0	87.4	86.6

Table continued.

Table III-9 Continued**Softwood lumber: Firm-by-firm U.S. producers' capacity utilization, by period**

Capacity utilization ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All others	***	***	***	***	***
All firms	87.2	84.6	83.0	84.4	81.8

Table continued.

Table III-9 Continued**Softwood lumber: Firm-by-firm U.S. producers' share of U.S. production, by period**

Share of production in percent

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All others	***	***	***
All firms	100.0	100.0	100.0

Table continued.

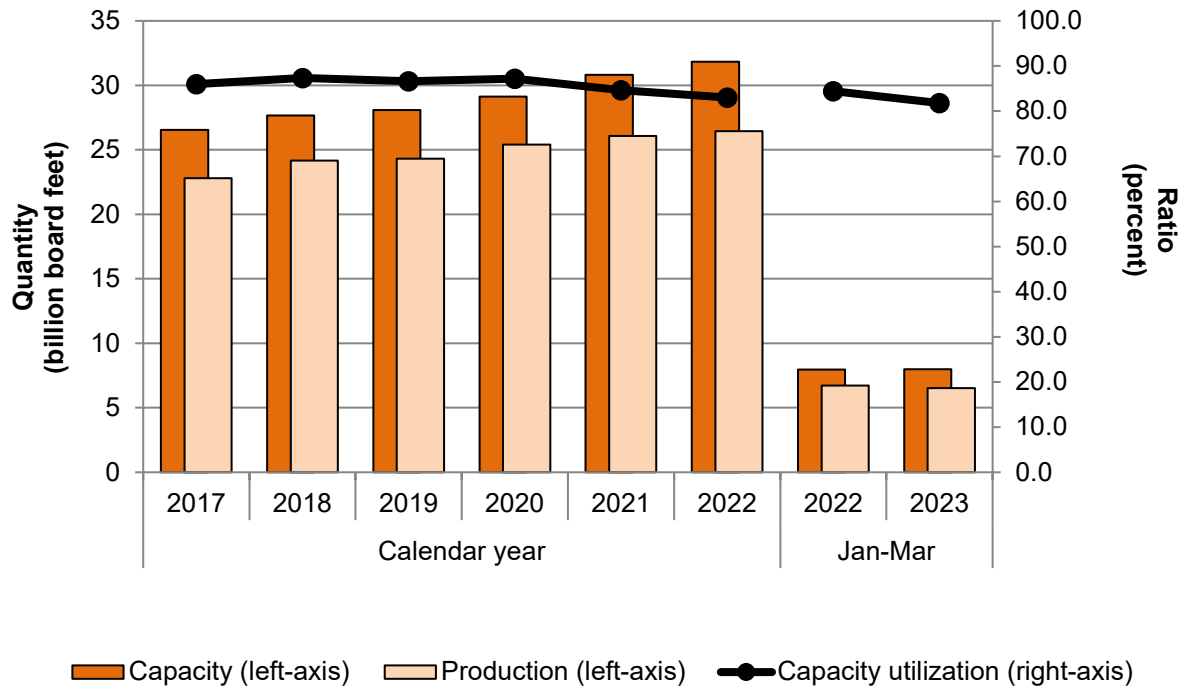
Table III-9 Continued**Softwood lumber: Firm-by-firm U.S. producers' share of U.S. production, by period**

Share of production in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All others	***	***	***	***	***
All firms	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-2
Softwood lumber: U.S. producers' capacity, production, and capacity utilization (questionnaire data), by period



Source: Compiled from data submitted in response to Commission questionnaires.

Alternative products

Four of the 50 responding U.S. producers reported the ability to switch production between softwood lumber and other products using the same equipment and/or labor: ***. *** reported the ability to produce ***, while *** reported the ability to switch production to produce ***. As shown in table III-10, the production of alternative products comprised between *** and *** percent of all reported production using the same equipment and/or labor during the period of review.

Table III-10
Softwood lumber: U.S. producers' overall production on the same equipment as in-scope production, by product type and period

Quantities in mbf; shares in percent

Product type	Measure	2017	2018	2019
Softwood lumber	Quantity	22,813,426	24,176,175	24,318,902
Other products	Quantity	***	***	***
All products	Quantity	***	***	***
Softwood lumber	Share	***	***	***
Other products	Share	***	***	***
All products	Share	100.0	100.0	100.0

Table continued.

Table III-10 Continued
Softwood lumber: U.S. producers' overall production on the same equipment as in-scope production, by product type and period

Quantities in mbf; shares in percent

Product type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Softwood lumber	Quantity	25,405,311	26,081,796	26,444,549	6,717,882	6,530,186
Other products	Quantity	***	***	***	***	***
All products	Quantity	***	***	***	***	***
Softwood lumber	Share	***	***	***	***	***
Other products	Share	***	***	***	***	***
All products	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' U.S. shipments and exports

Table III-11 presents the quantities, values, and shares of U.S. producers' total shipments by destination (U.S. shipments, export shipments, and total shipments) and period as reported in data published in WWPA Lumber Track. Table III-12 presents the quantities, values, and shares of U.S. producers' total shipments by destination (U.S. shipments, export shipments, and total shipments) and period as reported in questionnaire data.

According to both WWPA Lumber Track and questionnaire data, during the period of review, U.S. producers' U.S. shipments comprised the vast majority of U.S. producers' total shipments as measured by both quantity and value.

As measured by WWPA data by quantity, U.S. producers' U.S. shipments comprised between 95.0 and 97.0 percent of U.S. producers' total shipments from 2017-22 with exports comprising the remaining 3.0 to 5.0 percent over the period. By value, U.S. producers' U.S. shipments comprised between 94.9 and 97.0 percent of total shipments with exports comprising the remaining 2.9 to 5.8 percent over the period. During the interim periods, U.S. producers' U.S. shipments comprised over 96 percent of their total shipments as measured by both quantity and value.

According to questionnaire data, U.S. producers' U.S. shipments were 15.6 percent higher in 2022 than in 2017, while export shipments were 18.7 percent lower as measured by quantity. As measured by value, U.S. shipments were 97.6 percent higher in 2022 than in 2017 while U.S. producers' export shipment values were 51.9 percent higher in 2022 than in 2017.

Table III-11**Softwood lumber: U.S. producers' total shipments (WWPA data), by destination and period**

Quantity in mbf; value in 1,000 dollars; shares in percent

Item	Measure	2017	2018	2019
U.S. shipments	Quantity	32,077,000	33,073,000	33,874,000
Export shipments	Quantity	1,697,000	1,684,000	1,324,000
Total shipments	Quantity	33,774,000	34,757,000	35,198,000
U.S. shipments	Value	13,449,539	15,243,793	12,693,335
Export shipments	Value	761,088	924,409	665,809
Total shipments	Value	14,170,898	16,047,311	13,233,916
U.S. shipments	Share of quantity	95.0	95.2	96.2
Export shipments	Share of quantity	5.0	4.8	3.8
Total shipments	Share of quantity	100.0	100.0	100.0
U.S. shipments	Share of value	94.9	95.0	95.9
Export shipments	Share of value	5.4	5.8	5.0
Total shipments	Share of value	100.0	100.0	100.0

Table continued.

Table III-11 Continued**Softwood lumber: U.S. producers' total shipments (WWPA data), by destination and period**

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. shipments	Quantity	35,892,000	35,754,000	36,384,000	9,066,000	8,865,000
Export shipments	Quantity	1,117,000	1,478,000	1,328,000	319,000	325,000
Total shipments	Quantity	37,009,000	37,232,000	37,712,000	9,385,000	9,190,000
U.S. shipments	Value	18,854,256	27,331,209	26,071,217	9,457,995	3,947,714
Export shipments	Value	564,368	1,016,473	1,112,791	297,074	168,837
Total shipments	Value	19,435,551	28,439,846	27,054,972	9,782,889	4,098,330
U.S. shipments	Share of quantity	97.0	96.0	96.5	96.6	96.5
Export shipments	Share of quantity	3.0	4.0	3.5	3.4	3.5
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	97.0	96.1	96.4	96.7	96.3
Export shipments	Share of value	2.9	3.6	4.1	3.0	4.1
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data published on WWPA Lumber Track (<https://www.wwpa.org/reports>).

Note: Quantities for U.S. producers' U.S. shipments in the interim periods were calculated by subtracting WWPA's export quantities from WWPA's total shipment quantities. Note WWPA recently revised its estimates for export quantities and these revisions are incorporated into these data. Value was estimated by multiplying the WWPA quantity by U.S. producers' reported unit values from Commission questionnaires.

Table III-12**Softwood lumber: U.S. producers' total shipments (questionnaire data), by destination and period**

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2017	2018	2019
U.S. shipments	Quantity	22,530,829	23,820,876	24,084,213
Export shipments	Quantity	226,705	214,790	239,683
Total shipments	Quantity	22,757,534	24,035,666	24,323,896
U.S. shipments	Value	9,446,933	10,979,364	9,024,886
Export shipments	Value	101,675	117,906	120,531
Total shipments	Value	9,548,608	11,097,270	9,145,417
U.S. shipments	Unit value	419	461	375
Export shipments	Unit value	448	549	503
Total shipments	Unit value	420	462	376
U.S. shipments	Share of quantity	99.0	99.1	99.0
Export shipments	Share of quantity	1.0	0.9	1.0
Total shipments	Share of quantity	100.0	100.0	100.0
U.S. shipments	Share of value	98.9	98.9	98.7
Export shipments	Share of value	1.1	1.1	1.3
Total shipments	Share of value	100.0	100.0	100.0

Table continued.

Table III-12 Continued**Softwood lumber: U.S. producers' total shipments (questionnaire data), by destination and period**

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. shipments	Quantity	25,351,894	25,724,246	26,081,444	6,462,912	6,394,962
Export shipments	Quantity	188,276	192,180	184,363	48,900	55,621
Total shipments	Quantity	25,540,170	25,916,426	26,265,807	6,511,812	6,450,583
U.S. shipments	Value	13,317,483	19,653,959	18,664,404	6,734,484	2,842,730
Export shipments	Value	95,127	132,169	154,486	45,539	28,895
Total shipments	Value	13,412,610	19,786,128	18,818,890	6,780,023	2,871,625
U.S. shipments	Unit value	525	764	716	1,042	445
Export shipments	Unit value	505	688	838	931	519
Total shipments	Unit value	525	763	716	1,041	445
U.S. shipments	Share of quantity	99.3	99.3	99.3	99.2	99.1
Export shipments	Share of quantity	0.7	0.7	0.7	0.8	0.9
Total shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
U.S. shipments	Share of value	99.3	99.3	99.2	99.3	99.0
Export shipments	Share of value	0.7	0.7	0.8	0.7	1.0
Total shipments	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-13 presents the quantities, values, and unit values of U.S. producers' U.S. shipments by type (commercial, internal consumption, and transfers to related firms) and period.

From 2017-22, commercial shipments comprised the vast majority of U.S. producers' U.S. shipments as measured by both quantity and value. By quantity, commercial shipments comprised between *** and *** percent of U.S. producers' U.S. shipments from 2017-22 with transfers to related firms comprising between *** to *** percent over the period, and internal consumption comprising between *** and *** percent over the period. As measured by value, commercial shipments comprised between *** and *** percent of U.S. shipments with transfer to related firms comprising between *** to *** percent of the value over the period and internal consumption comprising between *** and *** percent of the value over the period. During the interim periods, commercial shipments comprised over *** percent of U.S. producers' U.S. shipments as measured by both quantity and value.

From 2017-22, commercial shipments increased *** percent, internal consumption increased *** percent, and transfers to related firms increased *** percent as measured by quantity. U.S. shipments overall increased *** percent over the period by quantity. By value, U.S. shipments by each type increased at a higher rate over the same period (commercial shipments increased *** percent, internal consumption increased *** percent, and transfers to related firms increased *** percent from 2017-22). U.S. shipments overall increased *** percent by value over the period.

From 2017-22, average unit values of commercial shipments increased *** percent, average unit values of transfers to related firms increased *** percent, and average unit values of internal consumption increased *** percent. Average unit values were *** percent lower in interim 2023 than in interim 2022 for commercial shipments, *** percent lower for transfers to related firms, and *** percent lower for internal consumption.

Table III-13**Softwood lumber: U.S. producers' U.S. shipments, by type and period**

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2017	2018	2019
Commercial U.S. shipments	Quantity	***	***	***
Internal consumption	Quantity	***	***	***
Transfers to related firms	Quantity	***	***	***
U.S. shipments	Quantity	22,530,829	23,820,876	24,084,213
Commercial U.S. shipments	Value	***	***	***
Internal consumption	Value	***	***	***
Transfers to related firms	Value	***	***	***
U.S. shipments	Value	9,446,933	10,979,364	9,024,886
Commercial U.S. shipments	Unit value	***	***	***
Internal consumption	Unit value	***	***	***
Transfers to related firms	Unit value	***	***	***
U.S. shipments	Unit value	419	461	375
Commercial U.S. shipments	Share of quantity	***	***	***
Internal consumption	Share of quantity	***	***	***
Transfers to related firms	Share of quantity	***	***	***
U.S. shipments	Share of quantity	100.0	100.0	100.0
Commercial U.S. shipments	Share of value	***	***	***
Internal consumption	Share of value	***	***	***
Transfers to related firms	Share of value	***	***	***
U.S. shipments	Share of value	100.0	100.0	100.0

Table continued.

Table III-13 Continued**Softwood lumber: U.S. producers' U.S. shipments, by type and period**

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Commercial U.S. shipments	Quantity	***	***	***	***	***
Internal consumption	Quantity	***	***	***	***	***
Transfers to related firms	Quantity	***	***	***	***	***
U.S. shipments	Quantity	25,351,894	25,714,966	26,052,805	6,456,905	6,383,696
Commercial U.S. shipments	Value	***	***	***	***	***
Internal consumption	Value	***	***	***	***	***
Transfers to related firms	Value	***	***	***	***	***
U.S. shipments	Value	13,317,483	19,657,132	18,668,325	6,736,088	2,842,753
Commercial U.S. shipments	Unit value	***	***	***	***	***
Internal consumption	Unit value	***	***	***	***	***
Transfers to related firms	Unit value	***	***	***	***	***
U.S. shipments	Unit value	525	764	717	1,043	445
Commercial U.S. shipments	Share of quantity	***	***	***	***	***
Internal consumption	Share of quantity	***	***	***	***	***
Transfers to related firms	Share of quantity	***	***	***	***	***
U.S. shipments	Share of quantity	100.0	100.0	100.0	100.0	100.0
Commercial U.S. shipments	Share of value	89.0	***	***	***	***
Internal consumption	Share of value	***	***	***	***	***
Transfers to related firms	Share of value	***	***	***	***	***
U.S. shipments	Share of value	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' inventories

Table III-14 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments as reported in data submitted in response to Commission questionnaires. From 2017-22, U.S. producers' end-of-period inventories increased irregularly ending 16.1 higher in 2022 than in 2017. U.S. producers' end-of-period inventories were virtually unchanged between in interim 2023 as compared to interim 2022. From 2017-22, end-of-period inventory levels represented between 5.6 and 6.5 percent of U.S. producers' U.S. production, between 5.6 and 6.6 percent of U.S. producers' U.S. shipments, and between 5.5 and 6.6 percent of U.S. producers' total shipments. End-of period inventories as a ratio to U.S. producers' production, U.S. shipments, and total shipments were comparable or slightly higher in interim 2023 than in interim 2022.

Table III-14
Softwood lumber: U.S. producers' inventories, by period

Quantity in mbf; inventory ratios in percent

Item	Measure	2017	2018	2019
End-of-period inventory	Quantity	1,447,958	1,580,584	1,549,236
Inventory to U.S. production	Ratio	6.3	6.5	6.4
Inventory to U.S. shipments	Ratio	6.4	6.6	6.4
Inventory to total shipments	Ratio	6.4	6.6	6.4

Table continued.

Table III-14 Continued
Softwood lumber: U.S. producers' inventories, by period

Quantity in mbf; inventory ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
End-of-period inventory	Quantity	1,413,893	1,536,684	1,680,992	1,762,031	1,761,439
Inventory to U.S. production	Ratio	5.6	5.9	6.4	6.6	6.7
Inventory to U.S. shipments	Ratio	5.6	6.0	6.4	6.8	6.9
Inventory to total shipments	Ratio	5.5	5.9	6.4	6.8	6.8

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' imports from Canada

U.S. producers' imports of softwood lumber from Canada are presented in tables III-15 through III-29.³

Table III-15 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. The company's related importer *** imports from Canada ranged from *** to *** percent of ***'s U.S. production by quantity in the period of review.⁴

Table III-15

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-15 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

³ U.S. producer *** also reported imports of softwood lumber during the review period but only from nonsubject sources.

⁴ *** also reported imports of softwood lumber from nonsubject sources (***) during review period. In 2022, the firm's subject imports represented *** percent of its total imports.

Table III-16 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Collective imports from Canada made by related importers *** ranged from *** to *** percent of *** U.S. production by quantity in the periods of the review for which the company reported U.S. production.⁵

Table III-16

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada total	Quantity	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada total to U.S. production	Ratio	***	***	***

Table continued.

⁵ *** did not reported any imports of softwood lumber from nonsubject sources during the review period.

Table III-16 Continued**Softwood lumber: ***'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada total	Quantity	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada total to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table III-17 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Imports from Canada made by related importer *** ranged from *** to *** percent of U.S. production by quantity in the period of review.⁶

Table III-17
Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-17 Continued
Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

⁶ *** also reported imports of softwood lumber from nonsubject sources (***) during the review period. In 2022, the firm's subject imports represented *** percent of its total imports.

Table III-18 displays U.S. production, imports from Canada, and the ratio of imports from Canada by the company's related importers to the company's U.S. production by period for U.S. producer ***. Total imports from Canada made by related firms *** ranged from *** to *** percent of *** U.S. production by quantity in the period of review.⁷

Table III-18
Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada Total	Quantity	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada Total to U.S. production	Ratio	***	***	***

Table continued.

⁷ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-18 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada Total	Quantity	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada Total to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-19 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. *** imports from Canada ranged from *** to *** percent of the company's U.S. production by quantity in the period of review.⁸

Table III-19
Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-19 Continued
Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

⁸ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-20 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. U.S. imports from Canada made by the firm's partial owner *** ranged from *** to *** percent of the company's U.S. production by quantity in the period of review.⁹

Table III-20

Softwood lumber: *'s U.S. production, its partial owner ***'s subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-20 Continued

Softwood lumber: *'s U.S. production, its partial owner ***'s subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

⁹ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-21 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Imports from Canada made by the company's partial owner *** ranged from *** to *** percent of the company's U.S. production by quantity in the periods of the review.¹⁰

Table III-21

Softwood lumber: *'s U.S. production, its partial owner ***'s subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-21 Continued

Softwood lumber: *'s U.S. production, its partial owner ***'s subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

¹⁰ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-22 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Imports from Canada made by related importer *** ranged from *** to *** percent of the company's U.S. production by quantity in the periods for which the company reported U.S. production.¹¹

Table III-22

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-22 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

¹¹ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-23 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Imports from Canada made by the company's partial owner *** ranged from *** to *** percent of the company's U.S. production by quantity in the periods of the review.¹²

Table III-23

Softwood lumber: *'s U.S. production, its partial owner ***'s subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-23 Continued

Softwood lumber: *'s U.S. production, its partial owner ***'s subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

¹² *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-24 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Imports from Canada made by related importer *** ranged from *** to *** percent of the company's U.S. production by quantity in the periods for which the company reported U.S. production.¹³

Table III-24

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-24 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

¹³ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-25 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Imports from Canada made by related importer *** ranged from *** to *** percent of the company's U.S. production by quantity in the periods for which the company reported U.S. production.¹⁴

Table III-25

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-25 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as "---".

¹⁴ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-26 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. *** imports from Canada ranged from *** to *** percent of the company's U.S. production by quantity in the periods of the review.¹⁵

Table III-26

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-26 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

¹⁵ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-27 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Imports from Canada made by related importer *** ranged from *** to *** percent of the company's U.S. production by quantity in the periods of the review.¹⁶

Table III-27

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-27 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

¹⁶ *** did not report any imports of softwood lumber from nonsubject sources during the period of review.

Table III-28 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. Total imports from Canada made by related importers *** and *** ranged from *** to *** percent of the ***'s U.S. production by quantity in the periods for which *** reported U.S. production.¹⁷

Table III-28
Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada by ***	Quantity	***	***	***
Imports from Canada Total	Quantity	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***
Imports from Canada Total to U.S. production	Ratio	***	***	***

Table continued.

¹⁷ *** also reported imports of softwood lumber from nonsubject sources (***) during the review period. In 2022, the ratio of *** subject imports to total imports was *** percent. In 2022, the ratio of *** subject imports to total imports was *** percent. The ratio of *** subject imports to *** imports in 2022 was *** percent.

Table III-28 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada by ***	Quantity	***	***	***	***	***
Imports from Canada Total	Quantity	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada by *** to U.S. production	Ratio	***	***	***	***	***
Imports from Canada Total to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Zeroes, null values, and undefined calculations are suppressed and shown as “---”.

Table III-29 displays U.S. production, imports from Canada, and the ratio of imports from Canada to the company's U.S. production by period for U.S. producer ***. *** imports from Canada ranged from *** to *** percent of the company's U.S. production by quantity in the periods of the review.¹⁸

Table III-29

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
Imports from Canada	Quantity	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***

Table continued.

Table III-29 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; Ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
Imports from Canada	Quantity	***	***	***	***	***
Imports from Canada to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

¹⁸ *** did not reported any imports of softwood lumber from nonsubject sources during the review period.

U.S. producers’ reasons for imports

Table III-30 presents U.S. producers’ reasons for importing softwood lumber.

Table III-30
Softwood lumber: U.S. producers' reason(s) for imports, by firm

Firm	Narrative response on reason(s) for importation
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Firm	Narrative response on reason(s) for importation
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' purchases of imports from Canada

U.S. producers' purchases of imports from Canada are presented in tables III-31 through III-35.

Table III-31 displays U.S. production, U.S. purchases of imports from Canada, and the ratio of purchases of imports from Canada to the company's U.S. production by period for U.S. producer ***.¹⁹ *** purchases of imports from Canada ranged from *** to *** percent of the company's U.S. production by quantity during the review period. The table also displays imports from Canada made by the *** from which *** made the purchases, the ratio of *** purchases to imports reported by *** U.S. importers, overall imports from Canada, and the ratio of the *** imports from Canada to overall imports from Canada by period. The ratio of ***'s purchases of imports to the imports reported by *** of the U.S. importers ranged from *** to *** percent during the review period. The ratio of the ***' imports from Canada to overall imports from Canada ranged from *** to *** percent during the review period.

Table III-31

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***
U.S. imports from Canada from U.S. importers ***	Quantity	***	***	***
Control ratio: Producers' purchases from *** to imports reported by U.S. importers ***	Ratio	***	***	***
Overall imports from Canada	Quantity	14,280,559	13,514,587	12,883,516
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***
Producer's purchases to U.S production	Ratio	***	***	***

Table continued.

¹⁹ *** did not report any purchases of imports from nonsubject sources or any direct imports during the review period.

Table III-31 Continued**Softwood lumber: ***'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***	***	***
U.S. imports from Canada from U.S. importers ***	Quantity	***	***	***	***	***
Control ratio: Producers' purchases from *** to imports reported by U.S. importers ***	Ratio	***	***	***	***	***
Overall imports from Canada	Quantity	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***	***	***
Producer's purchases to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Table III-32 displays U.S. production, U.S. purchases of imports from Canada, and the ratio of purchases of imports from Canada to the company's U.S. production by period for U.S. producer ***. ²⁰ *** purchases of imports from Canada were between *** and *** percent of the company's U.S. production by quantity in the periods of the review. The table also displays imports from Canada made by the importer from which *** made the purchases (***), the ratio of ***'s purchases from *** to ***'s imports, overall imports from Canada, and the ratio of the ***'s imports from Canada to overall imports from Canada by period. The ratio of ***'s purchases of imports from *** to the imports reported *** ranged from *** to *** percent during the review period. The ratio of ***'s imports from Canada to overall imports from Canada was *** in all periods.

Table III-32
Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***
U.S. imports from Canada from U.S. importer ***	Quantity	***	***	***
Control ratio: Producers' purchases from *** to U.S. importer ***'s imports	Ratio	***	***	***
Overall imports from Canada	Quantity	14,280,559	13,514,587	12,883,516
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***
Producer's purchases to U.S production	Ratio	***	***	***

Table continued.

²⁰ *** did not report any purchases of imports from nonsubject sources or direct imports during the review period. The company did report *** during the review period.

Table III-32 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***	***	***
U.S. imports from Canada from U.S. importer ***	Quantity	***	***	***	***	***
Control ratio: Producers' purchases from *** to U.S. importer ***'s imports	Ratio	***	***	***	***	***
Overall imports from Canada	Quantity	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***	***	***
Producer's purchases to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires, and from proprietary, Census-edited Customs records, accessed October 16, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Table III-33 displays U.S. production, U.S. purchases of imports from Canada, and the ratio of purchases of imports from Canada to the company's U.S. production by period for U.S. producer ***. *** purchases of imports from Canada ranged from *** to *** percent of the company's U.S. production by quantity in the periods of the review.²¹ The table also displays imports from Canada made by *** from which *** reported to have made the purchases, the ratio of *** purchases from those importers to the imports reported by those importers, overall imports from Canada, and the ratio of the *** imports from Canada to overall imports from Canada by period. The ratio of ***'s purchases from the *** to the imports reported by those U.S. importers ranged from *** to *** percent during the review period. The ratio of the importers' imports from Canada to overall imports from Canada ranged from *** to *** percent during the review period.

Table III-33

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***
U.S. imports from Canada from U.S. importers ***	Quantity	***	***	***
Control ratio: Producers' purchases from *** to imports reported by U.S. importers ***	Ratio	***	***	***
Overall imports from Canada	Quantity	14,280,559	13,514,587	12,883,516
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***
Producer's purchases to U.S production	Ratio	***	***	***

Table continued.

²¹ *** did not report any purchases of imports from nonsubject sources or any direct imports during the review period.

Table III-33 Continued

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***	***	***
U.S. imports from Canada from U.S. importers ***	Quantity	***	***	***	***	***
Control ratio: Producers' purchases from *** to imports reported by U.S. importers ***	Ratio	***	***	***	***	***
Overall imports from Canada	Quantity	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***	***	***
Producer's purchases to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: ***

Table III-34 displays U.S. production, U.S. purchases of imports from Canada, and the ratio of purchases of imports from Canada to the company's U.S. production by period for U.S. producer ***. *** purchases of imports from Canada from related firm *** ranged from *** to *** percent of its U.S. production by quantity in the periods of the review.²² The table also displays imports from Canada made by ***, the ratio of *** purchases from *** to ***'s reported imports, overall imports from Canada, and the ratio of the ***'s imports from Canada to overall imports from Canada by period. The ratio of ***'s purchases from the *** to the imports reported by *** was *** percent in all periods of the review. The ratio of ***'s imports from Canada to overall imports from Canada ranged from *** to *** percent during the review period.

Table III-34

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***
U.S. imports from Canada from U.S. importer ***	Quantity	***	***	***
Control ratio: Producers' purchases from *** to U.S. importer ***'s imports	Ratio	***	***	***
Overall imports from Canada	Quantity	14,280,559	13,514,587	12,883,516
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***
Producer's purchases to U.S production	Ratio	***	***	***

Table continued.

²² *** did not report any purchases of imports from nonsubject sources, direct imports, or purchases from other domestic producers during the review period.

Table III-34 Continued**Softwood lumber: ***'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***	***	***
U.S. imports from Canada from U.S. importer ***	Quantity	***	***	***	***	***
Control ratio: Producers' purchases from *** to U.S. importer ***'s imports	Ratio	***	***	***	***	***
Overall imports from Canada	Quantity	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***	***	***
Producer's purchases to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: ***

Table III-35 displays U.S. production, U.S. purchases of imports from Canada, and the ratio of purchases of imports from Canada to the company's U.S. production by period for U.S. producer ***. *** reported purchases of imports from Canada from *** in *** and those purchases represented *** percent company's U.S. production in that year.²³ The table also displays imports from Canada made by ***, the ratio of ***'s purchases from *** to ***'s reported imports, overall imports from Canada, and the ratio of the ***'s imports from Canada to overall imports from Canada in the period in which *** reported purchases. The ratio of ***'s purchases in the period in which *** reported purchases to the imports reported by *** in that period was *** percent. The ratio of ***'s imports from Canada to overall imports from Canada in the period in which *** reported purchases was *** percent.

Table III-35

Softwood lumber: *'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2017	2018	2019
U.S. production	Quantity	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***
U.S. imports from Canada from U.S. importer ***	Quantity	***	***	***
Control ratio: Producers' purchases from *** to U.S. importer ***'s imports	Ratio	***	***	***
Overall imports from Canada	Quantity	14,280,559	13,514,587	12,883,516
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***
Producer's purchases to U.S production	Ratio	***	***	***

Table continued.

²³ *** did not report any purchases of imports from nonsubject sources or purchases from other domestic producers during the review period. The company did report direct imports as reported table III-26.

Table III-35 Continued**Softwood lumber: ***'s U.S. production, subject U.S. imports, and ratio of subject imports to production, by source and by period**

Quantity in mbf; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
U.S. production	Quantity	***	***	***	***	***
U.S. purchases from *** of imports from Canada	Quantity	***	***	***	***	***
U.S. imports from Canada from U.S. importer ***	Quantity	***	***	***	***	***
Control ratio: Producers' purchases from *** to U.S. importer ***'s imports	Ratio	***	***	***	***	***
Overall imports from Canada	Quantity	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Size ratio: ***'s imports to overall imports from Canada	Ratio	***	***	***	***	***
Producer's purchases to U.S. production	Ratio	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires, and from proprietary, Census-edited Customs records, accessed October 16, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

U.S. producers' reasons for purchasing, by firm

Table III-36 presents U.S. producers' reasons for purchasing softwood lumber.

Table III-36

Softwood lumber: U.S. producers' reasons for purchasing, by firm

Firm	Narrative response on reasons for purchasing
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. employment, wages, and productivity

Table III-37 shows U.S. producers' employment-related data. The number of production and related workers ("PRWs") employed increased across each year-to-year comparison ending 23.5 percent higher in 2022 than in 2017 (ending with 24,744 PRWs in 2022 as compared to 20,041 PRWs in 2017). PRWs in interim 2023 were also 0.4 percent higher than in interim 2022. Total hours worked followed a similar trend, increasing in each year-to-year comparison and ending 23.9 percent higher in 2022 than in 2017. Total hours worked, however, were 3.9 percent lower in interim 2023 than in interim 2022. Hours worked per PRW increased irregularly from 2017-22 ending 0.4 percent higher in 2022 than in 2017. Hours worked per PRW were 4.2 percent lower in interim 2023 than in interim 2022.

Wages paid also increased across each year-to-year comparison ending 49.7 percent higher in 2022 than in 2017 with \$1.7 billion in wages paid in 2022 as compared to \$1.1 billion in wages paid in 2017. From 2021-22 wages paid increased 12.7 percent. Wages paid were 6.5 percent higher in interim 2023 than in interim 2022. Hourly wages also increased year-over-year from 2017-22 ending 20.8 percent higher in 2022 (at \$31.00 per hour) than in 2017 (at \$25.65 per hour). Unit labor costs as measured in dollars per mbf increased irregularly from 2017-22 ending 29.2 percent higher in 2022 than in 2017. Unit labor costs were 9.5 percent higher in interim 2023 than in interim 2022.

Productivity as measured in board feet per hour decreased irregularly from 2017-22 ending 6.5 percent lower in 2022 than in 2017. Productivity was 1.1 percent higher in interim 2023 than in interim 2022.

Table III-37**Softwood lumber: U.S. producers' employment related data, by period**

Item	2017	2018	2019
Production and related workers (PRWs) (number)	20,041	21,816	22,081
Total hours worked (1,000 hours)	43,351	46,570	47,170
Hours worked per PRW (hours)	2,163	2,135	2,136
Wages paid (\$1,000)	1,112,153	1,232,627	1,285,751
Hourly wages (dollars per hour)	\$25.65	\$26.47	\$27.26
Productivity (board feet per hour)	526	519	516
Unit labor costs (dollars per mbf)	\$48.75	\$50.99	\$52.87

Table continued.

Table III-37 Continued**Softwood lumber: U.S. producers' employment related data, by period**

Item	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Production and related workers (PRWs) (number)	22,689	23,370	24,744	24,896	24,988
Total hours worked (1,000 hours)	47,603	51,554	53,722	13,695	13,165
Hours worked per PRW (hours)	2,098	2,206	2,171	550	527
Wages paid (\$1,000)	1,314,759	1,477,303	1,665,362	402,238	428,306
Hourly wages (dollars per hour)	\$27.62	\$28.66	\$31.00	\$29.37	\$32.53
Productivity (board feet per hour)	534	506	492	491	496
Unit labor costs (dollars per mbf)	\$51.75	\$56.64	\$62.98	\$59.88	\$65.59

Source: Compiled from data submitted in response to Commission questionnaires.

Financial experience of U.S. producers

Background²⁴

Forty-nine U.S. producers provided usable financial results on their softwood lumber operations.²⁵ Firms were requested to provide data on a calendar year basis, and the trade and financial sections of the Commission's questionnaire reconciled to within rounding errors for the majority of firms.²⁶ Forty of the responding U.S. producers provided their financial data on the basis of GAAP.²⁷

²⁴ The following abbreviations are used in the tables and/or text of this section: generally accepted accounting principles ("GAAP"), international financial reporting standards ("IFRS"), fiscal year ("FY"), net sales ("NS"), cost of goods sold ("COGS"), selling, general, and administrative expenses ("SG&A expenses"), average unit values ("AUVs"), research and development ("R&D"), and return on assets ("ROA").

²⁵ ***. U.S. producers' questionnaire responses, section II-6.

²⁶ ***. *** U.S. producers' questionnaire response, ***.

²⁷ Four firms reported their financial results on the basis of IFRS, four used a tax accrual basis, and one used a modified GAAP basis.

Figure III-3 presents the largest ten responding firms' shares of the total reported net sales quantity in 2022. While the industry's net sales are primarily comprised of commercial sales, internal consumption and transfers to related firms accounted for *** percent and *** percent, respectively, of total net sales quantity from January 1, 2017 - March 31, 2023.^{28 29}

Figure III-3

Softwood lumber: U.S. producers' share of net sales quantity in 2022, by firm

* * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

²⁸ Thirteen firms reported internal consumption during the period examined and six reported transfers to related firms.

²⁹ *** accounted for *** percent of reported internal consumption during the period examined. In response to questions from staff, the company reported that its internal consumption included ***. Email from ***.

Operations on softwood lumber

Table III-38 presents aggregated data on U.S. producers' operations in relation to softwood lumber, while table III-39 presents corresponding changes in AUVs. Table III-40 presents selected company-specific financial data for the ten largest U.S. producers, based on 2022 net sales quantity, and all other firms combined.^{30 31}

³⁰ Eight of the U.S. producers in this section did not report financial results for the entire period examined. Six firms reported financial results that began after 2017, and two reported financial results that ended prior to March 31, 2023. Of the companies whose reported results began after 2017, ***. For the two firms whose financial data ended prior to March 31, 2023, ***. For more information, see tables III-1 and III-2.

³¹ All other firm-specific tables in this section (i.e., tables III-43, 45, 47, and 48) also present data for the 10 largest firms, based on 2022 net sales quantity, and all other firms combined.

Table III-38**Softwood lumber: U.S. producers' results of operations, by item and period**

Quantity in mbf; value in 1,000 dollars; ratios in percent

Item	Measure	2017	2018	2019
Commercial sales	Quantity	***	***	***
Internal consumption	Quantity	***	***	***
Transfers to related firms	Quantity	***	***	***
Total net sales	Quantity	22,545,696	23,856,074	24,114,981
Commercial sales	Value	***	***	***
Internal consumption	Value	***	***	***
Transfers to related firms	Value	***	***	***
Total net sales	Value	9,452,398	10,997,865	9,056,834
COGS: Raw materials	Value	5,096,350	5,821,770	5,275,706
COGS: Direct labor	Value	1,228,011	1,365,193	1,369,752
COGS: Other factory	Value	1,819,394	2,077,956	2,088,646
COGS: Less by-product revenue	Value	877,679	989,678	1,002,746
COGS: Total	Value	7,266,076	8,275,241	7,731,358
Gross profit or (loss)	Value	2,186,322	2,722,624	1,325,476
SG&A expenses	Value	451,926	529,995	594,336
Operating income or (loss)	Value	1,734,396	2,192,629	731,140
Other expense/(income), net	Value	195,032	257,769	234,048
Net income or (loss)	Value	1,539,364	1,934,860	497,092
Depreciation/amortization	Value	449,590	524,923	645,536
Cash flow	Value	1,988,954	2,459,783	1,142,628
COGS: Raw materials	Ratio to NS	53.9	52.9	58.3
COGS: Direct labor	Ratio to NS	13.0	12.4	15.1
COGS: Other factory	Ratio to NS	19.2	18.9	23.1
COGS: Less by-product revenue	Ratio to NS	9.3	9.0	11.1
COGS: Total	Ratio to NS	76.9	75.2	85.4
Gross profit	Ratio to NS	23.1	24.8	14.6
SG&A expense	Ratio to NS	4.8	4.8	6.6
Operating income or (loss)	Ratio to NS	18.3	19.9	8.1
Net income or (loss)	Ratio to NS	16.3	17.6	5.5

Table continued.

Table III-38 Continued
Softwood lumber: U.S. producers' results of operations, by item and period

Quantity in mbf; value in 1,000 dollars; ratios in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Commercial sales	Quantity	***	***	***	***	***
Internal consumption	Quantity	***	***	***	***	***
Transfers to related firms	Quantity	***	***	***	***	***
Total net sales	Quantity	25,357,591	25,732,848	26,067,197	6,466,811	6,412,431
Commercial sales	Value	***	***	***	***	***
Internal consumption	Value	***	***	***	***	***
Transfers to related firms	Value	***	***	***	***	***
Total net sales	Value	13,294,070	19,623,636	18,667,389	6,728,293	2,854,945
COGS: Raw materials	Value	5,840,028	6,466,758	7,302,993	1,910,685	1,770,184
COGS: Direct labor	Value	1,457,393	1,613,367	1,811,357	433,934	458,977
COGS: Other factory	Value	2,281,508	2,552,103	2,981,106	671,851	676,738
COGS: Less by-product revenue	Value	956,384	904,483	1,032,195	253,213	274,993
COGS: Total	Value	8,622,545	9,727,745	11,063,261	2,763,257	2,630,906
Gross profit or (loss)	Value	4,671,525	9,895,891	7,604,128	3,965,036	224,039
SG&A expenses	Value	652,805	732,364	853,097	203,132	203,632
Operating income or (loss)	Value	4,018,720	9,163,527	6,751,031	3,761,904	20,407
Other expense/(income), net	Value	110,764	26,848	313,055	67,656	48,667
Net income or (loss)	Value	3,907,956	9,136,679	6,437,976	3,694,248	(28,260)
Depreciation/amortization	Value	682,626	741,021	857,053	178,024	200,340
Cash flow	Value	4,590,582	9,877,700	7,295,029	3,872,272	172,080
COGS: Raw materials	Ratio to NS	43.9	33.0	39.1	28.4	62.0
COGS: Direct labor	Ratio to NS	11.0	8.2	9.7	6.4	16.1
COGS: Other factory	Ratio to NS	17.2	13.0	16.0	10.0	23.7
COGS: Less by-product revenue	Ratio to NS	7.2	4.6	5.5	3.8	9.6
COGS: Total	Ratio to NS	64.9	49.6	59.3	41.1	92.2
Gross profit	Ratio to NS	35.1	50.4	40.7	58.9	7.8
SG&A expense	Ratio to NS	4.9	3.7	4.6	3.0	7.1
Operating income or (loss)	Ratio to NS	30.2	46.7	36.2	55.9	0.7
Net income or (loss)	Ratio to NS	29.4	46.6	34.5	54.9	(1.0)

Table continued.

Table III-38 Continued
Softwood lumber: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per mbf; count in number of firms reporting

Item	Measure	2017	2018	2019
COGS: Raw materials	Share	62.6	62.8	60.4
COGS: Direct labor	Share	15.1	14.7	15.7
COGS: Other factory	Share	22.3	22.4	23.9
COGS: Total	Share	100.0	100.0	100.0
Commercial sales	Unit value	***	***	***
Internal consumption	Unit value	***	***	***
Transfers to related firms	Unit value	***	***	***
Total net sales	Unit value	419	461	376
COGS: Raw materials	Unit value	226	244	219
COGS: Direct labor	Unit value	54	57	57
COGS: Other factory	Unit value	81	87	87
COGS: Less by-product revenue	Unit value	39	41	42
COGS: Total	Unit value	322	347	321
Gross profit or (loss)	Unit value	97	114	55
SG&A expenses	Unit value	20	22	25
Operating income or (loss)	Unit value	77	92	30
Net income or (loss)	Unit value	68	81	21
Gross losses	Count	---	2	11
Operating losses	Count	1	3	18
Net losses	Count	---	5	22
Data	Count	43	44	46

Table continued.

Table III-38 Continued
Softwood lumber: U.S. producers' results of operations, by item and period

Shares in percent; unit values in dollars per mbf; count in number of firms reporting

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
COGS: Raw materials	Share	61.0	60.8	60.4	63.3	60.9
COGS: Direct labor	Share	15.2	15.2	15.0	14.4	15.8
COGS: Other factory	Share	23.8	24.0	24.6	22.3	23.3
COGS: Total	Share	100.0	100.0	100.0	100.0	100.0
Commercial sales	Unit value	***	***	***	***	***
Internal consumption	Unit value	***	***	***	***	***
Transfers to related firms	Unit value	***	***	***	***	***
Total net sales	Unit value	524	763	716	1,040	445
COGS: Raw materials	Unit value	230	251	280	295	276
COGS: Direct labor	Unit value	57	63	69	67	72
COGS: Other factory	Unit value	90	99	114	104	106
COGS: Less by-product revenue	Unit value	38	35	40	39	43
COGS: Total	Unit value	340	378	424	427	410
Gross profit or (loss)	Unit value	184	385	292	613	35
SG&A expenses	Unit value	26	28	33	31	32
Operating income or (loss)	Unit value	158	356	259	582	3
Net income or (loss)	Unit value	154	355	247	571	(4)
Gross losses	Count	---	1	---	---	17
Operating losses	Count	2	2	1	---	30
Net losses	Count	2	2	2	---	30
Data	Count	47	49	48	48	47

Source: Compiled from data submitted in response to Commission questionnaires.

Note: By-product revenue represents the sale or consumption of residual wood chips, bark, shavings, sawdust, and other products produced during the course of producing softwood lumber. By-product revenue is most commonly included within the net sales revenue of the main product (e.g., softwood lumber) or recorded as a reduction to COGS of the main product. For consistency, Commission questionnaires instructed firms to record this revenue as a reduction of softwood lumber COGS.

Table III-39
Softwood lumber: Changes in AUVs between comparison periods

Changes in percent

Item	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22	Jan-Mar 2022-23
Commercial sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total net sales	▲70.8	▲10.0	▼(18.5)	▲39.6	▲45.5	▼(6.1)	▼(57.2)
COGS: Raw materials	▲23.9	▲8.0	▼(10.4)	▲5.3	▲9.1	▲11.5	▼(6.6)
COGS: Direct labor	▲27.6	▲5.1	▼(0.7)	▲1.2	▲9.1	▲10.8	▲6.7
COGS: Other factory	▲41.7	▲7.9	▼(0.6)	▲3.9	▲10.2	▲15.3	▲1.6
COGS: Less by-product revenue	▲1.7	▲6.6	▲0.2	▼(9.3)	▼(6.8)	▲12.7	▲9.5
COGS: Total	▲31.7	▲7.6	▼(7.6)	▲6.1	▲11.2	▲12.3	▼(4.0)

Table continued.

Table III-39 Continued
Softwood lumber: Changes in AUVs between comparison periods

Changes in dollars per mbf

Item	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22	Jan-Mar 2022-23
Commercial sales	***	***	***	***	***	***	***
Internal consumption	***	***	***	***	***	***	***
Transfers to related firms	***	***	***	***	***	***	***
Total net sales	▲297	▲42	▼(85)	▲149	▲238	▼(46)	▼(595)
COGS: Raw materials	▲54	▲18	▼(25)	▲12	▲21	▲29	▼(19)
COGS: Direct labor	▲15	▲3	▼(0)	▲1	▲5	▲7	▲4
COGS: Other factory	▲34	▲6	▼(0)	▲3	▲9	▲15	▲2
COGS: Less by-product revenue	▲1	▲3	▲0	▼(4)	▼(3)	▲4	▲4
COGS: Total	▲102	▲25	▼(26)	▲19	▲38	▲46	▼(17)
Gross profit or (loss)	▲195	▲17	▼(59)	▲129	▲200	▼(93)	▼(578)
SG&A expense	▲13	▲2	▲2	▲1	▲3	▲4	▲0
Operating income or (loss)	▲182	▲15	▼(62)	▲128	▲198	▼(97)	▼(579)
Net income or (loss)	▲179	▲13	▼(60)	▲134	▲201	▼(108)	▼(576)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Unit value changes shown as “0” represent values greater than zero, but less than “0.5”. Zeroes, null values, and undefined calculations are suppressed and shown as “---”. Period changes preceded by a “▲” represent an increase, while period changes preceded by a “▼” represent a decrease.

Table III-40**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net sales quantity**

Quantity in mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	22,545,696	23,856,074	24,114,981

Table continued.

Table III-40**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net sales quantity**

Quantity in mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	25,357,591	25,732,848	26,067,197	6,466,811	6,412,431

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net sales value**

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	9,452,398	10,997,865	9,056,834

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net sales value**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	13,294,070	19,623,636	18,667,389	6,728,293	2,854,945

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****COGS**

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	7,266,076	8,275,241	7,731,358

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****COGS**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	8,622,545	9,727,745	11,063,261	2,763,257	2,630,906

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Gross profit or (loss)**

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	2,186,322	2,722,624	1,325,476

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Gross profit or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	4,671,525	9,895,891	7,604,128	3,965,036	224,039

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****SG&A expenses**

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	451,926	529,995	594,336

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****SG&A expenses**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	652,805	732,364	853,097	203,132	203,632

Table continued.

Table III-40 Continued
Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	1,734,396	2,192,629	731,140

Table continued.

Table III-40 Continued
Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period

Operating income or (loss)

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	4,018,720	9,163,527	6,751,031	3,761,904	20,407

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net income or (loss)**

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	1,539,364	1,934,860	497,092

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net income or (loss)**

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	3,907,956	9,136,679	6,437,976	3,694,248	(28,260)

Table continued.

Table III-40 Continued

Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales value ratio

Ratios in percent

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	76.9	75.2	85.4

Table continued.

Table III-40 Continued

Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period

COGS to net sales value ratio

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	64.9	49.6	59.3	41.1	92.2

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Gross profit or (loss) to net sales value ratio**

Ratios in percent

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	23.1	24.8	14.6

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Gross profit or (loss) to net sales value ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	35.1	50.4	40.7	58.9	7.8

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****SG&A expenses to net sales value ratio**

Ratios in percent

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	4.8	4.8	6.6

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****SG&A expenses to net sales value ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	4.9	3.7	4.6	3.0	7.1

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Operating income or (loss) to net sales value ratio**

Ratios in percent

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	18.3	19.9	8.1

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Operating income or (loss) to net sales value ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	30.2	46.7	36.2	55.9	0.7

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net income or (loss) to net sales value ratio**

Ratios in percent

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	16.3	17.6	5.5

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Net income or (loss) to net sales value ratio**

Ratios in percent

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	29.4	46.6	34.5	54.9	(1.0)

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit net sales value**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	419	461	376

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit net sales value**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	524	763	716	1,040	445

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit raw material costs**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	226	244	219

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit raw material costs**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	230	251	280	295	276

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit direct labor costs**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	54	57	57

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit direct labor costs**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	57	63	69	67	72

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit other factory costs**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	81	87	87

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit other factory costs**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	90	99	114	104	106

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit COGS**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	322	347	321

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit COGS**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	340	378	424	427	410

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit gross profit or (loss)**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	97	114	55

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit gross profit or (loss)**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	184	385	292	613	35

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit SG&A expenses**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	20	22	25

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit SG&A expenses**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	26	28	33	31	32

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit operating income or (loss)**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	77	92	30

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit operating income or (loss)**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	158	356	259	582	3

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit net income or (loss)**

Unit values in dollars per mbf

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other firms	***	***	***
All firms	68	81	21

Table continued.

Table III-40 Continued**Softwood lumber: U.S. producers' sales, costs/expenses, and profitability, by firm and period****Unit net income or (loss)**

Unit values in dollars per mbf

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other firms	***	***	***	***	***
All firms	154	355	247	571	(4)

Source: Compiled from data submitted in response to Commission questionnaires.

Net sales

As can be seen in table III-38, the volume of the industry's net sales increased somewhat steadily each year between 2017 and 2022 but was lower in interim 2023 than in interim 2022.³² However, net sales fluctuated on a value basis, and the changes year-over-year were much more pronounced. Net sales value increased 16.3 percent from 2017 to 2018, decreased 17.6 percent in 2019, increased by 46.8 and 47.6 percent in 2020 and 2021, respectively, and then decreased by 4.9 percent in 2022. In interim 2023 net sales value was 57.6 percent lower than it was in 2022.

This volatility in net sales value is reflected in the average unit sales values, which fluctuated similarly. As shown in table III-38, the net sales AUV was \$419 in 2017 and increased irregularly to \$716 in 2022. It reached a period-high of \$1,040 in the first quarter 2022 but was noticeably lower in interim 2023, at \$445. Many firms attributed factors related to the COVID-19 pandemic as the cause of the dramatic increase in softwood lumber prices in 2020 and 2021, with many also mentioning that there has been a subsequent downturn in prices that began in 2022.³³

On a company-by-company basis, the yearly directional trends in net sales AUVs were very uniform between 2017 and 2021, with almost all companies reporting increases in 2018, decreases in 2019, and increases in 2020 and 2021. Between 2021 and 2022, the company-specific trends were a little more mixed, with 37 companies reporting decreases and 12 reporting increases. The uniformity returned for the interim period comparison, with all but two firms reporting net sales AUVs in interim 2023 that were lower than in interim 2022.

³² The annual net sales quantity increases were between 1.1 and 5.8 percent from 2017 to 2022. Net sales quantity was 0.8 percent lower in interim 2023 than in interim 2022.

³³ ***. U.S. producers' questionnaire responses, section III-15.

Cost of goods sold and gross profit or loss

As shown in table III-38, raw material costs accounted for the largest share of total COGS during the period examined, representing between 60.4 percent (in 2019 and 2022) and 63.3 percent (in interim 2022) of total COGS before the by-product offset.³⁴ Raw material costs increased overall from \$5.1 billion in 2017 to \$7.3 billion in 2022 and were lower in interim 2023 (\$1.8 billion) than during the same period in 2022 (\$1.9 billion).

Table III-41 presents raw materials, by type.³⁵ As shown in the table, the industry's raw material costs are almost exclusively comprised of logs. *** accounted for the vast majority of the reported "other raw materials." The company, indicated these were ***.³⁶

Table III-41
Softwood lumber: U.S. producers' raw material costs in 2022

Value in 1,000 dollars; unit values in dollars per mbf; share of value in percent

Item	Value	Unit value	Share of value
Logs	***	***	***
Other material inputs	***	***	***
All raw materials	7,302,993	280	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Direct labor, the smallest component of COGS, increased from \$1.2 billion in 2017 to \$1.8 billion in 2022 and was higher in the first quarter of 2023 (\$459.0 million) than during the first quarter of 2022 (\$433.9 million). This increase in labor costs outpaced the increase in net sales volume, which resulted in direct labor costs increasing from \$54 per mbf in 2017 to \$69 per mbf in 2022. They were also higher in interim 2023, at \$72 per mbf, than in interim 2022, at \$67 per mbf. The overall 2017-22 increase in direct labor costs was experienced by almost all of the firms, with only two companies reporting an overall decrease in their direct labor cost AUVs during this time. Between the comparable interim periods, the company-specific trends were

³⁴ As mentioned previously, by-product revenue is most commonly included within net sales revenue or recorded as a reduction of COGS. To be able to accurately compare the data, the Commission's questionnaire instructed firms to report by-product revenue as a reduction of COGS.

³⁵ Nineteen firms reported purchasing logs from related suppliers. Of these firms, 12 reported valuing these purchases at fair market value, 6 reported using the related supplier's actual cost, and 1 reported that the ***. U.S. producers' questionnaire responses, sections III-6a-b.

³⁶ ***. *** U.S. producers' questionnaire, section III-9c.

not as uniform, with 34 firms reporting higher direct labor AUVs in interim 2023 than in interim 2022 and 13 firms reporting lower direct labor AUVs.³⁷

Many of the U.S. producers discussed the significant effects that the COVID-19 pandemic had on the labor market. One firm reported, an “increase in labor costs due to hiring and retention concerns.”³⁸ Another company reported that “{r}elief programs created during {the COVID-19 pandemic} caused many people to exit the labor markets.”³⁹ Many firms reported that unlike the 2020 and 2021 increases in sales prices, which began to reverse in 2022 and have returned to levels similar to those before the COVID-19 pandemic, increases in direct labor costs have not similarly declined.⁴⁰

Other factory costs, the second largest component of COGS, increased each year between 2017 and 2022 and was higher in interim 2023 than in interim 2022. Similar to direct labor, the increase in other factory costs outpaced the increase in softwood lumber net sales volume, causing the other factory cost AUV to increase from \$81 per mbf in 2017 to \$114 per mbf in 2022. It was \$104 per mbf in interim 2022 and \$106 per mbf in interim 2023. The increase in other factory cost AUVs was experienced by the large majority of firms, with only three companies reporting a 2017-22 decrease. However, the company-specific trends were less uniform between the comparable interim periods, with 31 companies reporting other factory cost AUVs in interim 2023 that were higher than those than in interim 2022, and 16 firms reporting interim 2023 other factory cost AUVs that were lower.⁴¹

³⁷ Two companies did not report softwood lumber sales in one or both interim periods.

³⁸ *** U.S. producers’ questionnaire response, section III-15.

³⁹ *** U.S. producers’ questionnaire response, section III-15.

⁴⁰ U.S. producer *** reported that the tightening of the labor market and the significant upward pressure on wages “continue to plague this and other industries.” *** reported that “the pandemic has resulted in lingering effects including worker shortages and related upward pressure on wages.” U.S. producer *** reported that softwood lumber “prices normalized in the second half of 2022, however increased cost pressures remain.” U.S. producers’ questionnaire response, section III-15.

⁴¹ Some of the *** firms, ***, were asked to further explain their increases in other factory cost AUVs during the period examined. Most of the companies reported that inflation was the primary driver of the cost increases. Some firms also attributed these increases to increases in depreciation expense and utility costs. Email from ***; email from ***; email from ***; and email from ***.

With the exception of 2019, total COGS increased each year between 2017 and 2022 and was lower in interim 2023 than it was in interim 2022.⁴² The COGS to net sales ratio fluctuated from 2017 to 2022 but decreased overall from 76.9 percent in 2017 to 59.3 percent in 2022. It was 92.2 percent in interim 2023, which was noticeably higher than it was in interim 2022, at 41.1 percent. As shown in table III-40, other than between 2020 and 2021, the COGS AUVs and net sales AUVs had the same directional trend between each year and the comparable interim periods (i.e., both went up or both went down). However, the changes in the net sales AUVs were always noticeably larger than the changes in COGS AUVs.

Gross profit fluctuated but increased overall from \$2.2 billion in 2017 to \$7.6 billion in 2022 and was noticeably lower in interim 2023 (\$224.0 million) than in interim 2022 (\$4.0 billion).⁴³ The average unit value of gross profit increased overall from \$97 per mbf in 2017 to \$292 per mbf in 2022.⁴⁴ The gross profit AUV reached a period high in interim 2022 (at \$613 per mbf) and a period low in interim 2023 (at \$35 per mbf). These profitability directional trends were experienced by the large majority of firms.

⁴² Two companies reported nonrecurring items within COGS. ***. U.S. producers' questionnaire responses, section III-10.

⁴³ Gross profit increased from 2017-18, decreased in 2019, increased in 2020 and 2021, and decreased in 2022.

⁴⁴ Per-mbf gross profit was \$613 in the first quarter of 2022 but decreased to \$292 for the full year, indicating a noticeable decrease in the last three quarters 2022.

SG&A expenses and operating income or loss

SG&A expenses increased each year between 2017 and 2022 and were slightly higher in interim 2023 than they were in interim 2022. The SG&A expense ratio (SG&A expenses divided by net sales value) fluctuated between 3.0 percent (interim 2022) and 7.1 percent (interim 2023).⁴⁵

Operating income's year-to-year directional trends were similar to the directional trends of gross profit (i.e., it increased from 2017-18, decreased from 2018-19, increased from 2019-21, and decreased in 2022). However, the overall 2017-22 \$5.0 billion increase in operating income (from \$1.7 billion in 2017 to \$6.8 billion in 2022) was somewhat less than the \$5.4 billion increase in gross profit during this time because of the increase in SG&A expenses. Similar to gross profit, operating income was noticeably lower in interim 2023 (\$20.4 million) than in interim 2022 (\$3.8 billion).

All other expenses and net income or loss

Below the operating income line are interest expense, other expense, and other income, aggregated together in table III-38 as "all other expenses or (income) net." The net amount of the three items was an expense throughout the period examined. This net expense increased overall from \$195.0 million in 2017 to \$313.1 million in 2022 and was lower in interim 2023 (\$48.7 million) than in interim 2022 (\$67.7 million). The net amount of these items was noticeably lower in 2020 and 2021 than during the other annual-year periods, which was mainly attributable to relatively large amounts of all other income in those periods reported by ***.⁴⁶

Similar to gross profit and operating income, net income increased from 2017-18, decreased from 2018-19, increased from 2019-21, and decreased in 2022. Overall, it increased from \$1.5 billion in 2017 to \$6.4 billion in 2022 but was noticeably lower in interim 2023 (a loss of \$28.3 million) than in interim 2022 (an income of \$3.7 billion).

⁴⁵ ***. *** U.S. producers' questionnaire response, section III-10.

⁴⁶ While seventeen firms reported nonrecurring items within all other income or all other expenses, ***. The company reported ***. U.S. producers' questionnaire responses, section III-10.

Variance analysis

A variance analysis for the operations of U.S. producers of softwood lumber is presented in table III-42.^{47 48} The information for this variance analysis is derived from table III-38. A variance analysis is a method to assess the changes in profitability from period to period by measuring the impact of changes in the relationships between price, cost, and volume. A calculation is made of the impact of each factor by varying only that factor while holding all other factors constant. The components of these variances are either favorable (positive), resulting in an increase in profitability or unfavorable (negative), resulting in the opposite. As shown in the table, the \$5.0 billion increase in operating income from 2017 to 2022 was the result of a highly favorable price variance of \$7.7 billion and a favorable volume variance of \$270.9 million, despite an unfavorable cost variance of \$3.0 billion. Between the comparable interim periods, the \$3.7 billion decrease in operating income was primarily the result of a highly unfavorable price variance of \$3.8 billion and a small unfavorable volume variance of \$31.6 million, despite a favorable cost variance of \$106.9 million.

⁴⁷ The Commission's variance analysis is calculated in three parts: Sales variance, cost of sales variance (COGS variance), and SG&A expense variance. Each part consists of a price variance (in the case of the sales variance) or a cost or expense variance (in the case of the COGS and SG&A expense variance), and a volume variance. The sales or cost/expense variance is calculated as the change in unit price or per-unit cost/expense times the new volume, while the volume variance is calculated as the change in volume times the old unit price or per-unit cost/expense. Summarized at the bottom of the table, the price variance is from sales; the cost/expense variance is the sum of those items from COGS and SG&A variances, respectively, and the volume variance is the sum of the volume components of the net sales, COGS, and SG&A expense variances. The overall volume component of the variance analysis is generally small.

⁴⁸ As discussed previously, there were eight companies that did not report financial data for the entire period examined, which can impact the reliability of a variance analysis. The largest of these firms, by net sales quantity, was ***, which was purchased by ***. The remaining seven firms accounted for a combined *** percent of net sales quantity in 2022, and their inclusion does not have a material impact on the variance analysis.

Table III-42**Softwood lumber: Variance analysis on the operations of U.S. producers between comparison periods**

Value in 1,000 dollars

Item	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22	Jan-Mar 2022-23
NS price variance	7,738,584	996,084	(2,060,389)	3,770,550	6,132,832	(1,211,219)	(3,816,769)
NS volume variance	1,476,407	549,383	119,358	466,686	196,734	254,972	(56,579)
NS total variance	9,214,991	1,545,467	(1,941,031)	4,237,236	6,329,566	(956,247)	(3,873,348)
COGS cost variance	(2,662,268)	(586,854)	633,693	(492,801)	(977,598)	(1,209,123)	109,115
COGS volume variance	(1,134,917)	(422,311)	(89,810)	(398,386)	(127,602)	(126,393)	23,236
COGS total variance	(3,797,185)	(1,009,165)	543,883	(891,187)	(1,105,200)	(1,335,516)	132,351
Gross profit variance	5,417,806	536,302	(1,397,148)	3,346,049	5,224,366	(2,291,763)	(3,740,997)
SG&A cost variance	(330,583)	(51,803)	(58,589)	(27,844)	(69,898)	(111,217)	(2,208)
SG&A volume variance	(70,588)	(26,266)	(5,752)	(30,625)	(9,661)	(9,516)	1,708
SG&A total variance	(401,171)	(78,069)	(64,341)	(58,469)	(79,559)	(120,733)	(500)
Operating income price variance	7,738,584	996,084	(2,060,389)	3,770,550	6,132,832	(1,211,219)	(3,816,769)
Operating income cost variance	(2,992,851)	(638,656)	575,104	(520,645)	(1,047,497)	(1,320,340)	106,906
Operating income volume variance	270,902	100,805	23,796	37,675	59,471	119,062	(31,634)
Operating income total variance	5,016,635	458,233	(1,461,489)	3,287,580	5,144,807	(2,412,496)	(3,741,497)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: These data are derived from the data in table III-38. Unfavorable variances (which are negative) are shown in parentheses, all others are favorable (positive).

Capital expenditures and research and development expenses

Table III-43 presents capital expenditures and table III-45 presents R&D expenses, by firm for the largest 10 firms and all others combined. Tables III-44 and III-46 present the associated firms' narrative explanations of the nature, focus, and significance of their capital expenditures and R&D expenses, respectively. Capital expenditures increased overall from 2017 to 2022 but were lower in interim 2023 than in interim 2022. *** each accounted for the largest company-specific amounts of capital expenditures in at least one of the full- or partial-year periods.

R&D expenses fluctuated but increased overall from \$*** in 2017 to \$*** in 2022 and were higher in interim 2023 at \$*** than in interim 2022, at \$***. *** accounted for the largest company-specific amounts of R&D expenses during the period examined. ***.⁴⁹

⁴⁹ ***. ***. *** U.S. producers' questionnaire responses, sections III-13a and III-13c.

Table III-43
Softwood lumber: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other	***	***	***
All firms	662,482	1,141,443	1,194,154

Table continued.

Table III-43 Continued
Softwood lumber: U.S. producers' capital expenditures, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other	***	***	***	***	***
All firms	830,206	1,117,710	1,877,552	407,971	261,725

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-44**Softwood lumber: Largest 10 U.S. producers' narrative descriptions of their capital expenditures, by firm**

Firm	Narrative on capital expenditures
Biewer Lumber	***
Canfor Southern Pine	***
Georgia-Pacific Wood	***
Hampton Lumber	***
Idaho Forest	***
Interfor U.S.	***
PotlatchDeltic	***
Sierra Pacific	***
West Fraser (USA)	***
Weyerhaeuser	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-45
Softwood lumber: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2017	2018	2019
Biewer Lumber	***	***	***
Canfor Southern Pine	***	***	***
Georgia-Pacific Wood	***	***	***
Hampton Lumber	***	***	***
Idaho Forest	***	***	***
Interfor U.S.	***	***	***
PotlatchDeltic	***	***	***
Sierra Pacific	***	***	***
West Fraser (USA)	***	***	***
Weyerhaeuser	***	***	***
All other	***	***	***
All firms	***	***	***

Table continued.

Table III-45 Continued
Softwood lumber: U.S. producers' R&D expenses, by firm and period

Value in 1,000 dollars

Firm	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Biewer Lumber	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***
Hampton Lumber	***	***	***	***	***
Idaho Forest	***	***	***	***	***
Interfor U.S.	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***
Sierra Pacific	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***
All other	***	***	***	***	***
All firms	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-46**Softwood lumber: Largest 10 U.S. producers' narrative descriptions of their R&D expenses, by firm**

Firm	Narrative on R&D expenses
Biewer Lumber	***
Canfor Southern Pine	***
Georgia-Pacific Wood	***
Hampton Lumber	***
Idaho Forest	***
Interfor U.S.	***
PotlatchDeltic	***
Sierra Pacific	***
West Fraser (USA)	***
Weyerhaeuser	***

Source: Compiled from data submitted in response to Commission questionnaires.

Assets and return on assets

Table III-47 presents data on the U.S. producers' total net assets, while table III-48 presents their operating ROA.⁵⁰ These data are presented for the largest 10 firms and all others combined. Table III-49 presents the associated U.S. producers' narrative responses explaining their major asset categories and any significant changes in asset levels over time. Total reported net assets increased from \$5.1 billion in 2017 to \$10.4 billion in 2022. On a company-specific basis, the trends in net assets were somewhat uniform, with only seven firms reporting an overall decrease. *** accounted for the largest company-specific share of the 2017-22 increase.

The industry's operating ROA fluctuated but increased overall from 34.2 percent in 2017 to 65.1 percent in 2022. It reached a period low of 10.8 percent in 2019 and a period high of 99.2 percent in 2021.

Table III-47
Softwood lumber: U.S. producers' total net assets, by firm and period

Value in 1,000 dollars

Firm	2017	2018	2019	2020	2021	2022
Biewer Lumber	***	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***	***
Hampton Lumber	***	***	***	***	***	***
Idaho Forest	***	***	***	***	***	***
Interfor U.S.	***	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***	***
Sierra Pacific	***	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***	***
All other firms	***	***	***	***	***	***
All firms	5,066,140	6,121,581	6,783,323	7,573,557	9,237,015	10,365,887

Source: Compiled from data submitted in response to Commission questionnaires.

⁵⁰ The operating ROA is calculated as operating income divided by total assets. With respect to a firm's overall operations, the total asset value reflects an aggregation of a number of assets which are generally not product specific. Thus, high-level allocations are generally required in order to report a total asset value on a product-specific basis.

Table III-48
Softwood lumber: U.S. producers' ROA, by firm and period

Ratio in percent

Firm	2017	2018	2019	2020	2021	2022
Biewer Lumber	***	***	***	***	***	***
Canfor Southern Pine	***	***	***	***	***	***
Georgia-Pacific Wood	***	***	***	***	***	***
Hampton Lumber	***	***	***	***	***	***
Idaho Forest	***	***	***	***	***	***
Interfor U.S.	***	***	***	***	***	***
PotlatchDeltic	***	***	***	***	***	***
Sierra Pacific	***	***	***	***	***	***
West Fraser (USA)	***	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***	***
All other firms	***	***	***	***	***	***
All firms	34.2	35.8	10.8	53.1	99.2	65.1

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-49**Softwood lumber: Largest 10 U.S. producers' narrative descriptions of their total net assets, by firm**

Firm	Narrative on assets
Biewer Lumber	***
Canfor Southern Pine	***
Georgia-Pacific Wood	***
Hampton Lumber	***
Idaho Forest	***
Interfor U.S.	***
PotlatchDeltic	***
Sierra Pacific	***
West Fraser (USA)	***
Weyerhaeuser	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part IV: U.S. imports and the foreign industries

U.S. imports

Overview

The Commission issued U.S. importer questionnaires to 164 potential importers of softwood lumber between 2017 to 2023 as well as all U.S. producers. Importer questionnaire responses were received from 137 firms that had imported, while 15 firms indicated that they had not imported softwood lumber during the period for which data were collected.¹ Based on official Commerce statistics for imports of softwood lumber, importers' questionnaire data accounted for 78.5 percent of total U.S. imports during 2022 and 92.6 percent of U.S. imports from Canada during 2022. Import data in this report are based on official Commerce statistics for softwood lumber.²

¹ The 15 firms that submitted responses certifying that they had not imported softwood lumber from any country at any time since January 1, 2017 were: ***. Additionally, one firm (***) submitted an incomplete questionnaire response and was not responsive to staff's requests for revision, thus the company's response was removed from the dataset.

² Import data in this report are based on official Commerce statistics using HTS statistical reporting numbers 4407.10.01.01, 4407.10.01.02, 4407.10.01.15, 4407.10.01.16, 4407.10.01.17, 4407.10.01.18, 4407.10.01.19, 4407.10.01.20, 4407.10.01.42, 4407.10.01.43, 4407.10.01.44, 4407.10.01.45, 4407.10.01.46, 4407.10.01.47, 4407.10.01.48, 4407.10.01.49, 4407.10.01.52, 4407.10.01.53, 4407.10.01.54, 4407.10.01.55, 4407.10.01.56, 4407.10.01.57, 4407.10.01.58, 4407.10.01.59, 4407.10.01.64, 4407.10.01.65, 4407.10.01.66, 4407.10.01.67, 4407.10.01.68, 4407.10.01.69, 4407.10.01.74, 4407.10.01.75, 4407.10.01.76, 4407.10.01.77, 4407.10.01.82, 4407.10.01.83, 4407.10.01.92, 4407.10.01.93, 4407.11.00.01, 4407.11.00.02, 4407.11.00.42, 4407.11.00.43, 4407.11.00.44, 4407.11.00.45, 4407.11.00.46, 4407.11.00.47, 4407.11.00.48, 4407.11.00.49, 4407.11.00.52, 4407.11.00.53, 4407.12.00.01, 4407.12.00.02, 4407.12.00.17, 4407.12.00.18, 4407.12.00.19, 4407.12.00.20, 4407.12.00.58, 4407.12.00.59, 4407.13.00.00, 4407.14.00.00, 4407.19.00.01, 4407.19.00.02, 4407.19.00.54, 4407.19.00.55, 4407.19.00.56, 4407.19.00.57, 4407.19.00.64, 4407.19.00.65, 4407.19.00.66, 4407.19.00.67, 4407.19.00.68, 4407.19.00.69, 4407.19.00.74, 4407.19.00.75, 4407.19.00.76, 4407.19.00.77, 4407.19.00.83, 4407.19.00.92, 4407.19.00.93, 4407.19.05.00, 4407.19.06.00, 4407.19.10.01, 4407.19.10.02, 4407.19.10.54, 4407.19.10.55, 4407.19.10.56, 4407.19.10.57, 4407.19.10.64, 4407.19.10.65, 4407.19.10.66, 4407.19.10.67, 4407.19.10.68, 4407.19.10.69, 4407.19.10.74, 4407.19.10.75, 4407.19.10.76, 4407.19.10.77, 4407.19.10.82, 4407.19.10.83, 4407.19.10.92, 4407.19.10.93, 4409.10.05.00, 4409.10.10.20, 4409.10.10.40, 4409.10.10.60, 4409.10.10.80, 4409.10.20.00, 4409.10.90.20, 4409.10.90.40, 4418.99.10.00. For U.S. import quantities, a net to nominal conversion factor of 1.57 for imported lumber from Europe has been applied.

Imports from Canada and nonsubject countries

Table IV-1 and figure IV-1 present information on U.S. imports of softwood lumber from Canada, nonsubject sources, and all import sources over the period examined based on official import statistics.

Total imports by quantity decreased from 2017-19, then increased from 2019-21, before decreasing again in 2022 for a total increase across the 2017-22 period of 4.9 percent. Imports from Canada decreased irregularly from 2017-22 ending 10.5 percent lower in 2022 than 2017. Imports from nonsubject sources increased over the same period ending 147.0 percent higher in 2022 than in 2017. Total imports were virtually unchanged in interim 2023 as compared to interim 2022 (imports from Canada were 7.6 percent lower and imports from nonsubject sources were 27.7 percent higher across the interim periods).

Total imports as measured by value increased irregularly from 2017-22 ending 75.5 percent higher in 2022 than in 2017. The value of imports from Canada was 50.3 percent higher in 2022 than 2017, while the value of nonsubject imports was 230.1 percent higher in 2022 than 2017. The value of total imports was 45.9 percent lower in interim 2023 than in interim 2022 (the value of imports from Canada was 54.5 percent lower and the value of imports from nonsubject sources were 15.3 percent lower in interim 2023).

From 2017-22, imports from Canada as a share of the total quantity of imports decreased across each year-to-year comparison, representing 90.2 percent of the share of imports in 2017 and ending at 76.9 percent of the share of imports in 2022. Conversely, the share of imports from nonsubject sources increased each year, beginning at 9.8 percent of the share of total imports in 2017 and ending at 23.1 percent of the share of imports by quantity in 2022.

By value, imports from Canada as a share of the total value of imports of softwood lumber decreased irregularly from 2017-22, starting at 86.0 percent in 2017 and ending at 73.6 percent in 2022. Conversely, the value of the share from nonsubject sources increased irregularly, beginning at 14.0 percent in 2017 and ending at 26.4 percent of the share of the value of total softwood lumber imports in 2022. The shares of imports from Canada were both lower as measured by both quantity and value in interim 2023 than in interim 2022 (by 6.0 and 12.4 percentage points, respectively).

Average unit values of imports from nonsubject sources were higher than average unit values of imports from Canada in each period examined. The gap between subject and nonsubject AUVs narrowed to its lowest level in 2021 before widening again in 2022 and

interim 2023.³ Average unit values of imports from Canada increased 67.9 percent from 2017-22 (starting at \$428 per mbf in 2017 and ending at \$719 per mbf in 2022), while average unit values from nonsubject sources increased 33.6 percent over that period (starting at \$643 per mbf in 2017 and ending at \$859 per mbf in 2022).

Average unit values of imports from Canada were 50.8 percent lower in interim 2023 than in interim 2022 (\$920 per mbf in interim 2022 as compared to \$453 per mbf in interim 2023). Average unit values of imports from nonsubject sources were 33.7 percent lower in interim 2023 than in interim 2022 (\$930 per mbf in interim 2022 as compared to \$617 per mbf in interim 2023).

Table IV-1
Softwood lumber: U.S. imports, by source and by period

Quantity in mbf; Value in 1,000 dollars; unit values in dollars per mbf; shares and ratios in percent; ratios represent the ratio to U.S. production (WWPA)

Source	Measure	2017	2018	2019
Canada	Quantity	14,280,559	13,514,587	12,883,516
Nonsubject sources	Quantity	1,550,556	1,979,046	1,991,754
All import sources	Quantity	15,831,115	15,493,632	14,875,270
Canada	Value	6,113,731	5,798,902	4,486,773
Nonsubject sources	Value	996,968	1,374,107	1,266,317
All import sources	Value	7,110,699	7,173,009	5,753,090
Canada	Unit value	428	429	348
Nonsubject sources	Unit value	643	694	636
All import sources	Unit value	449	463	387
Canada	Share of quantity	90.2	87.2	86.6
Nonsubject sources	Share of quantity	9.8	12.8	13.4
All import sources	Share of quantity	100.0	100.0	100.0
Canada	Share of value	86.0	80.8	78.0
Nonsubject sources	Share of value	14.0	19.2	22.0
All import sources	Share of value	100.0	100.0	100.0
Canada	Ratio	42.3	38.7	36.6
Nonsubject sources	Ratio	4.6	5.7	5.7
All import sources	Ratio	46.9	44.4	42.3

Table continued.

³ The largest sources of nonsubject U.S. imports in 2022 in descending order by volume were Germany (37.3 percent of nonsubject imports), Sweden (15.8 percent of nonsubject imports), Romania (8.9 percent of nonsubject imports), Austria (8.8 percent of nonsubject imports), Brazil (7.5 percent of nonsubject imports), Chile (3.5 percent of nonsubject imports), Latvia (3.3 percent of nonsubject imports), and Czechia (3.1 percent of nonsubject imports) with imports from those sources comprising 88.2 percent of all nonsubject imports in 2022. The average unit values from those sources in 2022 were as follows: Germany: \$650 per mbf; Sweden: \$799 per mbf; Romania: \$500 per mbf; Austria: \$561 per mbf; Brazil: \$1,221 per mbf; Chile: \$2,034 per mbf; Latvia: \$675 per mbf; and Czechia: \$619 per mbf.

Table IV-1 Continued
Softwood lumber: U.S. imports, by source and by period

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares and ratios in percent; ratios represent the ratio to U.S. production (WWPA)

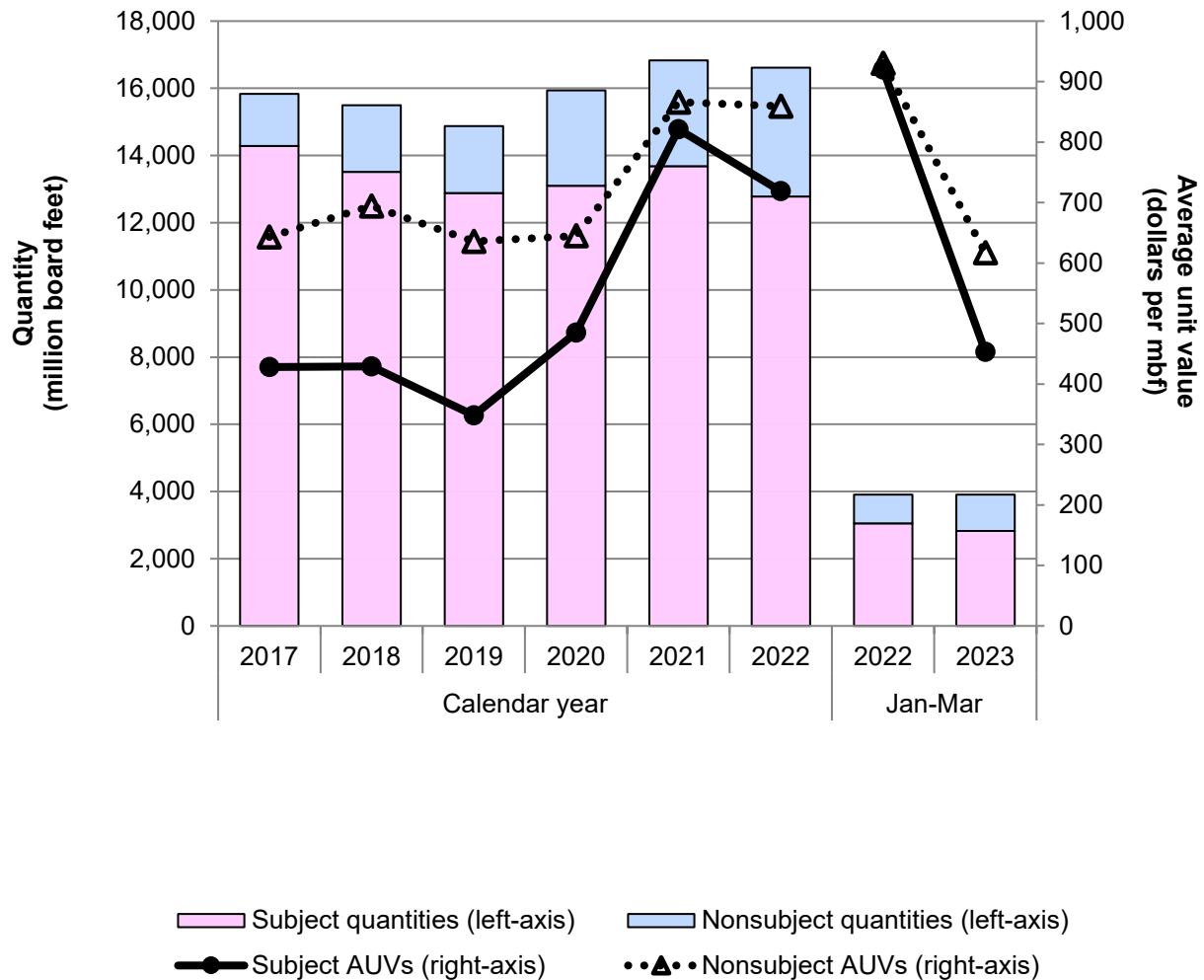
Source	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Canada	Quantity	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Nonsubject sources	Quantity	2,837,909	3,143,234	3,829,671	846,420	1,080,643
All import sources	Quantity	15,938,716	16,828,006	16,610,174	3,902,988	3,903,770
Canada	Value	6,354,820	11,239,177	9,188,953	2,812,519	1,279,062
Nonsubject sources	Value	1,830,048	2,721,733	3,290,717	787,077	666,662
All import sources	Value	8,184,868	13,960,909	12,479,670	3,599,597	1,945,724
Canada	Unit value	485	821	719	920	453
Nonsubject sources	Unit value	645	866	859	930	617
All import sources	Unit value	514	830	751	922	498
Canada	Share of quantity	82.2	81.3	76.9	78.3	72.3
Nonsubject sources	Share of quantity	17.8	18.7	23.1	21.7	27.7
All import sources	Share of quantity	100.0	100.0	100.0	100.0	100.0
Canada	Share of value	77.6	80.5	73.6	78.1	65.7
Nonsubject sources	Share of value	22.4	19.5	26.4	21.9	34.3
All import sources	Share of value	100.0	100.0	100.0	100.0	100.0
Canada	Ratio	35.5	36.7	33.8	32.3	30.4
Nonsubject sources	Ratio	7.7	8.4	10.1	8.9	11.6
All import sources	Ratio	43.2	45.1	43.9	41.2	42.1

Source: Compiled from official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers listed in footnote 2 of page IV-1 accessed August 31, 2023.

Official U.S. import statistics are based on the imports for consumption data series and values reflect landed duty-paid value. Ratios to U.S. production calculated from data published in the WWPA 2022 Statistical Yearbook of the Western Lumber Industry and WWPA Lumber Track (April 2023)

(<https://www.wwpa.org/reports>). For U.S. import quantities, a net to nominal conversion factor of 1.57 for imported lumber from Europe has been applied.

Figure IV-1
Softwood lumber: U.S. import quantities and average unit values, by source and by period



Source: Compiled from official U.S. imports statistics of the U.S. Department of Commerce using HTS statistical reporting numbers as indicated in footnote 2 of this section, accessed August 31, 2023. Imports are based on the imports for consumption data series.

U.S. importers' imports subsequent to March 31, 2023

The Commission requested importers to indicate whether they arranged for the importation of softwood lumber from Canada or nonsubject sources for delivery after March 31, 2023, and to provide the quantities of any such arranged imports by quarter. Table IV-2 presents the reported arranged import quantities by quarter. Arranged imports from Canada represented *** percent of total reported arranged imports and represented *** of reported arranged imports in each of the four quarters for which data was collected.

Table IV-2
Softwood lumber: Arranged imports, by source and projected quarter
Quantity in mbf

Source	Apr-Jun 2023	Jul-Sep 2023	Oct-Dec 2023	Jan-Mar 2024	Total
Canada	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. inventories of imported merchandise

Table IV-3 presents data for end-of-period inventories of U.S. imports of softwood lumber from Canada and all other sources held in the United States. In each year from 2017-22, the majority of end-of-period inventories reported were of imports from Canada (between 55.0 and 87.7 percent of inventories). However, the majority of reported end-of-period inventories were from nonsubject sources in interim 2023 (51.6 percent).

Overall, end-of-period inventories of imports from Canada increased irregularly, ending 11.0 percent higher in 2022 than 2017 (starting at 242.2 mmbf in 2017 and increasing to 268.9 mmbf in 2022). End-of-period inventories of imports from nonsubject sources also increased irregularly, ending 549.9 percent higher in 2022 than 2017 (starting at 33.8 mmbf in 2017 and increasing to 219.9 mmbf in 2022). Resultingly, total end-of-period inventories of imports from all sources also increased irregularly, ending 77.1 percent higher in 2022 than 2017 (starting at 276.0 mmbf in 2017 and increasing to 488.7 mmbf in 2022).

End-of-period inventories of subject imports were 25.0 percent higher and end-of-period inventories of nonsubject imports were 249.3 percent higher in interim 2023 than interim 2022. Inventories of imports from all sources were 86.9 percent higher in interim 2023 than interim 2022.

From 2017-22, the ratios of end-of-period inventories to imports from Canada, end-of-period inventories to U.S. shipments of imports, and end-of-period inventories to total shipments of imports were all in the range of 1.5 to 2.3 percent across the period. Over that period, inventories of imports from nonsubject sources represented between 6.5 and 20.0 percent of imports, between 6.6 and 20.7 percent of U.S. shipments of imports, and between 6.5 and 20.3 percent of total shipments of imports. Inventories of imports from all sources represented between 1.8 and 3.7 percent of imports and between 1.8 and 3.8 percent of both U.S. and total shipments of imports.

The ratios of end-of-period inventories of imports from Canada, nonsubject sources, and all sources to imports, U.S. shipments of imports, and total shipments of imports were all higher in interim 2023 than interim 2022. The ratio of inventories from Canada to imports was 0.6 percentage points higher and the ratios to U.S. and total shipments of imports were both 0.7 percentage points higher in interim 2023 than interim 2022. In interim 2023, the ratios of inventories from nonsubject sources to imports was 8.0 percentage points higher, to U.S. shipments of imports was 13.1 percentage points higher, and to total shipments of imports was 12.5 percentage points higher than interim 2022. The ratio of inventories from all sources to

imports was 2.1 percentage points higher and the ratios to U.S. and total shipments of imports were both 2.3 percentage points higher in interim 2023 than interim 2022.

Table IV-3
Softwood lumber: U.S. importers' end-of-period inventories of imports, by source and period

Quantity in mbf; Ratios in percent

Measure	Source	2017	2018	2019
Inventories quantity	Canada	242,186	221,828	201,250
Ratio to imports	Canada	2.0	1.8	1.7
Ratio to U.S. shipments of imports	Canada	2.0	1.8	1.7
Ratio to total shipments of imports	Canada	2.0	1.8	1.7
Inventories quantity	Nonsubject	33,829	67,503	50,534
Ratio to imports	Nonsubject	20.0	17.7	18.1
Ratio to U.S. shipments of imports	Nonsubject	18.9	19.8	16.9
Ratio to total shipments of imports	Nonsubject	18.8	19.7	16.7
Inventories quantity	All	276,015	289,331	251,784
Ratio to imports	All	2.2	2.3	2.1
Ratio to U.S. shipments of imports	All	2.2	2.3	2.1
Ratio to total shipments of imports	All	2.2	2.3	2.1

Table continued.

Table IV-3 Continued
Softwood lumber: U.S. importers' end-of-period inventories of imports, by source and period

Quantity in mbf; Ratios in percent

Measure	Source	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Inventories quantity	Canada	181,151	222,145	268,856	226,425	283,019
Ratio to imports	Canada	1.5	1.8	2.3	2.0	2.6
Ratio to U.S. shipments of imports	Canada	1.5	1.8	2.3	2.0	2.7
Ratio to total shipments of imports	Canada	1.5	1.8	2.3	2.0	2.7
Inventories quantity	Nonsubject	47,474	71,634	219,863	86,208	301,144
Ratio to imports	Nonsubject	6.5	7.8	18.3	8.5	16.5
Ratio to U.S. shipments of imports	Nonsubject	6.6	8.1	20.7	8.3	21.4
Ratio to total shipments of imports	Nonsubject	6.5	8.0	20.3	8.3	20.8
Inventories quantity	All	228,625	293,779	488,719	312,633	584,163
Ratio to imports	All	1.8	2.2	3.7	2.5	4.6
Ratio to U.S. shipments of imports	All	1.8	2.2	3.8	2.5	4.8
Ratio to total shipments of imports	All	1.8	2.2	3.8	2.5	4.8

Source: Compiled from data submitted in response to Commission questionnaires.

The industry in Canada

Overview

During the final phase of the original investigations, the Commission received foreign producer/exporter questionnaires from 53 firms, which accounted for approximately 81.6 percent of production of softwood lumber in Canada during 2016. These firms' exports to the United States accounted for approximately 82.4 percent of U.S. imports of softwood lumber from Canada from 2014-16 and 81.6 percent of 2016 production of softwood lumber in Canada.⁴

In these first full five-year reviews, the Commission issued questionnaires to 337 possible producers and/or exporters of softwood lumber in Canada. The Commission received usable responses from 162 producers/exporters.⁵ These firms are estimated to have accounted for 89.9 percent of production in Canada in 2022 and 87.4 percent of exports from Canada to the United States in 2022.⁶

⁴ Original publication, p. VII-6.

⁵ Additionally, 33 firms submitted responses certifying that their company had not produced or exported softwood lumber in or from Canada at any time since January 1, 2017: ***. One firm (***) also submitted an incomplete questionnaire response and was not responsive to staff's requests for revision, thus the company's response was removed from the dataset.

⁶ The production coverage estimate is based on Statistics Canada. Table 16-10-0017-01. Lumber production, shipments, and stocks by species, monthly (x 1,000) (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1610001701>), which indicates total 2022 production of softwood lumber in Canada was 50,552,600 cubic meters (21,422,979 mbf using a conversion of 1 cubic meter = 423.776 board feet). Responding firms reported 19,257,418 mbf of production of softwood lumber in 2022. The export coverage figure is based on official import statistics. According to official import statistics, imports of softwood lumber from Canada totaled 12,780,504 mbf in 2022. Responding firms reported 11,174,952 mbf of exports from Canada to the United States in 2022.

Of the 162 responding producers/exporters, 78 reported production of softwood lumber in 2022 (table IV-4) while 86 reported resales of exports to the United States in 2022 (table IV-5). Firms that are not primary mills and that were only engaged in finishing or remanufacturing operations (e.g., pressure treating, kiln-drying, planing, sanding, edging, trimming, etc.) were instructed to report their exports as resales and firms engaged in primary production operations (e.g., converting logs into lumber) were asked to report both their production and exports of production as well as any resales of exports if applicable. Table IV-5 also displays data on resales exported to the United States as reported by lumber wholesalers.

The ten largest producers by 2022 production in descending order were: ***. The ten largest producers by 2022 exports of production to the United States in descending order were: ***.

Table IV-4
Softwood lumber: Summary data on producers in Canada, 2022

Firm	Production (mbf)	Share of reported production (percent)	Exports to the United States (mbf)	Share of reported exports to the United States (percent)	Total shipments (mbf)	Share of firm's total shipments exported to the United States (percent)
Adwood	***	***	***	***	***	***
Apollo	***	***	***	***	***	***
Arbec	***	***	***	***	***	***
Aspen Planers	***	***	***	***	***	***
Barrette-Chapais	***	***	***	***	***	***
Beaufort Forest	***	***	***	***	***	***
Blanchet Multi Concept	***	***	***	***	***	***
Blanchette et Blanchette	***	***	***	***	***	***
Bois Bonsaï	***	***	***	***	***	***
Buchanan Sales	***	***	***	***	***	***
Canadian Bavarian	***	***	***	***	***	***
Canadian Forest (Canfor)	***	***	***	***	***	***
Carrier & Bégin	***	***	***	***	***	***
Carrier Forest	***	***	***	***	***	***
Carrier Lumber	***	***	***	***	***	***
Cedrico	***	***	***	***	***	***
Chaleur Forest	***	***	***	***	***	***
Chaleur Forest LP	***	***	***	***	***	***
Clermond Hamel	***	***	***	***	***	***
Commonwealth Plywood	***	***	***	***	***	***
Conifex Mackenzie	***	***	***	***	***	***
Daaquam	***	***	***	***	***	***
Delco Forest	***	***	***	***	***	***
Delta Cedar	***	***	***	***	***	***
Devon Lumber	***	***	***	***	***	***
Downie Timber	***	***	***	***	***	***
Dunkley Lumber	***	***	***	***	***	***
EACOM Timber	***	***	***	***	***	***
Fontaine	***	***	***	***	***	***
Gilbert Smith Forest	***	***	***	***	***	***
Gorman Bros.	***	***	***	***	***	***
GreenFirst	***	***	***	***	***	***
Groupe Crête Chertsey	***	***	***	***	***	***
Groupe Crête Division St-Faustin	***	***	***	***	***	***
Groupe Lebel	***	***	***	***	***	***

Table continued.

Table IV-4 Continued
Softwood lumber: Summary data on producers in Canada, 2022

Firm	Production (mbf)	Share of reported production (percent)	Exports to the United States (mbf)	Share of reported exports to the United States (percent)	Total shipments (mbf)	Share of firm's total shipments exported to the United States (percent)
H.J. Crabbe & Sons	***	***	***	***	***	***
Hampton Lumber	***	***	***	***	***	***
Herb. Shaw and Sons	***	***	***	***	***	***
Hornepayne Lumber	***	***	***	***	***	***
Interfor	***	***	***	***	***	***
Ivor Forest	***	***	***	***	***	***
J.D. Irving	***	***	***	***	***	***
Kalesnikoff Lumber	***	***	***	***	***	***
Kébois	***	***	***	***	***	***
Lakeland Mills	***	***	***	***	***	***
Lecours Lumber	***	***	***	***	***	***
Les Chantiers de Chibougamau	***	***	***	***	***	***
Les Industries P.F.	***	***	***	***	***	***
Les Produits - D&G Forest	***	***	***	***	***	***
Lulumco	***	***	***	***	***	***
Manitou Forest	***	***	***	***	***	***
Marcel Lauzon	***	***	***	***	***	***
Marwood	***	***	***	***	***	***
Matériaux Blanchet	***	***	***	***	***	***
Millar Western	***	***	***	***	***	***
Mobilier Rustique	***	***	***	***	***	***
Nechako	***	***	***	***	***	***
NorSask	***	***	***	***	***	***
North American Forest - Saint-Quentin	***	***	***	***	***	***
North Enderby Timber	***	***	***	***	***	***
Porcupine Wood	***	***	***	***	***	***
Produits Forestiers Petit Paris	***	***	***	***	***	***
Promobois	***	***	***	***	***	***
Quebec Inc.	***	***	***	***	***	***
Rembos	***	***	***	***	***	***
René Bernard	***	***	***	***	***	***
Resolute FP Canada	***	***	***	***	***	***
Scierie West Brome	***	***	***	***	***	***

Table continued.

Table IV-4 Continued

Softwood lumber: Summary data on producers in Canada, 2022

Firm	Production (mbf)	Share of reported production (percent)	Exports to the United States (mbf)	Share of reported exports to the United States (percent)	Total shipments (mbf)	Share of firm's total shipments exported to the United States (percent)
Séchoirs de Beauce	***	***	***	***	***	***
Sigurdson Forest	***	***	***	***	***	***
Star Lumber	***	***	***	***	***	***
Tolko	***	***	***	***	***	***
Twin Rivers Paper	***	***	***	***	***	***
Vaagen Bros.	***	***	***	***	***	***
West Fraser	***	***	***	***	***	***
Western Forest Products	***	***	***	***	***	***
Weyerhaeuser	***	***	***	***	***	***
White River	***	***	***	***	***	***
All firms	***	100.0	***	100.0	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

As noted, table IV-5 presents information on resales exported to the United States as reported by responding wholesalers, resellers, remanufacturers, and finishers in Canada. The ten firms reporting the highest quantities of resales exported to the United States in 2022 in descending order were ***.

Table IV-5
Softwood lumber: Summary data on resellers in Canada, 2022

Firm	Resales exported to the United States (mbf)	Share of resales exported to the United States (percent)	Total resales exported to all destinations (mbf)	Share of firm's total resales exported to the United States (percent)
Alpa	***	***	***	***
Antrim Cedar	***	***	***	***
Aquila Cedar	***	***	***	***
B.B. Pallets	***	***	***	***
Bakerview Forest	***	***	***	***
BarretteWood	***	***	***	***
BC Ltd.	***	***	***	***
Benoit & Dionne	***	***	***	***
BPWood	***	***	***	***
Bramwood Forest	***	***	***	***
Brink Forest	***	***	***	***
Busque & Laflamme	***	***	***	***
Canadian Forest (Canfor)	***	***	***	***
Canadian Wood Fiber	***	***	***	***
Carter Forest	***	***	***	***
CB Constantini	***	***	***	***
Cedarline	***	***	***	***
Central Cedar	***	***	***	***
CLG Enterprises	***	***	***	***
Conifex Mackenzie	***	***	***	***
Daizen Joinery	***	***	***	***
Dakeryn	***	***	***	***
Doubletree	***	***	***	***
EACOM Timber	***	***	***	***
Falcon Lumber	***	***	***	***
Fraser Specialty	***	***	***	***
Fraserview Cedar	***	***	***	***
Fraserwood	***	***	***	***
Furtado Forest	***	***	***	***

Table continued.

Table IV-5 Continued

Softwood lumber: Summary data on resellers in Canada, 2022

Firm	Resales exported to the United States (mbf)	Share of resales exported to the United States (percent)	Total resales exported to all destinations (mbf)	Share of firm's total resales exported to the United States (percent)
Goodfellow	***	***	***	***
Groupe Novatech	***	***	***	***
Haida	***	***	***	***
Hamill Creek	***	***	***	***
Horizon Coatings	***	***	***	***
Hy Mark Wood	***	***	***	***
Independent Building Materials	***	***	***	***
Ivor Forest	***	***	***	***
J.D. Irving	***	***	***	***
Jhajj Lumber	***	***	***	***
Kaytec Vinyl	***	***	***	***
Kermode	***	***	***	***
Leisure Lumber	***	***	***	***
Leslie Forest	***	***	***	***
Lignum Forest Products	***	***	***	***
Magnum Forest	***	***	***	***
Manitob	***	***	***	***
Manitoba - Woodstock Forest	***	***	***	***
Marcel Lauzon	***	***	***	***
Mid Valley Lumber	***	***	***	***
Mirax Lumber	***	***	***	***
Monterra	***	***	***	***
Nicholson and Cates	***	***	***	***
North American Forest	***	***	***	***
Oakwood Manufacturing - Weston Forest	***	***	***	***
Olympic Industries	***	***	***	***
Pacific Northwest	***	***	***	***
Pacific Western	***	***	***	***
PalletSource	***	***	***	***
Partap Forest	***	***	***	***
Pine Ideas	***	***	***	***
Powerwood	***	***	***	***
Precision Cedar	***	***	***	***
Produits Matra	***	***	***	***
Rielly Lumber	***	***	***	***

Table continued.

Table IV-5 Continued

Softwood lumber: Summary data on resellers in Canada, 2022

Firm	Resales exported to the United States (mbf)	Share of resales exported to the United States (percent)	Total resales exported to all destinations (mbf)	Share of firm's total resales exported to the United States (percent)
River City	***	***	***	***
Sawarne	***	***	***	***
Skana Forest	***	***	***	***
Surrey Cedar	***	***	***	***
Taan Forest	***	***	***	***
Tall Tree Lumber	***	***	***	***
The Wood Source	***	***	***	***
Tolko	***	***	***	***
Trans-Pacific	***	***	***	***
Triad Forest Products	***	***	***	***
Tyee Timber	***	***	***	***
Universal Lumber	***	***	***	***
Usine Sartigan	***	***	***	***
Vancouver Specialty Cedar	***	***	***	***
Vanderhoof	***	***	***	***
Visscher Lumber	***	***	***	***
W.I. Woodtone	***	***	***	***
West Bay Forest	***	***	***	***
Western Forest Products	***	***	***	***
Westminster Industries	***	***	***	***
Weston Forest	***	***	***	***
Woodline	***	***	***	***
All resellers	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---".

Operations on softwood lumber

Changes in operations

Table IV-6 presents events in Canada's industry since January 1, 2017, as reported in publicly available sources.

Table IV-6
Softwood lumber: Developments in the Canadian industry since January 1, 2017

Item	Firm	Event
Acquisition	West Fraser	On August 31, 2017, West Fraser completed its purchase of the Gilman Companies for \$430 million. The acquisition covered six sawmills, a fingerjoint mill, and an administrative office in Florida and Georgia. At the time of closing, Gilman employed 900 people with a total annual production capacity of 700 million board feet of southern yellow pine.
Acquisition	Groupe Lebel-Maibec	In August 2018, Groupe Lebel acquired Maibec's lumber division, which included two sawmills in Quebec and Maine. As of 2023, the mills employ 275 people and have a collective annual production capacity of 250 million FBM.
Acquisition	Canadian Forest (Canfor)	In November 2018, Canfor announced its acquisition of Elliott Sawmilling Company for \$110 million. South Carolina-based Elliott has production capacity of 210 million board feet annually, and Canfor completed the purchase on May 31, 2020.
Acquisition	Canadian Forest (Canfor)	On February 28, 2019, Canfor completed its purchase of 70 percent of the VIDA Group of Sweden, worth approximately CAD \$580 million.
Mill Closure	Tolko	On May 10, 2019, Tolko announced the permanent closure of its Quesnel sawmill in B.C., a decision which will displace 150 workers. With both Quesnel and Kelowna sawmill production curtailment, Tolko's production capacity in B.C. was reduced by 250 million board feet.
Mill Closure	Canadian Forest (Canfor)	On June 4, 2019, Canfor announced the closure of its Vavenby, B.C. sawmill, which reduced the firm's annual production capacity by 250 million board feet and directly affected 172 jobs. Along with the closure, Canfor sold the sawmill's associated forest to Interfor for \$60 million. A B.C. entrepreneur acquired the sawmill site in September 2020.
Mill Closure	West Fraser	On June 17, 2019, West Fraser announced a permanent closure of its Chasm Lumber mill in B.C. and a shift reduction at its 100 Mile House mill, resulting in a permanent reduction in annual production capacity of 314 million board feet.
Mill Acquisition	Hampton Lumber	In late June 2019, Conifex announced the sale of its Fort St. James sawmill in B.C. to Oregon-based Hampton Lumber for \$39 million.

Item	Firm	Event
Production Technology	Delco Forest	In July 2019, Delco became the first sawmill in North America to invest in a Muhlbock continuous dry kiln, which boasts an advantage in drying quality consistency relative to conventional kilns.
Mill Closure	Interfor	In September 2019, Interfor announced plans to close its Hammond Cedar Sawmill in Maple Ridge, British Columbia by the end of the year. The mill closure resulted in close to 150 job losses.
Production Curtailment	West Fraser	In September 2019, West Fraser announced production reductions of an estimated 15 to 25 percent at five sawmills in British Columbia, resulting in the aggregate removal of an estimated 100 million board feet of capacity through the end of 2019.
Mill Closure	Tolko	In September 2019, Tolko announced the indefinite closure of its Kelowna sawmill in British Columbia, displacing 127 workers. The mill closed permanently in 2020.
Bankruptcy	Prendiville	On December 5, 2019, Prendiville Industries filed for bankruptcy and put a subsidiary company, Kenora Forest Products, up for sale. On October 6, 2020, Itasca Capital disclosed its \$11.5 million purchase of the Kenora Forest Products sawmill, with plans to reopen the operation as 'GreenFirst Forest Project'.
Production Curtailment	West Fraser	In March 2020, West Fraser announced the weeklong closure of its sawmills in British Columbia, resulting in the additional removal of roughly 24 million board feet of production.
Plant Closure	Canadian Forest (Canfor)	In May 2020, Canfor announced a Fall 2020 closure of its Isle Pierre sawmill in Prince George, British Columbia. The firm attributed the closure to the Mountain Pine Beetle epidemic.
Acquisition	GreenFirst	On April 12, 2021, GreenFirst acquired the Ontario and Quebec assets of Tembec Lumber from Rayonier for \$214 million.
Production Curtailment	Canadian Forest (Canfor)	On July 20, 2021, Canfor announced production curtailment of 115 million board feet at Canadian sawmills for the third quarter of 2021 due to supply chain issues and wildfire conditions in Western Canada.
Mill Expansion	Dunkley Lumber	In September 2021, Dunkley announced a \$100 million investment in its Carrot River sawmill, which includes an additional saw line and an estimated production capacity increase of 100 million board feet annually.
Acquisition	Interfor	On November 23, 2021, Interfor announced its acquisition of EACOM Timber, a lumber producer in eastern Canada. The C\$490 acquisition included seven sawmills with the combined annual production of 985 million board feet of SPF.
Labor Union Vote	Foothills Forest Products	On February 14, 2022, sawmill workers at Foothills Forest Products (acquired by Dunkley Lumber in 2019) voted to join the United Steelworkers Union. The sawmill produces 120 million board feet of spruce-pine-fir lumber annually.

Item	Firm	Event
Production Curtailment	Canadian Forest (Canfor)	In February 2022, Canfor announced a permanent reduction in annual production capacity of 150 million board feet at its Plateau sawmill in Vanderhoof, BC, taking effect at the end of the second quarter. The firm cited the impacts of the Mountain Pine Beetle infestation and reduced timber base in the region for its decision.
Acquisition	Canadian Forest (Canfor)	On March 1, 2022, Canfor completed its purchase of Millar Western Assets' solid wood operations based in Alberta. The acquisition was reported in December to be worth \$430 million and added 630 million board feet of production capacity to Canfor's operations.
Mill Expansion	Resolute FP Canada	In early May 2022, Resolute broke ground on a \$17 million project to upgrade its Thunder Bay sawmill in northern Ontario. The expansion is expected to add 40 million board feet of capacity annually.
Production Curtailment	Canadian Forest (Canfor)	In May 2022, Canfor announced continued reduced production operations at its Western Canadian sawmills, citing ongoing global supply chain challenges. The continued reduction capacity resulted in approximately 275 million less board feet through the end of August 2022.
Production Expansion	Western Forest Products	In July 2022, Western announced its \$29 million investment in ongoing B.C. operations. The capital investments increased annual drying capacity by 72 million board feet.
Production Curtailment	Canadian Forest (Canfor)	Beginning September 26, 2022, Canfor reduced production capacity for two weeks in British Columbia, followed by reduced operations through the end of 2022. The two-week production curtailments reduced capacity reduction by 200 million board feet. CEO Dan Kayne remarked that the ongoing curtailments were a result of reduced market demand.
Acquisition	Interfor	In October 2022, Interfor reached an agreement to acquire Chaleur Forest Products for \$239 million. Chaleur had two sawmill operations in New Brunswick and produced 350 million board feet of lumber annually. With the acquisition, Interfor's total annual lumber production capacity became an estimated 5.1 billion board feet.
Production Curtailment	Interfor	In October 2022, Interfor announced a 17% production reduction in quarterly capacity, equating to roughly 200 million board feet. Interfor cited slowing demand and economic uncertainty.
Labor Union Contract	Interfor	In early November 2022, 150 workers at the Interfor sawmill in Ear Falls, Ontario voted for a labor agreement that included wage increases and enhanced benefits. The contract was set through April 2026.
Mill Acquisition	Groupe Lebel	In December 2022, Groupe Lebel reached an agreement with Twin Rivers Paper Company to purchase its softwood lumber mill in Plaster Rock, New Brunswick. The deal is set to close in early 2023.
Mill Acquisition	Chibougamau	On December 21, 2022, Chantiers Chibougamau announced its acquisition of GreenFirst Forest Products' Quebec operations, the La Sarre and Bearn sawmills and operations.

Item	Firm	Event
Production Curtailment	Canadian Forest (Canfor)	On December 5, 2022, Canfor announced a temporary reduction in Canadian production through curtailments to remove approximately 150 million board feet in December and January, citing weak market conditions.
Acquisition	Resolute FP Canada	On December 28, 2022, Resolute announced its finalization of an acquisition by Domtar, with the transaction set to close in the first half of 2023.
Production Curtailment	Interfor	On January 11, 2023, Interfor announced plans to reduce its lumber production output in the first quarter of 2023 by at least 100 million board feet, or 8% of quarterly capacity, citing economic conditions and market uncertainty.
Labor Union Ratification	Resolute FP Canada	On June 2, 2023, Resolute announced ratification of a four-year master labor agreement with the Unifor union covering 525 hourly employees at ten company woodlands in Quebec.

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Producers/exporters in Canada were asked to report whether their firm had experienced any mill/production location openings; mill/production location closings; prolonged shutdowns; production curtailments; relocations; expansions; acquisitions; consolidations; timber supply disruptions related to weather, wildfires, pest infestations, or force majeure events; timber supply constraints related to environmental protection regulations; labor shortages; or any other changes in the character of their operations or organization relating to the production of softwood lumber since January 1, 2017. Of the 162 responding firms, 5 reported mill/plant openings, 13 reported mill/plant closings, 13 reported prolonged shutdowns, 32 reported production curtailments, 8 reported relocations, 14 reported expansions, 25 reported acquisitions, 3 reported consolidations, 39 reported timber supply disruptions related to weather or force majeure events, 30 reported timber supply disruptions related to environmental protection regulations, 51 reported labor shortages, and 30 reported changes categorized under “other”. Table IV-7 presents the narratives provided by Canadian firms on any changes in their operations experienced during the period of review.

Table IV-7
Softwood lumber: Reported changes in operations by firms in Canada, since January 1, 2017

Item	Firm name and narrative on changes in operations
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant openings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***

Item	Firm name and narrative on changes in operations
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Mill/plant closings	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***

Item	Firm name and narrative on changes in operations
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Prolonged shutdowns	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***

Item	Firm name and narrative on changes in operations
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***

Item	Firm name and narrative on changes in operations
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***

Item	Firm name and narrative on changes in operations
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Production curtailments	***
Relocations	***
Relocations	***
Relocations	***
Relocations	***
Relocations	***
Relocations	***

Item	Firm name and narrative on changes in operations
Relocations	***
Relocations	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Expansions	***
Acquisitions	***

Item	Firm name and narrative on changes in operations
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
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Acquisitions	***

Item	Firm name and narrative on changes in operations
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Acquisitions	***
Consolidations	***
Consolidations	***
Consolidations	***

Item	Firm name and narrative on changes in operations
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***

Item	Firm name and narrative on changes in operations
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***

Item	Firm name and narrative on changes in operations
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***

Item	Firm name and narrative on changes in operations
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***
Weather related or force majeure events	***

Item	Firm name and narrative on changes in operations
Weather related or force majeure events	***
Weather related or force majeure events	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***

Item	Firm name and narrative on changes in operations
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***

Item	Firm name and narrative on changes in operations
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***
Environmental protection regulations	***

Item	Firm name and narrative on changes in operations
Environmental protection regulations	***
Environmental protection regulations	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***

Item	Firm name and narrative on changes in operations
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
Labor shortages	***
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Labor shortages	***

Item	Firm name and narrative on changes in operations
Labor shortages	***
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Labor shortages	***

Item	Firm name and narrative on changes in operations
Labor shortages	***
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Labor shortages	***
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Labor shortages	***
Labor shortages	***

Item	Firm name and narrative on changes in operations
Labor shortages	***
Other	***
Other	***
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Other	***
Other	***
Other	***
Other	***
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Other	***

Item	Firm name and narrative on changes in operations
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***
Other	***

Item	Firm name and narrative on changes in operations
Other	***
Other	***

Source: Compiled from data submitted in response to Commission questionnaires.

Anticipated changes in operations

The Commission asked Canadian producers/exporters whether they anticipated any changes in the character of operations or organization relating to the production of softwood lumber in the future and to describe the details of any such anticipated changes. Of the 162 responding firms, 26 provided a narrative response to this question. Responses appear in table IV-8.

Table IV-8
Softwood lumber: Anticipated changes in operations by firms in Canada

Firm	Narrative on anticipated changes in operations
Apollo	***
Arbec	***
Aspen Planers	***
Benoit & Dionne	***
Chaleur Forest	***
Chaleur Forest LP	***
Conifex Mackenzie	***
CS Manufacturing	***
Daaquam	***
Downie Timber	***

Firm	Narrative on anticipated changes in operations
EACOM Timber	***
Fraserwood	***
Gorman Bros.	***
Groupe Lebel	***
H.J. Crabbe & Sons	***
Interfor	***
Ivor Forest	***
Kermode	***
Lakeland Mills	***
Marcel Lauzon	***
Nechako	***
Universal Lumber	***
Vaagen Bros. Lumber	***
West Fraser	***

Firm	Narrative on anticipated changes in operations
Western Forest	***
Weyerhaeuser	***

Source: Compiled from data submitted in response to Commission questionnaires.

Anticipated changes in available harvest/wood supply in Canada

Canadian producers/exporters were also asked if they anticipated any changes in the available harvest and wood supply in the future and to describe the timing, nature, and significance of any anticipated changes. Of the 162 responding firms, 74 firms provided a narrative response discussing anticipated changes. Responses from these firms are displayed in table IV-9.

Table IV-9
Softwood lumber: Anticipated changes in harvest and wood supply

Firm	Narrative on anticipated changes in harvest or wood supply
Apollo	***
Arbec	***
Aspen Planers	***
B.B. Pallets	***
Bakerview Forest	***
Barrette-Chapais	***
BarretteWood	***
Benoit & Dionne	***
Blanchet Multi Concept	***
Blanchette et Blanchette	***
Busque & Laflamme	***

Firm	Narrative on anticipated changes in harvest or wood supply
Canadian Forest (Canfor)	***
Carrier & Bégin	***
Carrier Forest	***
Carrier Lumber	***
Cedrico	***
Central Cedar	***
Clermond Hamel	***
Conifex Mackenzie	***
CS Manufacturing	***
Daaquam	***
Delta Cedar	***
Downie Timber	***
Dunkley Lumber	***

Firm	Narrative on anticipated changes in harvest or wood supply
EACOM Timber	***
Fontaine	***
Fraser Specialty	***
Fraserwood	***
Gilbert Smith Forest	***
Goodfellow	***
Gorman Bros.	***
Groupe Lebel	***
H.J. Crabbe & Sons	***
Hamill Creek	***
Hampton Lumber	***
Hornepayne Lumber	***
Interfor	***

Firm	Narrative on anticipated changes in harvest or wood supply
J.D. Irving	***
Kalesnikoff Lumber	***
Kermode	***
Lakeland Mills	***
Les Chantiers de Chibougamau	***
Les Produits - D&G Forest	***
Leslie Forest	***
Lignum Forest Products	***
Marcel Lauzon	***
Matériaux Blanchet	***
Mobilier Rustique	***
Nechako	***
Nicholson and Cates	***

Firm	Narrative on anticipated changes in harvest or wood supply
NorSask	***
North Enderby Timber	***
Olympic Industries	***
Pacific Western	***
Pat Power Forest	***
Porcupine Wood	***
Precision Cedar	***
Produits Forestiers Petit Paris	***
Rembos	***
René Bernard	***
Resolute FP Canada	***

Firm	Narrative on anticipated changes in harvest or wood supply
Scierie West Brome	***
Star Lumber	***
The Wood Source	***
Tolko	***
Trans-Pacific	***
Tyee Timber	***
Usine Sartigan	***
Vaagen Bros. Lumber	***
Vancouver Specialty Cedar	***

Firm	Narrative on anticipated changes in harvest or wood supply
West Fraser	***
Western Forest	***
Westminister Industries	***
White River	***

Source: Compiled from data submitted in response to Commission questionnaires.

Impact of COVID-19

Lastly, Canadian producers/exporters were also asked if the COVID-19 pandemic or government actions taken to contain the spread of COVID-19 virus had impacted in their supply-chain arrangements, production, shipments, and employment as related to softwood lumber and to describe such impacts. Of the 162 responding firms, 64 provided narrative responses describing such impacts. Responses from these firms are displayed in table IV-10.

Table IV-10
Softwood lumber: Impacts of COVID-19 pandemic

Firm	Narrative on COVID-19 impact on operations
Apollo	***
Arbec	***
Aspen Planers	***
Bakerview Forest	***
Barrette-Chapais	***
BC Ltd.	***
Benoit & Dionne	***
Blanchette et Blanchette	***
BPWood	***
Brink Forest	***
Burrows Lumber	***
Canadian Bavarian	***

Firm	Narrative on COVID-19 impact on operations
Canadian Forest (Canfor)	***
Canadian Wood Fiber	***
Carrier Forest	***
Carrier Lumber	***
Chaleur Forest	***

Firm	Narrative on COVID-19 impact on operations
Chaleur Forest LP	***
Commonwealth Plywood	***
Conifex Mackenzie	***
CS Manufacturing	***
Daaquam	***
Dakeryn	***
Delco Forest	***
Downie Timber	***

Firm	Narrative on COVID-19 impact on operations
EACOM Timber	***
Gilbert Smith Forest	***
Gorman Bros.	***
Groupe Lebel	***
Hamill Creek	***
Hampton Lumber	***

Firm	Narrative on COVID-19 impact on operations
Interfor	***
Ivor Forest	***
J.D. Irving	***
Kébois	***
Lakeland Mills	***
Lecours Lumber	***
Les Industries P.F.	***
Les Produits - D&G Forest	***

Firm	Narrative on COVID-19 impact on operations
Lulumco	***
Manitoba - Woodstock Forest	***
Marcel Lauzon	***
Matériaux Blanchet	***
Mobilier Rustique	***
Nechako	***
NorSask	***
North Enderby Timber	***
Pacific Western	***

Firm	Narrative on COVID-19 impact on operations
Pat Power Forest	***
Resolute FP Canada	***
Scierie West Brome	***
Sigurdson Forest	***
Silvaris	***
Skana Forest	***
Tall Tree Lumber	***
Tolko	***
Trans-Pacific	***

Firm	Narrative on COVID-19 impact on operations
Universal Lumber	***
Vaagen Bros.	***
Vanderhoof	***
West Bay Forest	***
West Fraser	***
Western Forest	***
Weyerhaeuser	***

Source: Compiled from data submitted in response to Commission questionnaires.

Installed and practical capacity, production, and capacity utilization

The Commission asked Canadian producers to report their installed overall, practical overall, and practical softwood lumber capacities. As noted in part III, installed or “theoretical” overall capacity measures the level of production firms could have attained based solely on existing capital investments and not considering other constraints such as availability of material inputs, labor force, and normal downtime. The two practical capacity measures take into consideration both existing capital investment as well as non-capital investment constraints. Practical overall capacity measures firms’ capacity to produce softwood lumber as well as any other products produced using the same equipment/machinery based on firms’ actual product mix over the period, whereas practical softwood lumber capacity measures only the practical capacity of firms to produce softwood lumber. Table IV-11 presents data on Canadian producers’ installed overall, practical overall, and practical softwood lumber capacities as well as overall production, softwood lumber production, and the associated capacity utilization rates.

From 2017-22, reported installed overall, practical overall, and practical softwood lumber capacity measures reported by Canadian producers all decreased irregularly, by 4.3, 7.6, and 7.8 percent, respectively. Firms only reported a small number of other products produced using the same equipment/machinery, therefore the overall and softwood lumber production and capacity figures and trends were nearly identical. Overall and softwood lumber production both also decreased irregularly from 2017-22, both ending 14.5 percent lower in 2022 than 2017. Overall and softwood lumber production were also both lower in interim 2023 than in interim 2022 by 7.8 percent.

The three capacity utilization measures decreased irregularly from 2017-22 (overall capacity utilization was 8.2 percentage points lower in 2022 while practical overall and practical softwood lumber capacities were 6.8 and 6.7 percentage points lower in 2022 than in 2017). The capacity utilization rates were also lower in interim 2023 than interim 2022 (the overall capacity utilization rate was 4.4 percentage points lower, while the practical overall and practical softwood lumber capacities were 5.0 percentage points lower in interim 2023 than in interim 2022).

Table IV-11

Softwood lumber: Canadian producers' installed and practical capacity, production, and utilization, by measure and period

Capacity and production in mbf; utilization in percent

Item	Measure	2017	2018	2019
Installed overall	Capacity	29,341,679	28,998,298	29,145,848
Installed overall	Production	22,541,479	22,725,976	20,516,198
Installed overall	Utilization	76.8	78.4	70.4
Practical overall	Capacity	24,671,149	24,394,126	23,528,811
Practical overall	Production	22,541,479	22,725,976	20,516,198
Practical overall	Utilization	91.4	93.2	87.2
Practical softwood lumber	Capacity	24,659,191	24,356,191	23,487,420
Practical softwood lumber	Production	22,534,738	22,716,963	20,503,582
Practical softwood lumber	Utilization	91.4	93.3	87.3

Table continued.

Table IV-11 Continued

Softwood lumber: Canadian producers' installed and practical capacity, production, and utilization, by measure and period

Capacity and production in mbf; utilization in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Installed overall	Capacity	28,231,578	28,466,779	28,069,536	7,231,970	7,108,496
Installed overall	Production	19,870,689	20,947,305	19,267,339	5,123,017	4,721,982
Installed overall	Utilization	70.4	73.6	68.6	70.8	66.4
Practical overall	Capacity	22,819,742	22,943,842	22,785,659	5,872,653	5,740,731
Practical overall	Production	19,870,689	20,947,305	19,267,339	5,123,017	4,721,982
Practical overall	Utilization	87.1	91.3	84.6	87.2	82.3
Practical softwood lumber	Capacity	22,783,599	22,895,481	22,734,643	5,861,464	5,727,947
Practical softwood lumber	Production	19,858,657	20,931,467	19,257,036	5,120,812	4,719,560
Practical softwood lumber	Utilization	87.2	91.4	84.7	87.4	82.4

Source: Compiled from data submitted in response to Commission questionnaires.

Canadian producers' practical capacity constraints

Table IV-12 presents Canada producers' reported narratives regarding practical capacity constraints.

Table IV-12

Softwood lumber: Producers in Canada reported capacity constraints since January 1, 2017

Item	Firm name and narrative on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***

Item	Firm name and narrative on constraints to practical overall capacity
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***
Production bottlenecks	***

Item	Firm name and narrative on constraints to practical overall capacity
Production bottlenecks	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
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Existing labor force	***
Existing labor force	***
Existing labor force	***

Item	Firm name and narrative on constraints to practical overall capacity
Existing labor force	***
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Existing labor force	***
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Existing labor force	***
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Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***

Item	Firm name and narrative on constraints to practical overall capacity
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
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Existing labor force	***
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Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***
Existing labor force	***

Item	Firm name and narrative on constraints to practical overall capacity
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***

Item	Firm name and narrative on constraints to practical overall capacity
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
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Supply of material inputs	***
Supply of material inputs	***

Item	Firm name and narrative on constraints to practical overall capacity
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
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Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***

Item	Firm name and narrative on constraints to practical overall capacity
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Supply of material inputs	***
Fuel or energy	***
Storage capacity	***
Storage capacity	***
Storage capacity	***

Item	Firm name and narrative on constraints to practical overall capacity
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***

Item	Firm name and narrative on constraints to practical overall capacity
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Logistics/transportation	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

Item	Firm name and narrative on constraints to practical overall capacity
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***
Other constraints	***

Source: Compiled from data submitted in response to Commission questionnaires.

Forestry in Canada

In Canada, most forestlands are publicly owned, a majority of which are owned by the provinces and territories.⁷ Most of the Canadian softwood harvest comes from government forestlands and is administered by the provincial governments to ensure sustainability. The largest concentration—over one third in 2022—of Canada’s annual softwood lumber production is performed in British Columbia (“BC”), followed by Quebec, Alberta, and Ontario.⁸

The annual allowable cut (“AAC”)—the amount of timber that can be harvested each year—is regulated through the provinces. Each province calculates its AAC using distinct methodology. The AAC, which is set at least every 10 years by the chief forester, supports the tenures and all harvested timber is scaled and marked to ensure compliance.^{9 10}

The AAC is adjusted for concerns associated with wildfires and infestations that may impact forest sustainability and the “likely timber volume available for commercial harvesting will be reduced.”¹¹ For example, AACs in British Columbia have been reduced and may tighten further in upcoming timber supply area reviews because of the mountain pine beetle (“MPB”) infestation, wildfires, and protection measures related to caribou habitat and old-growth forests.¹² BC’s “Lillooet Timber Supply Area” AAC was recently reduced by 34 percent from that

⁷ Six percent of Canada’s forest lands are privately owned, four percent of forest lands are owned by the federal government, with the remaining bulk of the forest land owned by provinces and territories. Forest land ownership, Natural Resources Canada, <https://natural-resources.canada.ca/our-natural-resources/forests/sustainable-forest-management/forest-land-ownership/17495>, retrieved October 27, 2023.

⁸ Statistics Canada, Table 16-10-0017-06, <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1610001701>, retrieved October 27, 2023.

⁹ The AAC is the upper harvest threshold; the BC Ministry of Forests indicates that the actual cut is generally lower. These levels are usually set over a 5- to 10-year period. British Columbia, Ministry of Forests, Lands and Natural Resource Operations AAC, “Apportionment and Commitment Reports,” <https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures/forest-tenure-administration/apportionment-commitment-reports-aac>, retrieved October 27, 2023 and *Natural Resources Canada*, “The State of Canada’s Forests, Annual Report 2022,” [https://natural-resources.canada.ca/sites/nrcan/files/forest/sof2022/SoF_Annual2022_EN_access_\(4\).pdf](https://natural-resources.canada.ca/sites/nrcan/files/forest/sof2022/SoF_Annual2022_EN_access_(4).pdf), retrieved October 27, 2023. Hearing transcript, pp. 209-21, (Bull), pp. 215-216 (Feldman); Coalition’s posthearing brief, p. A-19 and exh. 18.

¹⁰ Tenure is the process used to transfer specific rights to use, for example, the right to harvest timber in exchange for fees and other obligations.

¹¹ Joint respondents’ prehearing brief, exh. 2; Respondent West Fraser’s posthearing brief, p. 10 and Ex. 7.

¹² Government of British Columbia, Ministry of Forests, Forest Analysis and Inventory Branch, “Mackenzie Timber Supply Area Timber Supply analysis Discussion Paper”, July 2022, <https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and->

(continued...)

of the last AAC, however, it is 9 percent above the 2016-2021 allowable harvest levels.¹³ In this announcement, the continued harvests of trees killed by the MPB outbreak, the spruce bark beetle outbreak, and wildfire were also encouraged. British Columbia Timber Sales has also adopted a new operations guide with regard to relations with Indigenous Peoples.¹⁴

In 2020, an area in Canada of 17.8 million hectares (4.91 percent of total forest area) was reported as affected by insects (such as the MPB and spruce budworm), a 23 percent increase from 2019, including an increase in the spruce beetle in British Columbia.¹⁵ Natural Resources Canada states that the ongoing outbreak of MPBs started in BC in the early 1990s and efforts to control the MPB have slowed the spread.¹⁶ The MPB infestation affects the forests from Canada to Mexico.¹⁷

Since 2018, certain caribou species and their habitats are protected under the “Pan-Canadian Approach to Transforming Species at Risk Conservation in Canada,” ranging across

[industry/forestry/stewardship/forest-analysis-inventory/tsr-annual-allowable-cut/16ts_dp_2022_final.pdf](#), retrieved October 27, 2023; Joint respondent’s posthearing brief, p. 10 and exh. 4.

¹³ Government of British Columbia, Ministry of Forests, Lands and Natural Resource Operations, “Allowable annual cut reduced in Lillooet Timber Supply Area,” October 12, 2023, <https://news.gov.bc.ca/releases/2023FOR0046-001183>, retrieved October 27, 2023.

¹⁴ *British Columbia, “BC Timber Sales – Indigenous relations,”* <https://www2.gov.bc.ca/gov/content/industry/forestry/bc-timber-sales/indigenous-relations>, retrieved October 27, 2023.

¹⁵ Natural Resources Canada, “The State of Canada’s Forests, Annual Report 2022,” [https://natural-resources.canada.ca/sites/nrcan/files/forest/sof2022/SoF_Annual2022_EN_access_\(4\).pdf](https://natural-resources.canada.ca/sites/nrcan/files/forest/sof2022/SoF_Annual2022_EN_access_(4).pdf), retrieved October 27, 2023; Government of British Columbia, “Spruce Beetle,” <https://www2.gov.bc.ca/gov/content/industry/forestry/managing-our-forest-resources/forest-health/forest-pests/bark-beetles/spruce-beetle>, retrieved October 29, 2023.

¹⁶ Government of Canada, “Mountain Pine Beetle,” <https://natural-resources.canada.ca/our-natural-resources/forests/wildland-fires-insects-disturbances/top-forest-insects-and-diseases-canada/mountain-pine-beetle/13381>, retrieved October 28, 2023.

¹⁷ U.S. National Park Service, Rocky Mountain National Park Colorado, “Mountain Pine Beetle,” https://www.nps.gov/romo/learn/nature/mtn_pine_beetle_background.htm, retrieved October 28, 2023 and Minnesota Department of Agriculture, “Mountain Pine Beetle,” <https://www.mda.state.mn.us/plants-insects/mountain-pine-beetle>, retrieved October 28, 2023.

much of Canada, including nine provinces and territories.¹⁸ For example, the regional plans are directed to maintain at least 65 percent undisturbed habitat within the Northwest Territories.¹⁹

In 2021, an area in Canada of 4.3 million hectares (1.19 percent of total forest area) were reportedly affected by fire.²⁰ The year 2023 is considered the worst wildfire season on record for Canada.²¹ Estimates indicate that the 2023 fires have affected harvestable volume in the provinces, including *** percent in BC, *** percent in Quebec, and *** percent in Alberta.²² A recent study states that the use of fire damaged timber is situation dependent, to produce dimensional lumber, “the charred material can be removed by the debarking and slabbing processes. However, char-damaged wood fibers can result in weaker strength solid wood products.”²³

The Coalition argues that forest management, which is effective in contending with insects, such as the mountain pine beetle, and fires, also affects timber in the United States and substantially increases salvage harvests, rather than decrease them.²⁴ Post-fire salvage harvests in the U.S. have had recovery rates of about 90 percent.²⁵ The Coalition also indicates that wildfires in Canada have affected inaccessible timber not available for harvest and resultant

¹⁸ Joint respondents’ posthearing brief, p. 10 and Forestry is listed as a threat. Government of Canada, “Caribou in Canada,” February 1, 2023, <https://www.canada.ca/en/environment-climate-change/services/species-risk-education-centre/caribou.html>, retrieved October 28, 2023; Government of Canada, “Overview of the Pan-Canadian approach to transforming species at risk conservation in Canada,” <https://www.canada.ca/en/services/environment/wildlife-plants-species/species-risk/pan-canadian-approach.html>, October 29, 2023.

¹⁹ Joint respondents’ posthearing brief, p. 10 and exh. 3; Government of Northwest Territories, Environment and Change, “Boreal Caribou,” <https://www.gov.nt.ca/ecc/en/services/boreal-caribou>, retrieved October 28, 2023.

²⁰ Natural Resources Canada, “The State of Canada’s Forests, Annual Report 2022,” [https://natural-resources.canada.ca/sites/nrcan/files/forest/sof2022/SoF_Annual2022_EN_access_\(4\).pdf](https://natural-resources.canada.ca/sites/nrcan/files/forest/sof2022/SoF_Annual2022_EN_access_(4).pdf), retrieved October 27, 2023.

²¹ Respondent Resolute and Central Canada’s posthearing brief, p. 7 and exh. PH-5; Wallace-Wells, David, “It’s like our country exploded’: Canada’s year of fire,” October 25, 2023, New York Times, <https://www.nytimes.com/2023/10/24/magazine/canada-wildfires.html>, retrieved October 28, 2023.

²² Joint respondents’ posthearing brief, p. 10 and exh. 2.; Government of Canada, “Canada’s record-breaking wildfires in 2023: A fiery wake-up call,” <https://natural-resources.canada.ca/simply-science/canadas-record-breaking-wildfires-2023-fiery-wake-call/25303>, retrieved October 29, 2023.

²³ Harberts, I.C. et. al., “Utilization of Fire-Impacted Timber: A Summary of a Survey of Mill Procurement Personnel and a Review of the Literature,” Staff Paper Services Number 265, May 2022, <https://conservancy.umn.edu/bitstream/handle/11299/227165/Fire%20Charred%20Wood%20Merchability%20Staff%20Paper%204%2030%2022.pdf?sequence=1&isAllowed=y>, retrieved October 28, 2023.

²⁴ Hearing transcript, pp. 56-58 (Young), pp. 65-66 (Young), p. 67 (Banahan), pp. 83-84 (Yocis), pp. 88-89 (Banahan), pp. 90-91 (Young), pp. 112-113 (Rolig); Coalition posthearing brief, pp. 3-4, p. A-19, exh. 1, and 17.

²⁵ Domestic interested party Sierra Pacific’s posthearing brief, p. 8 and exh. 4.

curtailments are temporary.²⁶ A report issued by the Chief Forester of BC indicates that the wildfires in the five years before 2022 “do not pose a risk to timber supply” in certain areas.²⁷ Regardless of supply challenges posed by insect infestations and wildfires, the Coalition states that Canadian producers are able to supply a greater share of the U.S. market.²⁸

Respondents have indicated that the supply of available timber is decreasing, particularly in British Columbia, reflecting the mountain pine beetle and spruce budworm infestations, wildfires, environmental protection measures, and land management changes with regard to First Nations.²⁹ Respondents state that the BC government encouraged the harvest of beetle infested trees from 2005 to 2016, but it takes up to 80 years to replace these trees.³⁰ In addition, they indicate that the fires damaged forests that are actively managed and will impact current harvests and reduce future harvestable timber.³¹

Respondents state that the MPB infestation allowed for a 15-year recovery of damaged timber, making it more predictable than fire recovery.³² They estimate that fire-damaged salvage harvests have small recovery rates on a relatively brief timeline (1-2 years).³³ They state that the 2023 wildfires will not increase lumber production but would instead only change the mix of green and burnt logs within current capacity.³⁴ In addition, respondents posit that it is too soon to identify the full impact of the 2023 fires.³⁵

²⁶ Hearing transcript, pp. 58-59 (Young), p. 66 (Young), Coalition posthearing brief, p. A-7 and exh. 2.

²⁷ Domestic interested party Sierra Pacific’s prehearing brief, p. 19 and exh. 24.

²⁸ Hearing transcript, p. 19 (Rolig).

²⁹ Hearing transcript, pp. 15-16 (Parnes), pp. 155-158 (Feldman), pp. 158-163 (Bull), pp. 163-167 (Hargrove), p. 188-191 (Gorman), pp. 227-228 (Dougan), pp. 236-237 (Gorman), pp. 237-239 (Bull), pp. 242-243 (Hargrove) pp. 267-268 (Feldman), p. 268 (Bull); Joint Respondents’ posthearing brief, pp. 2, 9-10.

³⁰ Hearing transcript, p. 188 (Gorman), pp. 201-202 (Hargrove), pp. 204-205 (Gorman), pp. 276-277 (Parnes).

³¹ Hearing transcript, pp. 195-196 (Hargrove), pp. 196-197 (Bull), pp. 197 (Stoel), p. 202 (Hargrove), p. 212 (Hargrove); Respondent Resolute and Central Canada’s posthearing brief, p. 7 and exh. PH-1.

³² Respondent West Fraser’s posthearing brief, p. 6.

³³ Hearing transcript, p. 203 (Bull), pp. 204-206 (Gorman), p. 206 (Parnes), pp. 206-207 (Hargrove), p. 214 (Bull); Respondent West Fraser’s posthearing brief, p. 5.

³⁴ Respondent West Fraser’s posthearing brief, p. 4.

³⁵ Hearing transcript, p. 215 (Bull), p. 216 (Feldman), p. 224 (Parnes); Joint respondent’s posthearing brief, p. 9.

Data on industry in Canada

Table IV-13 presents data on the industry in Canada, including information on capacity, production, end-of-period inventories, internal consumption and transfers, commercial home market shipments, exports (to the United States, to all other markets, resales exported to the United States, and total exports), and total shipments by quantity, value, and unit value. The table also provides associated ratios and shares.

From 2017-22, as measured by quantity, Canadian producers' capacity and production decreased, by 7.8 and 14.5 percent, respectively. Canadian producers' capacity utilization ratio decreased irregularly from 2017-22 beginning at 91.4 percent and ending at 84.7 percent in 2022. End-of-period inventories increased 11.5 percent from 2017-22. Total home market shipments, which include commercial home market shipments as well as internal consumption and transfers, decreased 6.6 percent over the period. Exports to the United States decreased 3.1 percent from 2017-22. Overall, total shipments of Canadian producers' total shipments were 14.2 percent lower in 2022 than 2017. U.S. producers'/exporters' resales of exports to the United States decreased 50.4 percent. Resultingly, total exports to the United States decreased 8.8 percent. Exports to all other markets decreased 69.8 percent.

As measured by value, Canadian producers' home market shipments (including commercial home market shipments and internal consumption and transfers) increased 55.6 percent from 2017-22. The value of Canadian producers' exports to the United States increased 76.0 percent. The value of exports to all other markets, however, was 38.0 percent lower in 2022 than in 2017. The value of Canadian producers'/exporters' resales of exports to the United States were 79.8 percent higher in 2022 than 2017. The value of total exports to the United States was 76.4 percent higher in 2022.

In comparing the interim periods, Canadian producers' capacity and production was lower in interim 2023 than interim 2022. Commercial home market shipments were higher by quantity but lower by value in interim 2023. All indicators as measured by value and unit value were lower in interim 2023 than interim 2022 (the value of home market shipments was 49.3 percent lower, the value of total exports to the United States was 58.7 percent lower, the value of total shipments was 57.1 percent lower, the average unit value of home market shipments was 50.6 percent lower, the average unit value of total exports to the United States was 56.1 percent lower, and the average unit value of total shipments was 55.2 percent lower).

From 2017-22, internal consumption and transfers represented between 3.5 and 4.7 percent of the quantity of Canadian producers' total shipments and commercial home market shipments represented between 29.2 and 33.5 percent of total shipments. Total home market shipments represented between 33.2 and 37.0 percent of total shipments, while exports to the

United States represented between 50.8 and 57.8 percent of the quantity of total shipments. Exports to all other markets represented between 5.2 and 14.8 percent of the quantity of total shipments from 2017-22. The share of exports to the United States made by producers ranged from 88.1 to 94.0 percent of total exports to the United States, while the share of the quantity of exports by resellers represented between 6.0 and 11.9 percent of the quantity of total exports to the United States.

Table IV-13
Softwood lumber: Data on industry in Canada, by item and period

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2017	2018	2019
Capacity	Quantity	24,659,191	24,356,191	23,487,420
Production	Quantity	22,534,738	22,716,963	20,503,582
End-of-period inventories	Quantity	1,701,210	1,929,386	1,731,932
Internal consumption and transfers	Quantity	1,056,953	1,022,482	824,793
Commercial home market shipments	Quantity	6,611,342	6,817,574	6,047,995
Home market shipments	Quantity	7,668,295	7,840,056	6,872,788
Exports to the United States	Quantity	11,536,700	11,405,402	11,090,627
Exports to all other markets	Quantity	3,326,591	3,227,924	2,758,995
Total shipments	Quantity	22,531,586	22,473,382	20,722,410
Resales exported to the United States	Quantity	1,563,932	768,724	760,257
Total exports to the United States	Quantity	13,100,632	12,174,126	11,850,884
Internal consumption and transfers	Value	425,997	416,909	288,269
Commercial home market shipments	Value	2,510,178	2,822,510	2,043,276
Home market shipments	Value	2,936,175	3,239,419	2,331,545
Exports to the United States	Value	4,704,130	4,985,907	3,870,622
Exports to all other markets	Value	1,223,967	1,382,322	925,303
Total shipments	Value	8,864,272	9,607,648	7,127,470
Resales exported to the United States	Value	487,131	556,767	502,400
Total exports to the United States	Value	5,191,261	5,542,674	4,373,022
Internal consumption and transfers	Unit value	403	408	350
Commercial home market shipments	Unit value	380	414	338
Home market shipments	Unit value	383	413	339
Exports to the United States	Unit value	408	437	349
Exports to all other markets	Unit value	368	428	335
Total shipments	Unit value	393	428	344
Resales exported to the United States	Unit value	311	724	661
Total exports to the United States	Unit value	396	455	369
Capacity utilization ratio	Ratio	91.4	93.3	87.3
Inventory ratio to production	Ratio	7.5	8.5	8.4
Inventory ratio to total shipments	Ratio	7.6	8.6	8.4
Internal consumption and transfers	Share	4.7	4.5	4.0
Commercial home market shipments	Share	29.3	30.3	29.2
Home market shipments	Share	34.0	34.9	33.2
Exports to the United States	Share	51.2	50.8	53.5
Exports to all other markets	Share	14.8	14.4	13.3
Total shipments	Share	100.0	100.0	100.0
Total exports to the United States by producers	Share	88.1	93.7	93.6
Total exports to the United States by resellers	Share	11.9	6.3	6.4
Adjusted total shipments exported to the United States	Share	58.1	54.2	57.2

Table continued.

Table IV-13 Continued
Softwood lumber: Data on industry in Canada, by item and period

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Capacity	Quantity	22,783,599	22,895,481	22,734,643	5,861,464	5,727,947
Production	Quantity	19,858,657	20,931,467	19,257,036	5,120,812	4,719,560
End-of-period inventories	Quantity	1,513,300	1,885,662	1,896,453	2,366,432	2,128,424
Internal consumption and transfers	Quantity	695,689	763,509	677,470	186,325	161,887
Commercial home market shipments	Quantity	6,115,500	6,502,478	6,482,461	1,472,561	1,541,755
Home market shipments	Quantity	6,811,189	7,265,987	7,159,931	1,658,886	1,703,642
Exports to the United States	Quantity	11,237,095	11,832,220	11,174,952	2,687,361	2,513,657
Exports to all other markets	Quantity	2,028,430	1,587,021	1,005,175	294,283	227,182
Total shipments	Quantity	20,076,714	20,685,228	19,340,058	4,640,530	4,444,481
Resales exported to the United States	Quantity	836,498	749,554	775,475	178,170	181,937
Total exports to the United States	Quantity	12,073,593	12,581,774	11,950,427	2,865,531	2,695,594
Internal consumption and transfers	Value	331,573	541,006	468,936	138,966	70,055
Commercial home market shipments	Value	2,794,799	4,796,969	4,098,873	1,271,751	645,609
Home market shipments	Value	3,126,372	5,337,975	4,567,809	1,410,717	715,664
Exports to the United States	Value	5,632,149	9,802,294	8,279,631	2,762,263	1,091,778
Exports to all other markets	Value	706,492	1,224,188	759,217	241,014	88,349
Total shipments	Value	9,465,013	16,364,457	13,606,657	4,413,994	1,895,791
Resales exported to the United States	Value	660,025	998,521	875,814	226,859	142,464
Total exports to the United States	Value	6,292,174	10,800,815	9,155,445	2,989,122	1,234,242
Internal consumption and transfers	Unit value	477	709	692	746	433
Commercial home market shipments	Unit value	457	738	632	864	419
Home market shipments	Unit value	459	735	638	850	420
Exports to the United States	Unit value	501	828	741	1,028	434
Exports to all other markets	Unit value	348	771	755	819	389
Total shipments	Unit value	471	791	704	951	427
Resales exported to the United States	Unit value	789	1,332	1,129	1,273	783
Total exports to the United States	Unit value	521	858	766	1,043	458

Table continued.

Table IV-13 Continued
Softwood lumber: Data on industry in Canada, by item and period

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares in percent

Item	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Capacity utilization ratio	Ratio	87.2	91.4	84.7	87.4	82.4
Inventory ratio to production	Ratio	7.6	9.0	9.8	11.6	11.3
Inventory ratio to total shipments	Ratio	7.5	9.1	9.8	12.7	25.0
Internal consumption and transfers	Share	3.5	3.7	3.5	4.0	3.6
Commercial home market shipments	Share	30.5	31.4	33.5	31.7	34.7
Home market shipments	Share	33.9	35.1	37.0	35.7	38.3
Exports to the United States	Share	56.0	57.2	57.8	57.9	56.6
Exports to all other markets	Share	10.1	7.7	5.2	6.3	5.1
Total shipments	Share	100.0	100.0	100.0	100.0	100.0
Total exports to the United States by producers	Share	93.1	94.0	93.5	93.8	93.3
Total exports to the United States by resellers	Share	6.9	6.0	6.5	6.2	6.7
Adjusted total shipments exported to the United States	Share	60.1	60.8	61.8	61.8	60.7

Source: Compiled from data submitted in response to Commission questionnaires.

Producers' and resellers' exports from Canada

Table IV-14 presents Canadian producers' and resellers' exports from Canada, by destination market (United States, European Union, Asia, all other destination markets, non-U.S. destination markets, and all destination markets) and period. Table IV-14 also presents average unit values by destination market as well as the ratios of exports by destination to total shipments. During the period of review, Canadian producers and reseller's exports to the United States comprised the vast majority of exports as a proportion of total exports. From 2017-22, Canadian producers and reseller's exports to the United States decreased 8.8 percent overall by quantity but increased 76.4 percent by value. Exports made by Canadian producers and resellers to the United States as a share of their total exports, however, increased irregularly from 2017-19, starting at 78.7 percent in 2017 and ending at 91.1 percent of total exports in 2022 by quantity.

Exports to Asia represented the second largest reported export destination by both quantity and value in all periods examined. From 2017-22, the quantity of exports to Asia decreased by 68.6 percent while the value of exports to Asia decreased 35.2 percent. Exports to other destination markets (European Union and all other destination markets) represented small proportions of total exports. Exports to all other destination markets (i.e., markets outside of the United States, Asia, and the European Union) represented 0.9 percent or less of total exports in the periods examined, while exports to the European Union represented 0.2 percent or less of the total quantity of exports in the periods examined. Resultingly, the increasing share of Canadian producers and reseller's exports to the United States as a share of total exports was principally driven by decreasing exports to Asia.

The average unit values of exports to the United States ranged between \$369 per mbf and \$858 per mbf from 2017-22. Average unit values of exports to the Asia ranged between \$330 and \$767 per mbf from 2017-22, while average unit values of exports to the European Union ranged between \$2,226 and \$3,519 per mbf from 2017-22.

Total reported exports to the United States were 5.9 percent lower by quantity and 58.7 percent lower by value in interim 2023 than in interim 2022. Exports to Asia were 16.1 percent lower by quantity and 59.1 percent lower by value in interim 2023 than in interim 2022. Exports to the European Union and all other markets were also lower in interim 2023 than interim 2022 by both quantity and value. As a ratio to total shipments, exports to the United States comprised between 54.2 and 61.8 percent of the quantity of total shipments.

Table IV-14**Softwood lumber: Producers' and resellers' exports from Canada, by destination market and period**

Quantity in mbf; Value in 1,000 dollars; Unit values in dollars per mbf; Shares and ratios in percent

Destination market	Measure	2017	2018	2019
United States	Quantity	13,100,632	12,174,126	11,850,884
European Union	Quantity	32,653	26,529	26,652
Asia	Quantity	3,426,009	3,396,862	2,815,567
All other destination markets	Quantity	95,694	89,957	85,720
Non-U.S. destination markets	Quantity	3,554,356	3,513,348	2,927,939
All destination markets	Quantity	16,654,988	15,687,474	14,778,823
United States	Value	5,191,261	5,542,674	4,373,022
European Union	Value	77,283	68,510	59,315
Asia	Value	1,234,875	1,421,482	929,734
All other destination markets	Value	61,378	70,889	62,732
Non-U.S. destination markets	Value	1,373,536	1,560,881	1,051,781
All destination markets	Value	6,564,797	7,103,555	5,424,803
United States	Unit value	396	455	369
European Union	Unit value	2,367	2,582	2,226
Asia	Unit value	360	418	330
All other destination markets	Unit value	641	788	732
Non-U.S. destination markets	Unit value	386	444	359
All destination markets	Unit value	394	453	367
United States	Share of quantity	78.7	77.6	80.2
European Union	Share of quantity	0.2	0.2	0.2
Asia	Share of quantity	20.6	21.7	19.1
All other destination markets	Share of quantity	0.6	0.6	0.6
Non-U.S. destination markets	Share of quantity	21.3	22.4	19.8
All destination markets	Share of quantity	100.0	100.0	100.0
United States	Ratio	58.1	54.2	57.2
European Union	Ratio	0.1	0.1	0.1
Asia	Ratio	15.2	15.1	13.6
All other destination markets	Ratio	0.4	0.4	0.4
Non-U.S. destination markets	Ratio	15.8	15.6	14.1
All destination markets	Ratio	73.9	69.8	71.3

Table continued.

Table IV-14 Continued**Softwood lumber: Producers' and resellers' exports from Canada, by destination market and period**

Quantity in mbf; Value in 1,000 dollars; Unit values in dollars per mbf; Shares and ratios in percent

Destination market	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
United States	Quantity	12,073,593	12,581,774	11,950,427	2,865,531	2,695,594
European Union	Quantity	20,712	28,332	18,086	6,947	3,143
Asia	Quantity	2,102,877	1,655,434	1,077,380	322,515	270,594
All other destination markets	Quantity	89,043	83,467	75,630	27,956	17,854
Non-U.S. destination markets	Quantity	2,212,632	1,767,233	1,171,096	357,418	291,591
All destination markets	Quantity	14,286,225	14,349,007	13,121,523	3,222,949	2,987,185
United States	Value	6,292,174	10,800,815	9,155,445	2,989,122	1,234,242
European Union	Value	53,574	75,610	63,637	22,448	10,536
Asia	Value	725,556	1,269,092	800,299	267,399	109,443
All other destination markets	Value	70,950	110,014	107,771	32,777	15,201
Non-U.S. destination markets	Value	850,080	1,454,716	971,707	322,624	135,180
All destination markets	Value	7,142,254	12,255,531	10,127,152	3,311,746	1,369,422
United States	Unit value	521	858	766	1,043	458
European Union	Unit value	2,587	2,669	3,519	3,231	3,352
Asia	Unit value	345	767	743	829	404
All other destination markets	Unit value	797	1,318	1,425	1,172	851
Non-U.S. destination markets	Unit value	384	823	830	903	464
All destination markets	Unit value	500	854	772	1,028	458
United States	Share of quantity	84.5	87.7	91.1	88.9	90.2
European Union	Share of quantity	0.1	0.2	0.1	0.2	0.1
Asia	Share of quantity	14.7	11.5	8.2	10.0	9.1
All other destination markets	Share of quantity	0.6	0.6	0.6	0.9	0.6
Non-U.S. destination markets	Share of quantity	15.5	12.3	8.9	11.1	9.8
All destination markets	Share of quantity	100.0	100.0	100.0	100.0	100.0
United States	Ratio	60.1	60.8	61.8	61.8	60.7
European Union	Ratio	0.1	0.1	0.1	0.1	0.1
Asia	Ratio	10.5	8.0	5.6	6.9	6.1
All other destination markets	Ratio	0.4	0.4	0.4	0.6	0.4
Non-U.S. destination markets	Ratio	11.0	8.5	6.1	7.7	6.6
All destination markets	Ratio	71.2	69.4	67.8	69.5	67.2

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Ratios represent the portion of the producers' total shipments that are exported by producers and resellers.

Alternative products

Five responding Canadian producers reported having produced other products on the same equipment and machinery as used to produce softwood lumber during the review period. These producers reported alternative production of ***. As shown in table IV-15, production of these alternative products represented 0.1 percent or less of total production on the machinery/equipment as used to produce softwood lumber.

Nine firms also reported the ability to switch production to other products using the same equipment and/or labor. These firms reported the theoretical ability to switch production to ***.

Table IV-15

Softwood lumber: Overall production on the same equipment as in-scope production in Canada, by product type and period

Quantities in mbf; shares and ratios in percent

Product type	Measure	2017	2018	2019
Softwood lumber	Quantity	22,534,738	22,716,963	20,503,582
Other products	Quantity	6,741	9,013	12,616
All products	Quantity	22,541,479	22,725,976	20,516,198
Softwood lumber	Share	100.0	100.0	99.9
Other products	Share	0.0	0.0	0.1
All products	Share	100.0	100.0	100.0

Table continued.

Table IV-15 Continued

Softwood lumber: Overall production on the same equipment as in-scope production in Canada, by product type and period

Quantities in mbf; shares and ratios in percent

Product type	Measure	2020	2021	2022	Jan-Mar 2022	Jan-Mar 2023
Softwood lumber	Quantity	19,858,657	20,931,467	19,257,036	5,120,812	4,719,560
Other products	Quantity	12,032	15,838	10,303	2,205	2,422
All products	Quantity	19,870,689	20,947,305	19,267,339	5,123,017	4,721,982
Softwood lumber	Share	99.9	99.9	99.9	100.0	99.9
Other products	Share	0.1	0.1	0.1	0.0	0.1
All products	Share	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Exports

According to GTA, the leading export markets for softwood lumber from Canada by value are the United States, Japan, China, and the Philippines (table IV-16). During 2022, the United States was the top export market for softwood lumber from Canada (accounting for 86.9 percent of the value of total 2022 exports), followed by Japan (accounting for 5.8 percent of the value of total 2022 exports), and China (accounting for 2.1 percent of the value of total 2022 exports).

Table IV-16
Softwood lumber: Exports from Canada, by destination market and by period

Quantity in mbf; value in 1,000 dollars; unit values in dollars per mbf; shares and ratios in percent

Destination market	Measure	2017	2018	2019
United States	Value	6,660,096	6,375,238	5,154,000
Japan	Value	632,597	738,623	530,936
China	Value	847,402	826,296	611,991
Philippines	Value	86,194	122,518	70,933
Taiwan	Value	77,786	99,140	54,192
New Zealand	Value	33,837	34,905	29,877
United Kingdom	Value	49,084	40,969	37,703
Mexico	Value	13,042	19,955	19,163
South Korea	Value	59,486	60,444	35,243
Australia	Value	30,238	34,390	22,619
All other destination markets	Value	217,112	194,928	164,324
Non-U.S. destination markets	Value	2,046,776	2,172,168	1,576,981
All destination markets	Value	8,706,872	8,547,406	6,730,981
United States	Share of value	76.5	74.6	76.6
Japan	Share of value	7.3	8.6	7.9
China	Share of value	9.7	9.7	9.1
Philippines	Share of value	1.0	1.4	1.1
Taiwan	Share of value	0.9	1.2	0.8
New Zealand	Share of value	0.4	0.4	0.4
United Kingdom	Share of value	0.6	0.5	0.6
Mexico	Share of value	0.1	0.2	0.3
South Korea	Share of value	0.7	0.7	0.5
Australia	Share of value	0.3	0.4	0.3
All other destination markets	Share of value	2.5	2.3	2.4
Non-U.S. destination markets	Share of value	23.5	25.4	23.4
All destination markets	Share of value	100.0	100.0	100.0

Table continued.

Table IV-16 Continued
Softwood lumber: Exports from Canada, by destination market and by period

Value in 1,000 dollars; shares in percent

Destination market	Measure	2020	2021	2022
United States	Value	7,023,757	12,251,878	9,705,633
Japan	Value	403,597	899,925	646,169
China	Value	445,844	381,195	232,701
Philippines	Value	59,299	158,173	107,964
Taiwan	Value	49,772	121,522	85,385
New Zealand	Value	26,941	48,169	63,399
United Kingdom	Value	37,316	63,593	43,295
Mexico	Value	13,691	32,721	40,724
South Korea	Value	37,405	77,446	31,707
Australia	Value	17,363	31,385	30,268
All other destination markets	Value	140,900	199,719	187,595
Non-U.S. destination markets	Value	1,232,129	2,013,847	1,469,207
All destination markets	Value	8,255,885	14,265,725	11,174,840
United States	Share of value	85.1	85.9	86.9
Japan	Share of value	4.9	6.3	5.8
China	Share of value	5.4	2.7	2.1
Philippines	Share of value	0.7	1.1	1.0
Taiwan	Share of value	0.6	0.9	0.8
New Zealand	Share of value	0.3	0.3	0.6
United Kingdom	Share of value	0.5	0.4	0.4
Mexico	Share of value	0.2	0.2	0.4
South Korea	Share of value	0.5	0.5	0.3
Australia	Share of value	0.2	0.2	0.3
All other destination markets	Share of value	1.7	1.4	1.7
Non-U.S. destination markets	Share of value	14.9	14.1	13.1
All destination markets	Share of value	100.0	100.0	100.0

Source: Official exports statistics under HS subheading 4407.10, 4407.11, 4407.12, 4407.13, 4407.14, 4407.19, 4409.10, and 4418.99 as reported by Statistics Canada in the Global Trade Atlas Suite database, accessed August 29, 2023.

Note: United States is shown at the top followed by the top exporting countries in descending order of 2022 data.

Third-country trade actions

Based on available information, softwood lumber from Canada has not been subject to other antidumping or countervailing duty investigations outside the United States.

Global market

The global market for softwood lumber has faced a series of external supply shocks in the last five years; these shocks included beetle infestations, natural disasters, the COVID-19 pandemic, and Russia's invasion of Ukraine. In Central Europe in mid-2018, softwood lumber producers including Germany, Austria, the Czech Republic, and Poland began reporting significant damages from the European spruce bark beetle infestation. Unplanned increased logging in European markets in efforts to mitigate the spread of the infestation resulted in rising European supply. The rising European output, along with China's receptiveness to imports of damaged softwood lumber, led to a 260 percent increase in the value of EU softwood lumber exports to China in 2019.³⁶ At the same time, U.S. exports to China decreased by 57 percent.

In March 2020, COVID-19 pandemic-related shutdowns further restricted global supply of softwood lumber.³⁷ Sustained demand in 2020 and 2021 drove global softwood lumber prices to all-time highs as supply could not keep up during this period.³⁸

Dampened demand and supply recoveries in the second half of 2021 led to a brief period of price stability in the global market before Russia invaded Ukraine in February 2022. Trade disruption due to the war has impacted global softwood lumber markets, as Russia has historically accounted for a significant share of global softwood lumber exports. With war underway in Spring 2022, European, North American, and Asian destination markets boycotted Russian forest products, leading to a 30 percent decline in Russian lumber exports year-over-

³⁶ Van Veen, Kelsi, USITC, "European Spruce Bark Beetle Infestation Affecting U.S. and EU Softwood Exports", https://www.usitc.gov/publications/332/executive_briefings/ebot_european_spruce_bark_beetle_and_softwood_lumber.pdf, February 2020.

³⁷ Scott, Sarah & Ireland, Rob, USITC, "The Tremendous Wooden Rollercoaster: Softwood Lumber Price Volatility, 2020-21," https://www.usitc.gov/publications/332/executive_briefings/ebot_the_tremendous_wooden_rollercoaster.pdf, November 2021.

³⁸ Faber, Terry, IBISWorld Industry Report 32111, "Falling leaves; Struggling residential construction will likely damage industry revenue generation from its largest market," p. 9, August 2022; Das, Christopher, IBISWorld Industry Report 32111CA, "Lumbering on: The industry is expected to benefit from growing demand for lumber," p. 3, December 2021.

year in the first half of 2022.³⁹ While the United States is not directly dependent on Russian softwood lumber imports, Russia accounts for 16 percent of European softwood lumber imports, and supply diversion to fill that gap may have a chain effect on the global market for softwood lumber, including higher prices. In anticipation of this short- to mid-term supply crunch, several European countries—Estonia, Finland, and Ukraine—relaxed certain environmental protections to increase short-term lumber harvests.⁴⁰

Table IV-17 presents global export data for softwood lumber (by source in descending order of value for 2022). Leading exporters Canada (23.5 percent), Sweden (10.5 percent), and Germany (8.8 percent) collectively accounted for almost half (42.7 percent) of the value of global exports in 2022. The United States exported \$1.4 billion of softwood lumber in 2022, which represents 2.9 percent of the global total.

The value of global softwood lumber exports declined in 2022 by 14.4 percent from 2021, as the global market adjusted to the multiple supply shocks. Each of the top exporters saw decreases. The top exporter, Canada, saw the value of its exports fall by 21.7 percent from 2021, while exports from Sweden (9.6 percent) and Germany (9.8 percent) also declined.

In contrast, in the last five years (2017–22), the value of global exports increased by 41.5 percent. The top global exporter, Canada, increased the value of its exports by 28.3 percent since 2017, while Sweden (55.2 percent) and Germany (84.5 percent) also showed increases. The value of U.S. exports decreased slightly (by 1.8 percent), and its share of the global total also decreased slightly (1.3 percentage points) to 2.9 percent.

Canada's share of the value of global exports decreased by 2.4 percentage points from 2017 to 23.5 percent in 2022, while second leading exporter Sweden saw its share grow by 0.9 percentage points to 10.5 percent in 2022. At the same time, Germany's share also increased (2.0 percentage points) to 8.8 percent.

³⁹ Ekstrom, Hakan, Forest2Market, "WRI Market Insights: Global Softwood Lumber Markets," <https://www.forest2market.com/blog/wri-market-insights-global-softwood-lumber-markets>, November 1, 2022.

⁴⁰ Scott, Sarah, USITC. "Bracing for a Softwood Lumber Supply Shock," https://usitc.gov/publications/332/executive_briefings/ebot_scott_bracing_for_softwood_lumber_supply_shock.pdf, September 2022.

Table IV-17
Softwood Lumber: Value of global exports by country and period

Value in 1,000 dollars; shares in percent.

Exporting country	Measure	2017	2018	2019
United States	Value	1,383,491	1,399,124	1,151,733
Canada	Value	8,706,872	8,547,406	6,730,981
Sweden	Value	3,203,093	3,388,959	3,138,693
Germany	Value	2,261,661	2,643,529	2,448,387
Finland	Value	2,297,063	2,397,793	2,161,601
Austria	Value	2,339,476	2,651,103	2,517,300
Chile	Value	1,042,204	1,194,344	1,025,792
Brazil	Value	758,257	821,215	792,469
Latvia	Value	730,886	859,850	783,882
Czech Republic	Value	452,821	591,304	549,271
Estonia	Value	540,494	613,182	580,603
New Zealand	Value	711,620	736,535	653,826
All other exporters	Value	9,164,382	10,786,909	10,584,200
All reporting exporters	Value	33,592,320	36,631,253	33,118,738
United States	Share of value	4.1	3.8	3.5
Canada	Share of value	25.9	23.3	20.3
Sweden	Share of value	9.5	9.3	9.5
Germany	Share of value	6.7	7.2	7.4
Finland	Share of value	6.8	6.5	6.5
Austria	Share of value	7.0	7.2	7.6
Chile	Share of value	3.1	3.3	3.1
Brazil	Share of value	2.3	2.2	2.4
Latvia	Share of value	2.2	2.3	2.4
Czech Republic	Share of value	1.3	1.6	1.7
Estonia	Share of value	1.6	1.7	1.8
New Zealand	Share of value	2.1	2.0	2.0
All other exporters	Share of value	27.3	29.4	32.0
All reporting exporters	Share of value	100.0	100.0	100.0

Table continued.

Table IV-17 Continued
Softwood lumber: Global exports, by reporting country and by period

Value in 1,000 dollars; Shares in percent

Exporting country	Measure	2020	2021	2022
United States	Value	1,034,753	1,560,499	1,358,243
Canada	Value	8,255,885	14,265,725	11,174,840
Sweden	Value	3,498,036	5,499,444	4,971,373
Germany	Value	2,729,308	4,628,773	4,173,038
Finland	Value	2,023,190	3,458,078	2,836,302
Austria	Value	2,572,000	4,007,989	2,218,543
Chile	Value	978,324	1,286,625	1,459,720
Brazil	Value	877,905	1,273,471	1,439,443
Latvia	Value	798,863	1,481,708	1,205,625
Czech Republic	Value	546,173	937,912	848,568
Estonia	Value	643,654	998,965	809,526
New Zealand	Value	629,010	738,605	692,993
All other exporters	Value	10,652,837	15,373,476	14,347,383
All reporting exporters	Value	35,239,938	55,511,269	47,535,595
United States	Share of value	2.9	2.8	2.9
Canada	Share of value	23.4	25.7	23.5
Sweden	Share of value	9.9	9.9	10.5
Germany	Share of value	7.7	8.3	8.8
Finland	Share of value	5.7	6.2	6.0
Austria	Share of value	7.3	7.2	4.7
Chile	Share of value	2.8	2.3	3.1
Brazil	Share of value	2.5	2.3	3.0
Latvia	Share of value	2.3	2.7	2.5
Czech Republic	Share of value	1.5	1.7	1.8
Estonia	Share of value	1.8	1.8	1.7
New Zealand	Share of value	1.8	1.3	1.5
All other exporters	Share of value	30.2	27.7	30.2
All reporting exporters	Share of value	100.0	100.0	100.0

Source: Official exports statistics under HS subheadings 4407.10, 4407.11, 4407.12, 4407.13, 4407.14, 4407.19, 4409.10, and 4418.99 as reported by various national statistical authorities in the Global Trade Atlas Suite database, accessed August 29, 2023.

Note: Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. Zeroes, null values, and undefined calculations are suppressed and shown as "---". United States is shown at the top followed by the countries under order, all remaining top exporting countries in descending order of 2022 data. 2022 data for Belarus, Russia, and Vietnam are estimated using 2021 data.

Part V: Pricing data

Factors affecting prices

Raw material costs

The direct raw material input to softwood lumber is saw logs (felled tree trunks).¹ Figure V-1 and table V-1 show the cost of the predominant species of saw logs in the United States, SYP, DF, Hemlock, and Whitewood (a term used to refer to SPF), during the review period. The cost of SYP saw logs increased by *** percent between Q1 2017 and Q1 2023, peaking in Q4 2022. DF saw log prices increased by *** percent between Q1 2017 and Q1 2023, hitting a period high in Q1 2022. The cost of whitewood saw logs increased by *** percent between Q1 2018 (the first quarter of available data) and Q1 2023, hitting a period high in Q2 2022. SYP and DF saw log prices increased slightly in Q2 2023 from Q1 2023 while whitewood saw log prices decreased slightly. Hemlock saw log data were only available for 2017 and 2018 and followed the same trend as DF in those years.

Between 2017 and 2022, responding U.S. producers' raw material costs as a share of the cost of goods sold ("COGS") decreased irregularly from 62.6 percent to 60.4 percent. Most responding firms (44 of 49 U.S. producers and 120 of 131 importers) reported that raw material costs have increased since January 2017. Most firms (32 of 47 U.S. producers and 92 of 130 importers) also anticipate that raw material costs will continue to increase, with most of the remaining firms anticipating no change in such costs.

¹ A domestic industry representative stated that lumber prices typically change much quicker than do timber prices, that logs may be purchased a year or two before they are used in lumber production, and that timber owners "can sit on their timber" if prices are not favorable. "It takes years for prices to fall on the timber side, whereas the lumber market's immediate." Hearing transcript, pp. 113-114 (Howard).

Figure V-1

Saw log costs: U.S. delivered costs of saw logs purchased by U.S. lumber mills, by species and quarter

* * * * *

Source: *Random Lengths Yardstick*, Vol. 28, Issue 1 – Vol. 33, Issue 9.

Note: See notes to table V-1.

Table V-1**Saw log costs: U.S. delivered costs of saw logs purchased by U.S. lumber mills, by species and quarter**

Costs in dollars per 1,000 feet (Scribner scale)

Period	Southern Yellow Pine	Hemlock	Douglas Fir	Whitewoods
2017 Q1	***	***	***	***
2017 Q2	***	***	***	***
2017 Q3	***	***	***	***
2017 Q4	***	***	***	***
2018 Q1	***	***	***	***
2018 Q2	***	***	***	***
2018 Q3	***	***	***	***
2018 Q4	***	***	***	***
2019 Q1	***	***	***	***
2019 Q2	***	***	***	***
2019 Q3	***	***	***	***
2019 Q4	***	***	***	***
2020 Q1	***	***	***	***
2020 Q2	***	***	***	***
2020 Q3	***	***	***	***
2020 Q4	***	***	***	***
2021 Q1	***	***	***	***
2021 Q2	***	***	***	***
2021 Q3	***	***	***	***
2021 Q4	***	***	***	***
2022 Q1	***	***	***	***
2022 Q2	***	***	***	***
2022 Q3	***	***	***	***
2022 Q4	***	***	***	***
2023 Q1	***	***	***	***
2023 Q2	***	***	***	***

Source: *Random Lengths Yardstick*, Vol. 24, Issue 1 – Vol. 33, Issue 9.

Note: The Scribner scale estimates the board foot yield of a log within a cylinder of dimensions that are the log's length multiplied by the bark diameter circle within the log's small end. Using this metric generally underestimates the amount of lumber each log produces, which often results in higher unit values for saw logs than for sales of the downstream lumber product(s). Original publication, p. V-1.

Note: SYP Sawlogs are delivered prices or concentration yard, Quarterly costs for Georgia, Mississippi, and Louisiana are averaged. Whitewood is a term that is generally used to refer to Spruce-Pine-Fir ("SPF"). Hemlock and Douglas fir are delivered prices in Coast marketing area until end of 2018. Douglas fir and Whitewoods prices are in WA & OR, Regions 1, 2, and 3 starting in January 2019.

Transportation costs to the U.S. market

Transportation costs for softwood lumber shipped from subject countries to the United States averaged 1.5 percent for Canada during 2022. These estimates were derived from official import data and represent the transportation and other charges on imports.²

U.S. inland transportation costs

Most responding U.S. producers (30 of 46) and importers (122 of 133) reported that they typically arrange transportation to their customers. Most U.S. producers reported that their U.S. inland transportation costs ranged from 4 to 15 percent while most responding importers reported costs of 1 to 20 percent.

Pricing practices

Pricing methods

U.S. producers and importers most often reported setting prices using transaction-by-transaction negotiations. Firms also reported using contracts, price lists, and other methods to set prices (table V-2).

Table V-2
Softwood lumber: Count of U.S. producers' and importers' reported price setting methods

Method	U.S. producers	Importers
Transaction-by-transaction	47	126
Contract	34	41
Set price list	9	26
Other	4	14
Responding firms	50	136

Source: Compiled from data submitted in response to Commission questionnaires.

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

² The estimated transportation costs were obtained by subtracting the customs value from the c.i.f. value of the imports for 2022 and then dividing by the customs value based on the HTS statistical reporting numbers as indicated in footnote 2 of part IV.

Most U.S. producers' and importers' sales of softwood lumber were on a spot basis in 2022 (table V-3). Annual contracts were the next most common type of sale for both U.S. producers and importers. Of the 32 U.S. producers reporting information on annual contracts, 23 reported that prices are not renegotiated during the contract and 10 reported that they can be renegotiated. Ten reported that both price and quantity are fixed, 15 reported quantity is fixed and 2 reported price is fixed. Most U.S. producers (27 of 32) reported that prices are not indexed to raw materials in their annual contracts.

Table V-3
Softwood lumber: U.S. producers' and importers' shares of commercial U.S. shipments by type of sale, 2022

Share in percent

Type of sale	U.S. producers	Importers
Long-term contracts	***	***
Annual contracts	***	***
Short-term contracts	***	***
Spot sales	***	***
Total	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Because of rounding, figures may not add to the totals shown.

Most purchasers (24 of 27) reported that their softwood lumber purchases involve negotiations with suppliers. Firms reported that their negotiations include price, quantity, lead time, and quality. Some firms reported that they do not provide quotes from competing suppliers while others reported giving information on pricing without identifying the specific suppliers. Twelve purchasers reported that they solicit RFPs or other written contract solicitations with suppliers. Seven of the 12 purchasers that solicit RFPs reported that they always set limits on the softwood lumber species for which bids are accepted, two reported they usually do, two reported sometimes, and three reported rarely.

Most responding purchasers (22 of 27) reported that they purchase softwood lumber daily. Thirteen purchasers reported contacting a maximum of 10 to 25 suppliers before making a purchase, eight reported contacting a maximum of five suppliers, and six reported contacting a maximum of 1 to 3 suppliers.

Sales terms and discounts

U.S. producers reported quoting prices on both an f.o.b. (34 firms) and on a delivered basis (26 firms). More importers reported quoting prices on a delivered basis (117 firms) rather than an f.o.b. basis (23 firms). Most U.S. producers and importers reported that they do not offer quantity or total volume discounts, although many firms reported discounts for early payment.

Price leadership

Most purchasers (19 of 27) did not list any specific firms as price leaders in the softwood lumber market.³ Seven firms reported that West Fraser was a price leader. Canfor, Sierra Pacific, and Tolko were reported to be price leaders by two purchasers each. Resolute Forest Products, Shelter Products, and Sinclair were listed by one purchaser each. Purchasers indicating the presence of price leaders indicated that these price leaders led by being large volume producers. One purchaser stated, “West Fraser is the largest SPF producer in the world, hence the industry watches how they price their lumber.”

Purchaser *** stated that there is not a clear price leader in the market, that both buyers and sellers can influence the market, and that “the softwood lumber industry is still highly fragmented with any given firm only have limited and temporary ‘leadership’ position for any given species, size or grade of lumber.”⁴ It added that constrained supply relative to demand in the U.S. market, “is the greatest price leader in recent years, not the activity of individual firms, with the demand for any given species, size or grade being influenced largely by the architect, engineer, builders and code officials in local jurisdictions.”

³ One of these firms listed “major producers” and another of these firms listed the publication *Random Lengths* as being price leaders.

⁴ It added that SPF imports from Europe are “heavily influenced by brokers, whom have little to no apparent pricing discipline or consideration, which may influence market prices as much or more as a producer firm in North America.”

Price data

The Commission requested U.S. producers and importers to provide monthly data for the total quantity and f.o.b. value of the following softwood lumber products shipped to unrelated U.S. customers during January 2017-March 2023.

Product 1.-- Douglas Fir (“DF”) 2x4, Grade No. #2, random lengths, kiln-dried.

Product 2.-- DF, precision end trimmed (“PET”) stud, 2x4, Grade No. #2, 9-foot length, kiln-dried.

Product 3.-- Spruce Pine Fir (“SPF”), PET stud, 2x4, Grade No. #2, 8-foot length.

Product 4.-- SPF 2x4, Grade No. #3 (utility), random lengths.

Sixteen U.S. producers and 52 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.^{5 6} Pricing data reported by these firms accounted for approximately 3.3 percent of U.S. producers’ commercial U.S. shipments of softwood lumber and 13.4 percent of commercial U.S. shipments of subject imports from Canada in 2022.⁷ Price data for products 1-4 are presented in tables V-4 to V-7 and figures V-2 to V-5. The Coalition and Joint Respondents agreed that pricing data collected in questionnaires are problematic for comparing prices since prices change as frequently as daily or hourly and because transportation costs to different locations in the United States can vary widely.⁸

⁵ Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

⁶ Thirty of 50 U.S. producers and 76 of 136 importers reported that they did not sell any of the pricing products to unrelated U.S. customers during the period. Some firms reported that they sold the specified products but were unable to provide the monthly pricing data in the format requested. Other firms provided data that were not used because the products did not match the pricing product definitions (e.g., different wood species) or the data were unable to be cured.

***.

⁷ Pricing coverage is based on commercial U.S. shipments reported in questionnaires.

⁸ Coalition prehearing brief, pp. 83-88. Joint respondents’ prehearing brief, pp. 112-114.

Table V-4

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2017 M01	***	***	***	***	***
2017 M02	***	***	***	***	***
2017 M03	***	***	***	***	***
2017 M04	***	***	***	***	***
2017 M05	***	***	***	***	***
2017 M06	***	***	***	***	***
2017 M07	***	***	***	***	***
2017 M08	***	***	***	***	***
2017 M09	***	***	***	***	***
2017 M10	***	***	***	***	***
2017 M11	***	***	***	***	***
2017 M12	***	***	***	***	***
2018 M01	***	***	***	***	***
2018 M02	***	***	***	***	***
2018 M03	***	***	***	***	***
2018 M04	***	***	***	***	***
2018 M05	***	***	***	***	***
2018 M06	***	***	***	***	***
2018 M07	***	***	***	***	***
2018 M08	***	***	***	***	***
2018 M09	***	***	***	***	***
2018 M10	***	***	***	***	***
2018 M11	***	***	***	***	***
2018 M12	***	***	***	***	***
2019 M01	***	***	***	***	***
2019 M02	***	***	***	***	***
2019 M03	***	***	***	***	***
2019 M04	***	***	***	***	***
2019 M05	***	***	***	***	***
2019 M06	***	***	***	***	***
2019 M07	***	***	***	***	***
2019 M08	***	***	***	***	***
2019 M09	***	***	***	***	***
2019 M10	***	***	***	***	***
2019 M11	***	***	***	***	***
2019 M12	***	***	***	***	***

Table continued.

Table V-4 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2020 M01	***	***	***	***	***
2020 M02	***	***	***	***	***
2020 M03	***	***	***	***	***
2020 M04	***	***	***	***	***
2020 M05	***	***	***	***	***
2020 M06	***	***	***	***	***
2020 M07	***	***	***	***	***
2020 M08	***	***	***	***	***
2020 M09	***	***	***	***	***
2020 M10	***	***	***	***	***
2020 M11	***	***	***	***	***
2020 M12	***	***	***	***	***
2021 M01	***	***	***	***	***
2021 M02	***	***	***	***	***
2021 M03	***	***	***	***	***
2021 M04	***	***	***	***	***
2021 M05	***	***	***	***	***
2021 M06	***	***	***	***	***
2021 M07	***	***	***	***	***
2021 M08	***	***	***	***	***
2021 M09	***	***	***	***	***
2021 M10	***	***	***	***	***
2021 M11	***	***	***	***	***
2021 M12	***	***	***	***	***
2022 M01	***	***	***	***	***
2022 M02	***	***	***	***	***
2022 M03	***	***	***	***	***
2022 M04	***	***	***	***	***
2022 M05	***	***	***	***	***
2022 M06	***	***	***	***	***
2022 M07	***	***	***	***	***
2022 M08	***	***	***	***	***
2022 M09	***	***	***	***	***
2022 M10	***	***	***	***	***
2022 M11	***	***	***	***	***
2022 M12	***	***	***	***	***

Table continued.

Table V-4 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 1 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2023 M01	***	***	***	***	***
2023 M02	***	***	***	***	***
2023 M03	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Douglas Fir ("DF") 2x4, Grade No. #2, random lengths, kiln-dried.

Table V-5

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2017 M01	***	***	***	***	***
2017 M02	***	***	***	***	***
2017 M03	***	***	***	***	***
2017 M04	***	***	***	***	***
2017 M05	***	***	***	***	***
2017 M06	***	***	***	***	***
2017 M07	***	***	***	***	***
2017 M08	***	***	***	***	***
2017 M09	***	***	***	***	***
2017 M10	***	***	***	***	***
2017 M11	***	***	***	***	***
2017 M12	***	***	***	***	***
2018 M01	***	***	***	***	***
2018 M02	***	***	***	***	***
2018 M03	***	***	***	***	***
2018 M04	***	***	***	***	***
2018 M05	***	***	***	***	***
2018 M06	***	***	***	***	***
2018 M07	***	***	***	***	***
2018 M08	***	***	***	***	***
2018 M09	***	***	***	***	***
2018 M10	***	***	***	***	***
2018 M11	***	***	***	***	***
2018 M12	***	***	***	***	***
2019 M01	***	***	***	***	***
2019 M02	***	***	***	***	***
2019 M03	***	***	***	***	***
2019 M04	***	***	***	***	***
2019 M05	***	***	***	***	***
2019 M06	***	***	***	***	***
2019 M07	***	***	***	***	***
2019 M08	***	***	***	***	***
2019 M09	***	***	***	***	***
2019 M10	***	***	***	***	***
2019 M11	***	***	***	***	***
2019 M12	***	***	***	***	***

Table continued.

Table V-5 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2020 M01	***	***	***	***	***
2020 M02	***	***	***	***	***
2020 M03	***	***	***	***	***
2020 M04	***	***	***	***	***
2020 M05	***	***	***	***	***
2020 M06	***	***	***	***	***
2020 M07	***	***	***	***	***
2020 M08	***	***	***	***	***
2020 M09	***	***	***	***	***
2020 M10	***	***	***	***	***
2020 M11	***	***	***	***	***
2020 M12	***	***	***	***	***
2021 M01	***	***	***	***	***
2021 M02	***	***	***	***	***
2021 M03	***	***	***	***	***
2021 M04	***	***	***	***	***
2021 M05	***	***	***	***	***
2021 M06	***	***	***	***	***
2021 M07	***	***	***	***	***
2021 M08	***	***	***	***	***
2021 M09	***	***	***	***	***
2021 M10	***	***	***	***	***
2021 M11	***	***	***	***	***
2021 M12	***	***	***	***	***
2022 M01	***	***	***	***	***
2022 M02	***	***	***	***	***
2022 M03	***	***	***	***	***
2022 M04	***	***	***	***	***
2022 M05	***	***	***	***	***
2022 M06	***	***	***	***	***
2022 M07	***	***	***	***	***
2022 M08	***	***	***	***	***
2022 M09	***	***	***	***	***
2022 M10	***	***	***	***	***
2022 M11	***	***	***	***	***
2022 M12	***	***	***	***	***

Table continued.

Table V-5 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 2 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2023 M01	***	***	***	***	***
2023 M02	***	***	***	***	***
2023 M03	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: DF, precision end trimmed ("PET") stud, 2x4, Grade No. #2, 9-foot length, kiln-dried.

Table V-6

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2017 M01	***	***	***	***	***
2017 M02	***	***	***	***	***
2017 M03	***	***	***	***	***
2017 M04	***	***	***	***	***
2017 M05	***	***	***	***	***
2017 M06	***	***	***	***	***
2017 M07	***	***	***	***	***
2017 M08	***	***	***	***	***
2017 M09	***	***	***	***	***
2017 M10	***	***	***	***	***
2017 M11	***	***	***	***	***
2017 M12	***	***	***	***	***
2018 M01	***	***	***	***	***
2018 M02	***	***	***	***	***
2018 M03	***	***	***	***	***
2018 M04	***	***	***	***	***
2018 M05	***	***	***	***	***
2018 M06	***	***	***	***	***
2018 M07	***	***	***	***	***
2018 M08	***	***	***	***	***
2018 M09	***	***	***	***	***
2018 M10	***	***	***	***	***
2018 M11	***	***	***	***	***
2018 M12	***	***	***	***	***
2019 M01	***	***	***	***	***
2019 M02	***	***	***	***	***
2019 M03	***	***	***	***	***
2019 M04	***	***	***	***	***
2019 M05	***	***	***	***	***
2019 M06	***	***	***	***	***
2019 M07	***	***	***	***	***
2019 M08	***	***	***	***	***
2019 M09	***	***	***	***	***
2019 M10	***	***	***	***	***
2019 M11	***	***	***	***	***
2019 M12	***	***	***	***	***

Table continued.

Table V-6 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2020 M01	***	***	***	***	***
2020 M02	***	***	***	***	***
2020 M03	***	***	***	***	***
2020 M04	***	***	***	***	***
2020 M05	***	***	***	***	***
2020 M06	***	***	***	***	***
2020 M07	***	***	***	***	***
2020 M08	***	***	***	***	***
2020 M09	***	***	***	***	***
2020 M10	***	***	***	***	***
2020 M11	***	***	***	***	***
2020 M12	***	***	***	***	***
2021 M01	***	***	***	***	***
2021 M02	***	***	***	***	***
2021 M03	***	***	***	***	***
2021 M04	***	***	***	***	***
2021 M05	***	***	***	***	***
2021 M06	***	***	***	***	***
2021 M07	***	***	***	***	***
2021 M08	***	***	***	***	***
2021 M09	***	***	***	***	***
2021 M10	***	***	***	***	***
2021 M11	***	***	***	***	***
2021 M12	***	***	***	***	***
2022 M01	***	***	***	***	***
2022 M02	***	***	***	***	***
2022 M03	***	***	***	***	***
2022 M04	***	***	***	***	***
2022 M05	***	***	***	***	***
2022 M06	***	***	***	***	***
2022 M07	***	***	***	***	***
2022 M08	***	***	***	***	***
2022 M09	***	***	***	***	***
2022 M10	***	***	***	***	***
2022 M11	***	***	***	***	***
2022 M12	***	***	***	***	***

Table continued.

Table V-6 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 3 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2023 M01	***	***	***	***	***
2023 M02	***	***	***	***	***
2023 M03	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Spruce Pine Fir ("SPF"), PET stud, 2x4, Grade No. #2, 8-foot length.

Table V-7

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2017 M01	***	***	***	***	***
2017 M02	***	***	***	***	***
2017 M03	***	***	***	***	***
2017 M04	***	***	***	***	***
2017 M05	***	***	***	***	***
2017 M06	***	***	***	***	***
2017 M07	***	***	***	***	***
2017 M08	***	***	***	***	***
2017 M09	***	***	***	***	***
2017 M10	***	***	***	***	***
2017 M11	***	***	***	***	***
2017 M12	***	***	***	***	***
2018 M01	***	***	***	***	***
2018 M02	***	***	***	***	***
2018 M03	***	***	***	***	***
2018 M04	***	***	***	***	***
2018 M05	***	***	***	***	***
2018 M06	***	***	***	***	***
2018 M07	***	***	***	***	***
2018 M08	***	***	***	***	***
2018 M09	***	***	***	***	***
2018 M10	***	***	***	***	***
2018 M11	***	***	***	***	***
2018 M12	***	***	***	***	***
2019 M01	***	***	***	***	***
2019 M02	***	***	***	***	***
2019 M03	***	***	***	***	***
2019 M04	***	***	***	***	***
2019 M05	***	***	***	***	***
2019 M06	***	***	***	***	***
2019 M07	***	***	***	***	***
2019 M08	***	***	***	***	***
2019 M09	***	***	***	***	***
2019 M10	***	***	***	***	***
2019 M11	***	***	***	***	***
2019 M12	***	***	***	***	***

Table continued.

Table V-7 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2020 M01	***	***	***	***	***
2020 M02	***	***	***	***	***
2020 M03	***	***	***	***	***
2020 M04	***	***	***	***	***
2020 M05	***	***	***	***	***
2020 M06	***	***	***	***	***
2020 M07	***	***	***	***	***
2020 M08	***	***	***	***	***
2020 M09	***	***	***	***	***
2020 M10	***	***	***	***	***
2020 M11	***	***	***	***	***
2020 M12	***	***	***	***	***
2021 M01	***	***	***	***	***
2021 M02	***	***	***	***	***
2021 M03	***	***	***	***	***
2021 M04	***	***	***	***	***
2021 M05	***	***	***	***	***
2021 M06	***	***	***	***	***
2021 M07	***	***	***	***	***
2021 M08	***	***	***	***	***
2021 M09	***	***	***	***	***
2021 M10	***	***	***	***	***
2021 M11	***	***	***	***	***
2021 M12	***	***	***	***	***
2022 M01	***	***	***	***	***
2022 M02	***	***	***	***	***
2022 M03	***	***	***	***	***
2022 M04	***	***	***	***	***
2022 M05	***	***	***	***	***
2022 M06	***	***	***	***	***
2022 M07	***	***	***	***	***
2022 M08	***	***	***	***	***
2022 M09	***	***	***	***	***
2022 M10	***	***	***	***	***
2022 M11	***	***	***	***	***
2022 M12	***	***	***	***	***

Table continued

Table V-7 Continued

Softwood lumber: Weighted-average f.o.b. prices and quantities of domestic and imported product 4 and margins of underselling/(overselling), by source and month

Price in dollars per mbf, quantity in mbf, margin in percent

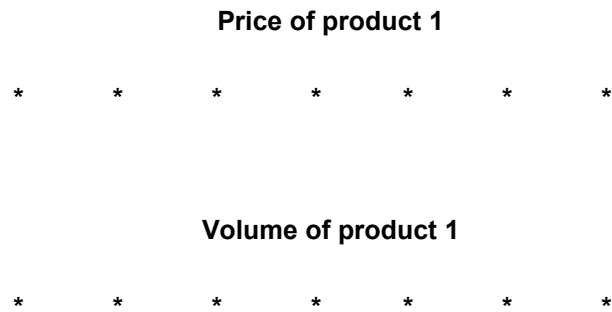
Period	U.S. price	U.S. quantity	Canada price	Canada quantity	Canada margin
2023 M01	***	***	***	***	***
2023 M02	***	***	***	***	***
2023 M03	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: SPF 2x4, Grade No. #3 (utility), random lengths.

Figure V-2

Softwood lumber: Weighted-average prices and quantities of domestic and imported product 1, by source and month

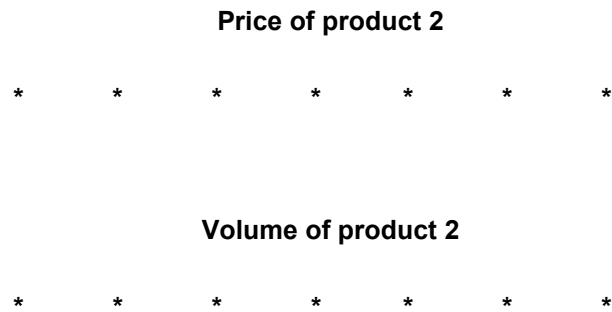


Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 1: Douglas Fir ("DF") 2x4, Grade No. #2, random lengths, kiln-dried.

Figure V-3

Softwood lumber: Weighted-average prices and quantities of domestic and imported product 2, by source and month

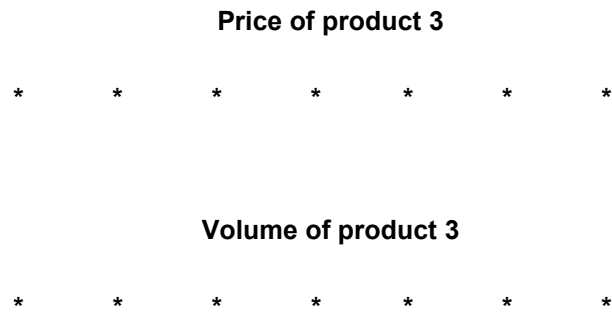


Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 2: DF, precision end trimmed ("PET") stud, 2x4, Grade No. #2, 9-foot length, kiln-dried.

Figure V-4

Softwood lumber: Weighted-average prices and quantities of domestic and imported product 3, by source and month

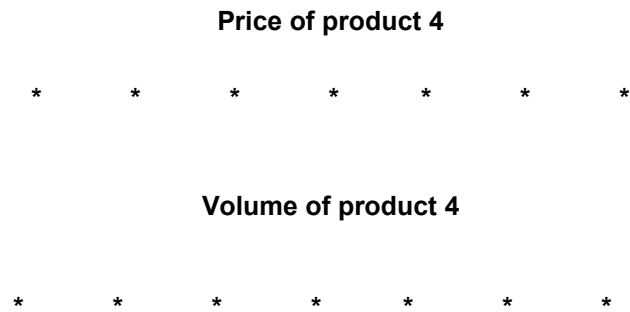


Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 3: Spruce Pine Fir ("SPF"), PET stud, 2x4, Grade No. #2, 8-foot length.

Figure V-5

Softwood lumber: Weighted-average prices and quantities of domestic and imported product 4, by source and month



Source: Compiled from data submitted in response to Commission questionnaires.

Note: Product 4: SPF 2x4, Grade No. #3 (utility), random lengths.

Price trends

Prices of all four pricing products were higher in March 2023 than in January 2017. Prices fluctuated over the January 2017-March 2023 period, with large spikes in the first half of 2021 and the first half of 2022. Table V-8 summarizes the price trends, by country and by product. As shown in the table, domestic price increases ranged from 16.9 to 25.2 percent during January 2017-March 2023 while import price increases ranged from 4.7 to 20.9 percent.

Table V-8
Softwood lumber: Summary of price data, by product and source, January 2017-March 2023

Quantity in mbf, price in dollars per mbf

Product	Source	Number of months	Quantity of shipments	Low price	High price	First month price	Last month price	Percent change in price over period
Product 1	United States	75	***	***	***	***	***	***
Product 1	Canada	75	***	***	***	***	***	***
Product 2	United States	75	***	***	***	***	***	***
Product 2	Canada	75	***	***	***	***	***	***
Product 3	United States	75	***	***	***	***	***	***
Product 3	Canada	75	***	***	***	***	***	***
Product 4	United States	75	***	***	***	***	***	***
Product 4	Canada	75	***	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Change over period is percentage change from January 2017 to March 2023.

Price comparisons⁹

As shown in table V-9, prices for softwood lumber imported from Canada were below those for U.S.-produced product in 65 of 300 instances; margins of underselling ranged from 0.02 to 13.8 percent. In the remaining 235 instances, prices for softwood lumber from Canada were between 0.02 and 36.2 percent above prices for the domestic product.

⁹ In the original investigations, subject imports from Canada were priced lower than domestic product in 31 of 132 comparisons, with underselling margins ranging from 0.1 to 20.1 percent. Original publication, p. V-9.

Table V-9

Softwood lumber: Instances of underselling and overselling and the range and average of margins, by product

Quantity in mbf; margin in percent

Product	Type	Number of months	Quantity	Average margin	Min margin	Max margin
Product 1	Underselling	12	***	***	***	***
Product 2	Underselling	7	***	***	***	***
Product 3	Underselling	38	***	***	***	***
Product 4	Underselling	8	***	***	***	***
Total, all products	Underselling	65	3,181,978	3.3	0.0	13.8
Product 1	Overselling	63	***	***	***	***
Product 2	Overselling	68	***	***	***	***
Product 3	Overselling	37	***	***	***	***
Product 4	Overselling	67	***	***	***	***
Total, all products	Overselling	235	6,559,697	(7.8)	(0.0)	(36.2)

Table V-9 Continued

Softwood lumber: Instances of underselling and overselling and the range and average of margins, by period

Quantity in mbf; margin in percent

Period	Type	Number of months	Quantity	Average margin	Minimum margin	Maximum margin
2017	Underselling	7	***	***	***	***
2018	Underselling	17	***	***	***	***
2019	Underselling	5	***	***	***	***
2020	Underselling	18	***	***	***	***
2021	Underselling	8	***	***	***	***
2022	Underselling	8	***	***	***	***
Jan-Mar 2023	Underselling	2	***	***	***	***
All periods	Underselling	65	3,181,978	3.3	0.0	13.8
2017	Overselling	41	***	***	***	***
2018	Overselling	31	***	***	***	***
2019	Overselling	43	***	***	***	***
2020	Overselling	30	***	***	***	***
2021	Overselling	40	***	***	***	***
2022	Overselling	40	***	***	***	***
Jan-Mar 2023	Overselling	10	***	***	***	***
All periods	Overselling	235	6,559,697	(7.8)	(0.0)	(36.2)

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Margins shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Price data from *Random Lengths*

Random Lengths, the most referred to publication for softwood lumber, publishes delivered prices for softwood lumber in its weekly and annual publications.¹⁰ Although these data do not distinguish prices based on country of production, several products are predominantly produced by either U.S. or Canadian firms. SPF is mainly produced in Canada, for example, whereas Douglas fir is produced mainly in the United States and SYP is produced exclusively in the United States.

Price data from *Random Lengths* is presented in table V-10 for price series representing primarily U.S. production (SYP, Douglas fir, and Hemlock-fir) and in table V-11 for price series representing primarily Canadian production (Western and Eastern SPF, and Western Red Cedar). Both tables also contain a framing lumber composite price, based on the prices of six species, including both predominantly U.S. and predominantly Canadian species.¹¹ Figure V-6 combines the price series from tables V-10 and V-11.

The specific products for which price trends are reported in table V-10 are as follows: (1) Southern yellow pine—Eastside (SYP), kiln-dried, 2x4, #2, random lengths, net f.o.b. mill;¹² (2) Douglas fir, kiln-dried, 2x4, standard and better, random lengths, net f.o.b. mill; and (3) Hemlock-Fir, kiln-dried, 2x4, #2/#2 and better, P.E.T., stud grade, 8-foot length. The specific products for which price trends are reported in table V-11 are as follows: (1) Spruce pine fir (SPF)--Western (WSPF),¹³ kiln-dried, 2x4, P.E.T., stud grade, 8-foot length, base prices;¹⁴ (2) SPF-

¹⁰ *Random Lengths* collects weekly price data from suppliers and purchasers and calculates weighted-average prices based on such factors as the size of the transaction, the quality of the lumber, with prices “based on the prevailing rates for the most commonly used carriers, routings, and types of loadings for each product and destination.” In the original investigations, Petitioners and Respondent Canfor argued that the weekly delivered prices quoted by *Random Lengths* vary significantly by delivery location. Original publication, pp. V-10-11.

In these reviews, purchaser *** reported that although most of the industry uses *Random Lengths* as guidance for pricing, the publication does not report data “on the appearance grades that *** and others in the industry purchase.”

¹¹ The framing lumber composite price indexes include prices of softwood lumber encompassing four grades, two dimensions, and six species (kiln-dried fir/larch, hem fir, ESPF, SYP, WSPF, and green Douglas fir).

¹² SYP (Eastside) is untreated and refers to sales from U.S. lumber mills in Florida, Georgia, and South Carolina, a high-volume U.S. production region for this lumber species. Original publication, p. V-11.

¹³ Western SPF refers to SPF lumber produced mostly by Canadian mills located in British Columbia and Alberta. Original publication, p. V-11.

¹⁴ Base price is somewhat analogous to an f.o.b. mill price but is not net of any mill returns. It is derived by deducting an estimate for freight from the quoted delivered price based on an estimated weight, not necessarily actual weight. Original publication, p. V-11.

-Eastern (ESPF),¹⁵ kiln-dried, 2x4, P.E.T., stud grade, 8-foot length, net delivered Boston; and (3) Western Red Cedar, green, 2x8, #2 and better, rough, random lengths.

According to *Random Lengths* data, prices in the United States for all six species and the framing lumber composite price index were higher in March 2023 than in January 2017. Prices for SYP increased by *** percent; prices for Douglas fir increased by *** percent; prices for Hem-fir increased by *** percent; prices for Western SPF increased by *** percent; prices for Eastern SPF increased by *** percent; and prices for Western Red Cedar increased by *** percent between January 2017 and March 2023. The framing lumber composite index was *** percent higher in March 2023 than in January 2017.

Softwood lumber prices fluctuated widely over the review period, with particularly large price swings during 2020-22. Prices generally trended down starting in the second quarter of 2022, with the framing lumber composite index falling from *** in March 2022 to as low as *** in January 2023. During 2023, prices have become more stable with a slight increase in the third quarter of the year compared to the first half of the year. Although prices remain well below their peak prices, in September 2023 the framing lumber composite index price was *** percent higher than it was in January 2017.

Prices of the different species shown generally followed similar trends except for Western Red Cedar, which was much higher priced and showed fewer price fluctuations than the other species. During January 2017-September 2023, SYP prices were higher than the framing lumber composite price in most months (63 of 81) and DF prices were higher than the composite price in every month. Prices for Western SPF were lower than the composite price in almost all months (77 of 81) while prices of Eastern SPF were higher than the composite price in most months (53 of 81).

¹⁵ Eastern SPF refers to SPF lumber produced by Canadian mills located in the provinces east of Quebec. Original publication, p. V-12.

Table V-10

Softwood lumber: Framing lumber composite price, and selling prices of specific products produced primarily in the United States, by month

Price in dollars per mbf

Period	Framing Lumber Composite	Southern yellow pine-Eastside (SYP), kiln-dried, 2x4, #2, random lengths, net f.o.b. mill	Douglas fir, kiln-dried, 2x4, standard and better, random lengths, net f.o.b. mill	Coast Hemlock fir, kiln-dried, 2x4, #2/#2 and better, P.E.T., stud-grade, 8-foot length, base prices
2017 M01	***	***	***	***
2017 M02	***	***	***	***
2017 M03	***	***	***	***
2017 M04	***	***	***	***
2017 M05	***	***	***	***
2017 M06	***	***	***	***
2017 M07	***	***	***	***
2017 M08	***	***	***	***
2017 M09	***	***	***	***
2017 M10	***	***	***	***
2017 M11	***	***	***	***
2017 M12	***	***	***	***
2018 M01	***	***	***	***
2018 M02	***	***	***	***
2018 M03	***	***	***	***
2018 M04	***	***	***	***
2018 M05	***	***	***	***
2018 M06	***	***	***	***
2018 M07	***	***	***	***
2018 M08	***	***	***	***
2018 M09	***	***	***	***
2018 M10	***	***	***	***
2018 M11	***	***	***	***
2018 M12	***	***	***	***

Table continued

Table V-10 Continued

Softwood lumber: Framing lumber composite price, and selling prices of specific products produced primarily in the United States, by month

Price in dollars per mbf

Period	Framing Lumber Composite	Southern yellow pine-Eastside (SYP), kiln-dried, 2x4, #2, random lengths, net f.o.b. mill	Douglas fir, kiln-dried, 2x4, standard and better, random lengths, net f.o.b. mill	Coast Hemlock fir, kiln-dried, 2x4, #2/#2 and better, P.E.T., stud-grade, 8-foot length, base prices
2019 M01	***	***	***	***
2019 M02	***	***	***	***
2019 M03	***	***	***	***
2019 M04	***	***	***	***
2019 M05	***	***	***	***
2019 M06	***	***	***	***
2019 M07	***	***	***	***
2019 M08	***	***	***	***
2019 M09	***	***	***	***
2019 M10	***	***	***	***
2019 M11	***	***	***	***
2019 M12	***	***	***	***
2020 M01	***	***	***	***
2020 M02	***	***	***	***
2020 M03	***	***	***	***
2020 M04	***	***	***	***
2020 M05	***	***	***	***
2020 M06	***	***	***	***
2020 M07	***	***	***	***
2020 M08	***	***	***	***
2020 M09	***	***	***	***
2020 M10	***	***	***	***
2020 M11	***	***	***	***
2020 M12	***	***	***	***
2021 M01	***	***	***	***
2021 M02	***	***	***	***
2021 M03	***	***	***	***
2021 M04	***	***	***	***
2021 M05	***	***	***	***
2021 M06	***	***	***	***

Table continued

Table V-10 Continued

Softwood lumber: Framing lumber composite price, and selling prices of specific products produced primarily in the United States, by month

Price in dollars per mbf

Period	Framing Lumber Composite	Southern yellow pine-Eastside (SYP), kiln-dried, 2x4, #2, random lengths, net f.o.b. mill	Douglas fir, kiln-dried, 2x4, standard and better, random lengths, net f.o.b. mill	Coast Hemlock fir, kiln-dried, 2x4, #2/#2 and better, P.E.T., stud-grade, 8-foot length, base prices
2021 M07	***	***	***	***
2021 M08	***	***	***	***
2021 M09	***	***	***	***
2021 M10	***	***	***	***
2021 M11	***	***	***	***
2021 M12	***	***	***	***
2022 M01	***	***	***	***
2022 M02	***	***	***	***
2022 M03	***	***	***	***
2022 M04	***	***	***	***
2022 M05	***	***	***	***
2022 M06	***	***	***	***
2022 M07	***	***	***	***
2022 M08	***	***	***	***
2022 M09	***	***	***	***
2022 M10	***	***	***	***
2022 M11	***	***	***	***
2022 M12	***	***	***	***
2023 M01	***	***	***	***
2023 M02	***	***	***	***
2023 M03	***	***	***	***
2023 M04	***	***	***	***
2023 M05	***	***	***	***
2023 M06	***	***	***	***
2023 M07	***	***	***	***
2023 M08	***	***	***	***
2023 M09	***	***	***	***

Source: *Random Lengths Yardstick*, Vols. 27-33.

Note: The framing lumber composite price indexes include prices of softwood lumber encompassing four grades, two dimensions, and six species (kiln-dried fir/larch, hem fir, ESPF, SYP, WSPF, and green Douglas fir).

Table V-11

Softwood lumber: Framing lumber composite price, and selling prices of specific products produced primarily in Canada, by month

Price in dollars per mbf

Period	Framing Lumber Composite	SPF-Western (WSPF), kiln-dried, 2x4, P.E.T., stud-grade, 8-foot length, base prices	SPF-Eastern (ESPF), kiln-dried, 2x4, P.E.T., stud-grade, 8-foot length, net delivered Boston	Western Red Cedar, green, 2x8, #2 and better, rough, net f.o.b. mill
2017 M01	***	***	***	***
2017 M02	***	***	***	***
2017 M03	***	***	***	***
2017 M04	***	***	***	***
2017 M05	***	***	***	***
2017 M06	***	***	***	***
2017 M07	***	***	***	***
2017 M08	***	***	***	***
2017 M09	***	***	***	***
2017 M10	***	***	***	***
2017 M11	***	***	***	***
2017 M12	***	***	***	***
2018 M01	***	***	***	***
2018 M02	***	***	***	***
2018 M03	***	***	***	***
2018 M04	***	***	***	***
2018 M05	***	***	***	***
2018 M06	***	***	***	***
2018 M07	***	***	***	***
2018 M08	***	***	***	***
2018 M09	***	***	***	***
2018 M10	***	***	***	***
2018 M11	***	***	***	***
2018 M12	***	***	***	***

Table continued

Table V-11 Continued

Softwood lumber: Framing lumber composite price, and selling prices of specific products produced primarily in Canada, by month

Price in dollars per mbf

Period	Framing Lumber Composite	SPF-Western (WSPF), kiln-dried, 2x4, P.E.T., stud-grade, 8-foot length, base prices	SPF-Eastern (ESPF), kiln-dried, 2x4, P.E.T., stud-grade, 8-foot length, net delivered Boston	Western Red Cedar, green, 2x8, #2 and better, rough, net f.o.b. mill
2019 M01	***	***	***	***
2019 M02	***	***	***	***
2019 M03	***	***	***	***
2019 M04	***	***	***	***
2019 M05	***	***	***	***
2019 M06	***	***	***	***
2019 M07	***	***	***	***
2019 M08	***	***	***	***
2019 M09	***	***	***	***
2019 M10	***	***	***	***
2019 M11	***	***	***	***
2019 M12	***	***	***	***
2020 M01	***	***	***	***
2020 M02	***	***	***	***
2020 M03	***	***	***	***
2020 M04	***	***	***	***
2020 M05	***	***	***	***
2020 M06	***	***	***	***
2020 M07	***	***	***	***
2020 M08	***	***	***	***
2020 M09	***	***	***	***
2020 M10	***	***	***	***
2020 M11	***	***	***	***
2020 M12	***	***	***	***
2021 M01	***	***	***	***
2021 M02	***	***	***	***
2021 M03	***	***	***	***
2021 M04	***	***	***	***
2021 M05	***	***	***	***
2021 M06	***	***	***	***

Table continued

Table V-11 Continued

Softwood lumber: Framing lumber composite price, and selling prices of specific products produced primarily in Canada, by month

Price in dollars per mbf

Period	Framing Lumber Composite	SPF-Western (WSPF), kiln-dried, 2x4, P.E.T., stud-grade, 8-foot length, base prices	SPF-Eastern (ESPF), kiln-dried, 2x4, P.E.T., stud-grade, 8-foot length, net delivered Boston	Western Red Cedar, green, 2x8, #2 and better, rough, net f.o.b. mill
2021 M07	***	***	***	***
2021 M08	***	***	***	***
2021 M09	***	***	***	***
2021 M10	***	***	***	***
2021 M11	***	***	***	***
2021 M12	***	***	***	***
2022 M01	***	***	***	***
2022 M02	***	***	***	***
2022 M03	***	***	***	***
2022 M04	***	***	***	***
2022 M05	***	***	***	***
2022 M06	***	***	***	***
2022 M07	***	***	***	***
2022 M08	***	***	***	***
2022 M09	***	***	***	***
2022 M10	***	***	***	***
2022 M11	***	***	***	***
2022 M12	***	***	***	***
2023 M01	***	***	***	***
2023 M02	***	***	***	***
2023 M03	***	***	***	***
2023 M04	***	***	***	***
2023 M05	***	***	***	***
2023 M06	***	***	***	***
2023 M07	***	***	***	***
2023 M08	***	***	***	***
2023 M09	***	***	***	***

Source: *Random Lengths Yardstick*, Vols. 27-33.

Note: The framing lumber composite price indexes include prices of softwood lumber encompassing four grades, two dimensions, and six species (kiln-dried fir/larch, hem fir, ESPF, SYP, WSPF, and green Douglas fir).

Figure V-6
Softwood lumber: Framing lumber composite price, and selling prices of specific products produced primarily in the United States and in Canada

* * * * *

Source: *Random Lengths Yardstick*, Vols. 27-33.

Prices in the U.S. market compared to non-U.S. markets

A minority of responding U.S. producers (5 of 47) and importers (47 of 135) reported that they were aware of prices of softwood lumber in non-U.S. markets. Firms that were aware of pricing in other markets were asked to compare such prices to those in the U.S. market. Foreign producers were also asked to compare market prices of softwood lumber in the Canadian home market, the United States, and third-country markets. Most responding firms reported that prices in the United States and Canada tend to be comparable as there is a single North American market, and that prices in Canada follow those published in *Random Lengths*.¹⁶ A small number of firms commented on pricing in third-country markets, generally stating that prices in such markets can vary considerable from North American pricing, but there was not a clear consensus on whether pricing in third-country markets was higher or lower than in the U.S. and Canadian markets.

¹⁶ A few firms reported that prices were higher or lower in Canada than in the United States.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
87 FR 73757, December 1, 2022	<i>Initiation of Five-Year (Sunset) Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2022-12-01/pdf/2022-26154.pdf
87 FR 73778, December 1, 2022	<i>Softwood Lumber Products From Canada; Institution of Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2022-12-01/pdf/2022-26049.pdf
88 FR 16458, March 17, 2023	<i>Softwood Lumber Products From Canada; Notice of Commission Determination To Conduct Full Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2023-03-17/pdf/2023-05436.pdf
88 FR 19613, April 3, 2023	<i>Certain Softwood Lumber Products From Canada: Final Results of the Expedited Sunset Review of the Countervailing Duty Order</i>	https://www.govinfo.gov/content/pkg/FR-2023-04-03/pdf/2023-06791.pdf
88 FR 20479, April 6, 2023	<i>Certain Softwood Lumber Products From Canada: Final Results of the Expedited First Sunset Review of the Antidumping Duty Order</i>	https://www.govinfo.gov/content/pkg/FR-2023-04-06/pdf/2023-07250.pdf
88 FR 23690, April 18, 2023	<i>Softwood Lumber Products From Canada; Scheduling of Full Five-Year Reviews</i>	https://www.govinfo.gov/content/pkg/FR-2023-04-18/pdf/2023-08189.pdf

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Softwood Lumber Products from Canada

Inv. Nos.: 701-TA-566 and 731-TA-1342 (Review)

Date and Time: October 12, 2023 - 9:40 a.m.

Sessions were held in connection with these reviews in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

In Support of Continuation (**Andrew W. Kentz**, Picard Kentz & Rowe LLP)
In Opposition to Continuation (**Eric S. Parnes**, Blank Rome LLP)

In Support of the Continuation of the Antidumping and Countervailing Duty Orders:

Picard Kentz & Rowe LLP
Washington, DC
on behalf of

Committee Overseeing Action for Lumber International Trade

Steve Banahan, Former Lumber Sales Manager,
Pleasant River Lumber Company, Inc.

Bill Howard, President, Claude Howard Lumber, Inc.

Andrew Miller, President and Chief Executive Officer,
Stimson Lumber Company

Chuck Roady, Former Vice President and General Manager,
F.H. Stoltze Land and Lumber

Wade Semeliss, Director of Government Relations,
PotlatchDeltic Corporation

**In Support of the Continuation of the
Antidumping and Countervailing Duty Orders (continued):**

Steve Swanson, President and Chief Executive Officer,
Swanson Group, Inc

Susan B. Hester, Ph.D., Economist, Moongate Associates, Inc.

Andrew W. Kentz)
Whitney M. Rolig) – OF COUNSEL
David A. Yocis)

Wilmer Cutler Pickering Hale and Dorr LLP
Washington, DC
on behalf of

Sierra Pacific Industries
including its subsidiary Seneca Sawmill Company
(collectively, “Sierra Pacific”)

Gary Young, Corporate Controller, Sierra Pacific

Aaron Sulzer, Vice President, Sales and Marketing, Sierra Pacific

Jeffrey I. Kessler)
) – OF COUNSEL
Stephanie E. Hartmann)

**In Opposition to the Continuation of the
Antidumping and Countervailing Duty Orders:**

Blank Rome LLP
Washington, DC
on behalf of

Government of Canada

Glenn Hargrove, Assistant Deputy Minister,
Natural Resources Canada

Barry Goodwin, William Neal Reynolds Distinguished Professor,
North Carolina State University

**In Opposition to the Continuation of the
Antidumping and Countervailing Duty Orders (continued):**

James P. Dougan, Partner, ION Economics, LLC

Cara Groden, Senior Economic Consultant, ION Economics, LLC

Kivanç Kirgiz, Vice President, Cornerstone Research

Emre Uyar, Principal, Cornerstone Research

Eric S. Parnes)
) -OF COUNSEL
Conor Gilligan)

Akin Gump Strauss Hauer & Feld LLP
Washington, DC
on behalf of

Government of British Columbia

Matthew R. Nicely)
Devin S. Sikes) -OF COUNSEL
Julia K. Eppard)

Arnold & Porter Kaye Scholer, LLP
Washington, DC
on behalf of

Government of Alberta

Gina M. Colarusso) – OF COUNSEL

Hogan Lovells US LLP
Washington, DC
on behalf of

Government of Ontario

Jonathan T. Stoel)
H. Deen Kaplan) – OF COUNSEL
Michael G. Jacobson)

**In Opposition to the Continuation of the
Antidumping and Countervailing Duty Orders (continued):**

Pillsbury Winthrop Shaw Pittman LLP
Washington, DC
on behalf of

Government of New Brunswick

Stephan E. Becker) – OF COUNSEL

ArentFox Schiff LLP
Washington, DC
on behalf of

Government of Québec

Nancy A. Noonan) – OF COUNSEL

Gibson, Dunn & Crutcher LLP
Washington, DC
on behalf of

West Fraser Mills Ltd.

James Gorman, Senior Vice-President, West Fraser

Donald Harrison) – OF COUNSEL

Morris Manning & Martin, LLP
Washington, DC
on behalf of

Canfor Corporation

Donald B. Cameron)
) – OF COUNSEL
R. Will Planert)

**In Opposition to the Continuation of the
Antidumping and Countervailing Duty Orders (continued):**

Steptoe & Johnson LLP
Washington, DC
on behalf of

British Columbia Lumber Trade Council

Amy J. Lentz) – OF COUNSEL

Borden Ladner Gervais LLP
Toronto, Canada
on behalf of

Alberta Softwood Lumber Trade Council

Matthew Kronby) – OF COUNSEL

Baker Hostetler LLP
Washington, DC
on behalf of

FP Canada Inc. (“Resolute”)
Conseil de l’Industrie Forestière du Québec (“CIFQ”)
Ontario Forest Industries Association (“OFIA”)
(collectively, “Resolute and Central Canada”)

Gary Bull, Professor, The University of British Columbia

Elliot J. Feldman)
) – OF COUNSEL
Michael S. Snarr)

REBUTTAL/CLOSING REMARKS:

In Support of Continuation (**Jeffrey I. Kessler**, Wilmer Cutler Pickering Hale and Dorr LLP *and*
Whitney M. Rolig, Picard Kentz & Rowe LLP)
In Opposition to Continuation (**Amy J. Lentz**, Steptoe & Johnson LLP)

-END-

APPENDIX C
SUMMARY DATA

Softwood lumber: Summary data compiled in the current reviews	C-3
Softwood lumber: Summary data compiled in the previous proceeding	C-7

All U.S. producers

Table C-1

Softwood lumber: Summary data concerning the U.S. market, by item and period

Quantity=mbf; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per mbf; Period changes=percent--exceptions noted

Item	Reported data							Jan-Mar 2023
	2017	2018	Calendar year		2021	2022	2022	
			2019	2020				
U.S. consumption quantity:								
Amount.....	47,908,115	48,566,632	48,749,270	51,830,716	52,582,006	52,994,174	12,968,988	12,768,770
Producers' share (fn1).....	67.0	68.1	69.5	69.2	68.0	68.7	69.9	69.4
Importers' share (fn1):								
Canada.....	29.8	27.8	26.4	25.3	26.0	24.1	23.6	22.1
Nonsubject sources.....	3.2	4.1	4.1	5.5	6.0	7.2	6.5	8.5
All import sources.....	33.0	31.9	30.5	30.8	32.0	31.3	30.1	30.6
U.S. consumption value:								
Amount.....	20,560,239	22,416,802	18,446,425	27,039,124	41,292,118	38,550,888	13,057,592	5,893,438
Producers' share (fn1).....	65.4	68.0	68.8	69.7	66.2	67.6	72.4	67.0
Importers' share (fn1):								
Canada.....	29.7	25.9	24.3	23.5	27.2	23.8	21.5	21.7
Nonsubject sources.....	4.8	6.1	6.9	6.8	6.6	8.5	6.0	11.3
All import sources.....	34.6	32.0	31.2	30.3	33.8	32.4	27.6	33.0
U.S. imports from:								
Canada:								
Quantity.....	14,280,559	13,514,587	12,883,516	13,100,807	13,684,771	12,780,504	3,056,567	2,823,127
Value.....	6,113,731	5,798,902	4,486,773	6,354,820	11,239,177	9,188,953	2,812,519	1,279,062
Unit value.....	\$428	\$429	\$348	\$485	\$821	\$719	\$920	\$453
Ending inventory quantity.....	242,186	221,828	201,250	181,151	222,145	268,856	226,425	283,019
Nonsubject sources:								
Quantity.....	1,550,556	1,979,046	1,991,754	2,837,909	3,143,234	3,829,671	846,420	1,080,643
Value.....	996,968	1,374,107	1,266,317	1,830,048	2,721,733	3,290,717	787,077	666,662
Unit value.....	\$643	\$694	\$636	\$645	\$866	\$859	\$930	\$617
Ending inventory quantity.....	33,829	67,503	50,534	47,474	71,634	219,863	86,208	301,144
All import sources:								
Quantity.....	15,831,115	15,493,632	14,875,270	15,938,716	16,828,006	16,610,174	3,902,988	3,903,770
Value.....	7,110,699	7,173,009	5,753,090	8,184,868	13,960,909	12,479,670	3,599,597	1,945,724
Unit value.....	\$449	\$463	\$387	\$514	\$830	\$751	\$922	\$498
Ending inventory quantity.....	276,015	289,331	251,784	228,625	293,779	488,719	312,633	584,163
U.S. producers':								
WWPA data:								
Practical capacity quantity.....	39,273,256	41,068,235	41,370,588	42,915,116	43,887,059	45,046,429	NA	NA
Production quantity.....	33,775,000	34,908,000	35,165,000	36,907,000	37,304,000	37,839,000	9,467,000	9,280,000
Capacity utilization (fn1).....	86.0	85.0	85.0	86.0	85.0	84.0	NA	NA
U.S. shipments (fn2):								
Quantity.....	32,077,000	33,073,000	33,874,000	35,892,000	35,754,000	36,384,000	9,066,000	8,865,000
Value.....	13,449,539	15,243,793	12,693,335	18,854,256	27,331,209	26,071,217	9,457,995	3,947,714
Unit value.....	\$419	\$461	\$375	\$525	\$764	\$717	\$1,043	\$445
Export shipments (fn2):								
Quantity.....	1,697,000	1,684,000	1,324,000	1,117,000	1,478,000	1,328,000	319,000	325,000
Value.....	761,088	924,409	665,809	564,368	1,016,473	1,112,791	297,074	168,837
Unit value.....	\$448	\$549	\$503	\$505	\$688	\$838	\$931	\$519
USITC questionnaire data:								
Practical capacity quantity.....	26,538,803	27,675,746	28,077,357	29,139,008	30,821,484	31,843,595	7,955,798	7,984,354
Production quantity.....	22,813,426	24,176,175	24,318,902	25,405,311	26,081,796	26,444,549	6,717,882	6,530,186
Capacity utilization (fn1).....	86.0	87.4	86.6	87.2	84.6	83.0	84.4	81.8
U.S. shipments:								
Quantity.....	22,530,829	23,820,876	24,084,213	25,351,894	25,714,966	26,052,805	6,456,905	6,383,696
Value.....	9,446,933	10,979,364	9,024,886	13,317,483	19,657,132	18,668,325	6,736,088	2,842,753
Unit value.....	\$419	\$461	\$375	\$525	\$764	\$717	\$1,043	\$445
Export shipments:								
Quantity.....	226,705	214,790	239,683	188,276	192,180	184,363	48,900	55,621
Value.....	101,675	117,906	120,531	95,127	132,169	154,486	45,539	28,895
Unit value.....	\$448	\$549	\$503	\$505	\$688	\$838	\$931	\$519
Ending inventory quantity.....	1,447,958	1,580,584	1,549,236	1,413,893	1,536,684	1,680,992	1,762,031	1,761,439
Inventories/total shipments (fn1).....	6.4	6.6	6.4	5.5	5.9	6.4	6.8	6.8

Table continued.

Table C-1 Continued

Softwood lumber: Summary data concerning the U.S. market, by item and period

Quantity=mbf; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per mbf; Period changes=percent--exceptions noted

	Period changes						Jan-Mar 2022-23
	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22	
U.S. consumption quantity:							
Amount.....	▲10.6	▲1.4	▲0.4	▲6.3	▲1.4	▲0.8	▼(1.5)
Producers' share (fn1).....	▲1.7	▲1.1	▲1.4	▼(0.2)	▼(1.3)	▲0.7	▼(0.5)
Importers' share (fn1):							
Canada.....	▼(5.7)	▼(2.0)	▼(1.4)	▼(1.2)	▲0.7	▼(1.9)	▼(1.5)
Nonsubject sources.....	▲4.0	▲0.8	▲0.0	▲1.4	▲0.5	▲1.2	▲1.9
All import sources.....	▼(1.7)	▼(1.1)	▼(1.4)	▲0.2	▲1.3	▼(0.7)	▲0.5
U.S. consumption value:							
Amount.....	▲87.5	▲9.0	▼(17.7)	▲46.6	▲52.7	▼(6.6)	▼(54.9)
Producers' share (fn1).....	▲2.2	▲2.6	▲0.8	▲0.9	▼(3.5)	▲1.4	▼(5.4)
Importers' share (fn1):							
Canada.....	▼(5.9)	▼(3.9)	▼(1.5)	▼(0.8)	▲3.7	▼(3.4)	▲0.2
Nonsubject sources.....	▲3.7	▲1.3	▲0.7	▼(0.1)	▼(0.2)	▲1.9	▲5.3
All import sources.....	▼(2.2)	▼(2.6)	▼(0.8)	▼(0.9)	▲3.5	▼(1.4)	▲5.4
U.S. imports from:							
Canada:							
Quantity.....	▼(10.5)	▼(5.4)	▼(4.7)	▲1.7	▲4.5	▼(6.6)	▼(7.6)
Value.....	▲50.3	▼(5.1)	▼(22.6)	▲41.6	▲76.9	▼(18.2)	▼(54.5)
Unit value.....	▲67.9	▲0.2	▼(18.8)	▲39.3	▲69.3	▼(12.5)	▼(50.8)
Ending inventory quantity.....	▲11.0	▼(8.4)	▼(9.3)	▼(10.0)	▲22.6	▲21.0	▲25.0
Nonsubject sources:							
Quantity.....	▲147.0	▲27.6	▲0.6	▲42.5	▲10.8	▲21.8	▲27.7
Value.....	▲230.1	▲37.8	▼(7.8)	▲44.5	▲48.7	▲20.9	▼(15.3)
Unit value.....	▲33.6	▲8.0	▼(8.4)	▲1.4	▲34.3	▼(0.8)	▼(33.7)
Ending inventory quantity.....	▲549.9	▲99.5	▼(25.1)	▼(6.1)	▲50.9	▲206.9	▲249.3
All import sources:							
Quantity.....	▲4.9	▼(2.1)	▼(4.0)	▲7.1	▲5.6	▼(1.3)	▲0.0
Value.....	▲75.5	▲0.9	▼(19.8)	▲42.3	▲70.6	▼(10.6)	▼(45.9)
Unit value.....	▲67.3	▲3.1	▼(16.5)	▲32.8	▲61.6	▼(9.4)	▼(46.0)
Ending inventory quantity.....	▲77.1	▲4.8	▼(13.0)	▼(9.2)	▲28.5	▲66.4	▲86.9
U.S. producers':							
WWPA data:							
Practical capacity quantity.....	▲14.7	▲4.6	▲0.7	▲3.7	▲2.3	▲2.6	***
Production quantity.....	▲12.0	▲3.4	▲0.7	▲5.0	▲1.1	▲1.4	▼(2.0)
Capacity utilization (fn1).....	▼(2.0)	▼(1.0)	---	▲1.0	▼(1.0)	▼(1.0)	***
U.S. shipments (fn2):							
Quantity.....	▲13.4	▲3.1	▲2.4	▲6.0	▼(0.4)	▲1.8	▼(2.2)
Value.....	▲93.8	▲13.3	▼(16.7)	▲48.5	▲45.0	▼(4.6)	▼(58.3)
Unit value.....	▲70.9	▲9.9	▼(18.7)	▲40.2	▲45.5	▼(6.3)	▼(57.3)
Export shipments (fn2):							
Quantity.....	▼(21.7)	▼(0.8)	▼(21.4)	▼(15.6)	▲32.3	▼(10.1)	▲1.9
Value.....	▲46.2	▲21.5	▼(28.0)	▼(15.2)	▲80.1	▲9.5	▼(43.2)
Unit value.....	▲86.8	▲22.4	▼(8.4)	▲0.5	▲36.1	▲21.8	▼(44.2)
USITC questionnaire data:							
Practical capacity quantity.....	▲20.0	▲4.3	▲1.5	▲3.8	▲5.8	▲3.3	▲0.4
Production quantity.....	▲15.9	▲6.0	▲0.6	▲4.5	▲2.7	▲1.4	▼(2.8)
Capacity utilization (fn1).....	▼(2.9)	▲1.4	▼(0.7)	▲0.6	▼(2.6)	▼(1.6)	▼(2.7)
U.S. shipments:							
Quantity.....	▲15.6	▲5.7	▲1.1	▲5.3	▲1.4	▲1.3	▼(1.1)
Value.....	▲97.6	▲16.2	▼(17.8)	▲47.6	▲47.6	▼(5.0)	▼(57.8)
Unit value.....	▲70.9	▲9.9	▼(18.7)	▲40.2	▲45.5	▼(6.3)	▼(57.3)
Export shipments:							
Quantity.....	▼(18.7)	▼(5.3)	▲11.6	▼(21.4)	▲2.1	▼(4.1)	▲13.7
Value.....	▲51.9	▲16.0	▲2.2	▼(21.1)	▲38.9	▲16.9	▼(36.5)
Unit value.....	▲86.8	▲22.4	▼(8.4)	▲0.5	▲36.1	▲21.8	▼(44.2)
Ending inventory quantity.....	▲16.1	▲9.2	▼(2.0)	▼(8.7)	▲8.7	▲9.4	▼(0.0)
Inventories/total shipments (fn1).....	▲0.0	▲0.2	▼(0.2)	▼(0.8)	▲0.4	▲0.5	▲0.1

Table continued.

Table C-1 Continued

Softwood lumber: Summary data concerning the U.S. market, by item and period

Quantity=mbf; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per mbf; Period changes=percent--exceptions noted

Item	Reported data							
	Calendar year				Jan-Mar			
	2017	2018	2019	2020	2021	2022	2022	2023
U.S. producers':								
Production workers.....	20,041	21,816	22,081	22,689	23,370	24,744	24,896	24,988
Hours worked (1,000s).....	43,351	46,570	47,170	47,603	51,554	53,722	13,695	13,165
Wages paid (\$1,000).....	1,112,153	1,232,627	1,285,751	1,314,759	1,477,303	1,665,362	402,238	428,306
Hourly wages (dollars per hour).....	\$25.65	\$26.47	\$27.26	\$27.62	\$28.66	\$31.00	\$29.37	\$32.53
Productivity (board feet per hour).....	526	519	516	534	506	492	491	496
Unit labor costs.....	\$48.75	\$50.99	\$52.87	\$51.75	\$56.64	\$62.98	\$59.88	\$65.59
Net sales:								
Quantity.....	22,545,696	23,856,074	24,114,981	25,357,591	25,732,848	26,067,197	6,466,811	6,412,431
Value.....	9,452,398	10,997,865	9,056,834	13,294,070	19,623,636	18,667,389	6,728,293	2,854,945
Unit value.....	\$419	\$461	\$376	\$524	\$763	\$716	\$1,040	\$445
Cost of goods sold (COGS).....	7,266,076	8,275,241	7,731,358	8,622,545	9,727,745	11,063,261	2,763,257	2,630,906
Gross profit or (loss) (fn3).....	2,186,322	2,722,624	1,325,476	4,671,525	9,895,891	7,604,128	3,965,036	224,039
SG&A expenses.....	451,926	529,995	594,336	652,805	732,364	853,097	203,132	203,632
Operating income or (loss) (fn3).....	1,734,396	2,192,629	731,140	4,018,720	9,163,527	6,751,031	3,761,904	20,407
Net income or (loss) (fn3).....	1,539,364	1,934,860	497,092	3,907,956	9,136,679	6,437,976	3,694,248	(28,260)
Unit COGS.....	\$322	\$347	\$321	\$340	\$378	\$424	\$427	\$410
Unit SG&A expenses.....	\$20	\$22	\$25	\$26	\$28	\$33	\$31	\$32
Unit operating income or (loss) (fn3).....	\$77	\$92	\$30	\$158	\$356	\$259	\$582	\$3
Unit net income or (loss) (fn3).....	\$68	\$81	\$21	\$154	\$355	\$247	\$571	\$(4)
COGS/sales (fn1).....	76.9	75.2	85.4	64.9	49.6	59.3	41.1	92.2
Operating income or (loss)/sales (fn1).....	18.3	19.9	8.1	30.2	46.7	36.2	55.9	0.7
Net income or (loss)/sales (fn1).....	16.3	17.6	5.5	29.4	46.6	34.5	54.9	(1.0)
Capital expenditures.....	662,482	1,141,443	1,194,154	830,206	1,117,710	1,877,552	407,971	261,725
Research and development expenses.....	***	***	***	***	***	***	***	***
Net assets.....	5,066,140	6,121,581	6,783,323	7,573,557	9,237,015	10,365,887	NA	NA

Table continued.

Table C-1 Continued

Softwood lumber: Summary data concerning the U.S. market, by item and period

Quantity=mbf; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per mbf; Period changes=percent--exceptions noted

	Period changes						Jan-Mar 2022-23
	2017-22	2017-18	2018-19	2019-20	2020-21	2021-22	
U.S. producers:							
Production workers.....	▲23.5	▲8.9	▲1.2	▲2.8	▲3.0	▲5.9	▲0.4
Hours worked (1,000s).....	▲23.9	▲7.4	▲1.3	▲0.9	▲8.3	▲4.2	▼(3.9)
Wages paid (\$1,000).....	▲49.7	▲10.8	▲4.3	▲2.3	▲12.4	▲12.7	▲6.5
Hourly wages (dollars per hour).....	▲20.8	▲3.2	▲3.0	▲1.3	▲3.8	▲8.2	▲10.8
Productivity (board feet per hour).....	▼(6.5)	▼(1.4)	▼(0.7)	▲3.5	▼(5.2)	▼(2.7)	▲1.1
Unit labor costs.....	▲29.2	▲4.6	▲3.7	▼(2.1)	▲9.4	▲11.2	▲9.5
Net sales:							
Quantity.....	▲15.6	▲5.8	▲1.1	▲5.2	▲1.5	▲1.3	▼(0.8)
Value.....	▲97.5	▲16.3	▼(17.6)	▲46.8	▲47.6	▼(4.9)	▼(57.6)
Unit value.....	▲70.8	▲10.0	▼(18.5)	▲39.6	▲45.5	▼(6.1)	▼(57.2)
Cost of goods sold (COGS).....	▲52.3	▲13.9	▼(6.6)	▲11.5	▲12.8	▲13.7	▼(4.8)
Gross profit or (loss) (fn3).....	▲247.8	▲24.5	▼(51.3)	▲252.4	▲111.8	▼(23.2)	▼(94.3)
SG&A expenses.....	▲88.8	▲17.3	▲12.1	▲9.8	▲12.2	▲16.5	▲0.2
Operating income or (loss) (fn3).....	▲289.2	▲26.4	▼(66.7)	▲449.7	▲128.0	▼(26.3)	▼(99.5)
Net income or (loss) (fn3).....	▲318.2	▲25.7	▼(74.3)	▲686.2	▲133.8	▼(29.5)	▼***
Unit COGS.....	▲31.7	▲7.6	▼(7.6)	▲6.1	▲11.2	▲12.3	▼(4.0)
Unit SG&A expenses.....	▲63.3	▲10.8	▲10.9	▲4.5	▲10.6	▲15.0	▲1.1
Unit operating income or (loss) (fn3).....	▲236.7	▲19.5	▼(67.0)	▲422.7	▲124.7	▼(27.3)	▼(99.5)
Unit net income or (loss) (fn3).....	▲261.7	▲18.8	▼(74.6)	▲647.6	▲130.4	▼(30.4)	▼***
COGS/sales (fn1).....	▼(17.6)	▼(1.6)	▲10.1	▼(20.5)	▼(15.3)	▲9.7	▲51.1
Operating income or (loss)/sales (fn1).....	▲17.8	▲1.6	▼(11.9)	▲22.2	▲16.5	▼(10.5)	▼(55.2)
Net income or (loss)/sales (fn1).....	▲18.2	▲1.3	▼(12.1)	▲23.9	▲17.2	▼(12.1)	▼(55.9)
Capital expenditures.....	▲183.4	▲72.3	▲4.6	▼(30.5)	▲34.6	▲68.0	▼(35.8)
Research and development expenses.....	▲***	▲***	▼***	▼***	▲***	▲***	▲***
Net assets.....	▲104.6	▲20.8	▲10.8	▲11.6	▲22.0	▲12.2	NA

Source: Compiled from data submitted in response to Commission questionnaires, WWPA industry data (<https://www.wwpa.org/reports>), and official U.S. import statistics of the U.S. Department of Commerce Census Bureau using HTS statistical reporting numbers as indicated in footnote 2 of part IV of this report, accessed August 31, 2023. Official U.S. import statistics are based on the imports for consumption data series and values reflect landed duty-paid value. 508-compliant tables containing these data are contained in parts I, III, and IV of this report.

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "----". Period changes preceded by a "▲" represent an increase, while period changes preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Quantities are from published WWPA data. Value was estimated by multiplying the WWPA quantity by U.S. producers' reported unit values from Commission questionnaires. WWPA data were used as the U.S. producer component of overall apparent consumption.

fn3.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

SUMMARY DATA COMPILED FROM THE PREVIOUS PROCEEDING

Table C-1	
Softwood lumber: Summary data concerning the U.S. market, 2014-16,	
January to June 2016, and January to June 2017	C-9

Table C-2	
Cedar/redwood: Summary data concerning the U.S. market, 2014-16,	
January to June 2016, and January to June 2017	C-10

Table C-3	
Softwood lumber: Summary data concerning the U.S. market excluding two U.S. producers	
***, 2014-16, January to June 2016, and January to June 2017	C-11

All Softwood Lumber

Table C-1

Softwood lumber: Summary data concerning the U.S. market, 2014-16, January to June 2016, and January to June 2017

(Quantity=1,000 board feet; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 board feet; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year		January to June			Calendar year			Jan-Jun
	2014	2015	2016	2016	2017	2014-16	2014-15	2015-16	2016-17
U.S. consumption quantity:									
Amount.....	42,485,623	44,044,573	46,974,488	23,472,790	24,351,955	10.6	3.7	6.7	3.7
Producers' share (fn1).....	69.8	68.4	66.1	68.0	66.9	(3.8)	(1.4)	(2.3)	(1.1)
Importers' share (fn1):									
Canada Atlantic provinces.....	0.1	0.1	0.2	0.1	0.2	0.0	(0.0)	0.0	0.0
Canada all other provinces.....	28.4	30.0	31.8	29.6	29.8	3.4	1.5	1.9	0.1
Canada all provinces.....	28.6	30.1	32.0	29.8	29.9	3.4	1.5	1.9	0.2
All other sources.....	1.6	1.5	1.9	2.2	3.2	0.3	(0.1)	0.4	0.9
All import sources.....	30.2	31.6	33.9	32.0	33.1	3.8	1.4	2.3	1.1
U.S. consumption value:									
Amount.....	17,316,116	15,873,950	17,921,928	8,864,557	10,174,537	3.5	(8.3)	12.9	14.8
Producers' share (fn1).....	67.7	66.5	64.0	65.4	66.1	(3.8)	(1.2)	(2.5)	0.7
Importers' share (fn1):									
Canada Atlantic provinces.....	0.1	0.1	0.1	0.1	0.1	0.0	(0.0)	0.0	0.0
Canada all other provinces.....	29.3	29.7	32.1	30.9	29.6	2.8	0.4	2.4	(1.3)
Canada all provinces.....	29.5	29.8	32.2	31.1	29.7	2.8	0.4	2.4	(1.3)
All other sources.....	2.8	3.7	3.8	3.6	4.2	1.0	0.9	0.1	0.6
All import sources.....	32.3	33.5	36.0	34.6	33.9	3.8	1.2	2.5	(0.7)
U.S. imports from:									
Canada Atlantic provinces:									
Quantity.....	58,540	55,734	70,491	32,413	37,970	20.4	(4.8)	26.5	17.1
Value.....	21,698	17,900	23,440	10,408	13,737	8.0	(17.5)	31.0	32.0
Unit value.....	\$371	\$321	\$333	\$321	\$362	(10.3)	(13.4)	3.5	12.7
Canada all other provinces:									
Quantity.....	12,084,928	13,201,734	14,959,436	6,956,011	7,250,368	23.8	9.2	13.3	4.2
Value.....	5,081,219	4,718,765	5,752,197	2,743,501	3,012,390	13.2	(7.1)	21.9	9.8
Unit value.....	\$420	\$357	\$385	\$394	\$415	(8.5)	(15.0)	7.6	5.3
Canada all provinces:									
Quantity.....	12,143,469	13,257,468	15,029,927	6,988,423	7,288,338	23.8	9.2	13.4	4.3
Value.....	5,102,917	4,736,665	5,775,637	2,753,910	3,026,127	13.2	(7.2)	21.9	9.9
Unit value.....	\$420	\$357	\$384	\$394	\$415	(8.6)	(15.0)	7.6	5.4
All other sources:									
Quantity.....	669,154	653,105	901,561	520,367	768,617	34.7	(2.4)	38.0	47.7
Value.....	487,522	583,637	684,308	315,773	427,492	40.4	19.7	17.2	35.4
Unit value.....	\$729	\$894	\$759	\$607	\$556	4.2	22.7	(15.1)	(8.3)
All import sources:									
Quantity.....	12,812,623	13,910,573	15,931,488	7,508,790	8,056,955	24.3	8.6	14.5	7.3
Value.....	5,590,439	5,320,302	6,459,945	3,069,683	3,453,619	15.6	(4.8)	21.4	12.5
Unit value.....	\$436	\$382	\$405	\$409	\$429	(7.1)	(12.3)	6.0	4.9
U.S. producers:									
Average capacity quantity.....	21,798,882	23,078,595	23,919,995	12,170,513	12,539,547	9.7	5.9	3.6	3.0
Production quantity.....	17,329,875	18,409,438	19,206,029	9,713,328	10,081,617	10.8	6.2	4.3	3.8
Capacity utilization (fn1).....	79.5	79.8	80.3	79.8	80.4	0.8	0.3	0.5	0.6
U.S. shipments (fn3):									
Quantity.....	29,673,000	30,134,000	31,043,000	15,964,000	16,295,000	4.6	1.6	3.0	2.1
Value.....	11,725,677	10,553,648	11,461,983	5,794,874	6,720,918	(2.2)	(10.0)	8.6	16.0
Unit value.....	\$395	\$350	\$369	\$363	\$412	(6.6)	(11.4)	5.4	13.6
U.S. shipments (fn4):									
Quantity.....	16,891,875	18,084,318	18,933,731	9,575,842	9,786,681	12.1	7.1	4.7	2.2
Value.....	6,675,047	6,333,561	6,990,887	3,475,996	4,036,544	4.7	(5.1)	10.4	16.1
Unit value.....	\$395	\$350	\$369	\$363	\$412	(6.6)	(11.4)	5.4	13.6
Export shipments:									
Quantity.....	324,549	319,324	288,827	142,114	158,237	(11.0)	(1.6)	(9.6)	11.3
Value.....	169,239	155,838	139,151	68,380	73,721	(17.8)	(7.9)	(10.7)	7.8
Unit value.....	\$521	\$488	\$482	\$481	\$466	(7.6)	(6.4)	(1.3)	(3.2)
Ending inventory quantity.....	1,294,678	1,343,923	1,338,442	1,354,110	1,447,729	3.4	3.8	(0.4)	6.9
Inventories/total shipments (fn1).....	7.5	7.3	7.0	7.0	7.3	(0.6)	(0.2)	(0.3)	0.3
Production workers.....	17,357	18,305	18,361	18,113	18,592	5.8	5.5	0.3	2.6
Hours worked (1,000s).....	40,646	42,350	43,410	21,661	22,189	6.8	4.2	2.5	2.4
Wages paid (\$1,000).....	913,797	994,272	1,070,277	534,950	553,473	17.1	8.8	7.6	3.5
Hourly wages (dollars).....	\$22.48	\$23.48	\$24.66	\$24.70	\$24.94	9.7	4.4	5.0	1.0
Productivity (board feet per hour).....	426.4	434.7	442.4	448.4	454.4	3.8	2.0	1.8	1.3
Unit labor costs.....	\$52.73	\$54.01	\$55.73	\$55.07	\$54.90	5.7	2.4	3.2	(0.3)
Net sales:									
Quantity.....	17,216,315	18,403,544	19,222,560	9,717,957	9,944,919	11.7	6.9	4.5	2.3
Value.....	6,817,181	6,462,141	7,100,628	3,528,678	4,084,853	4.2	(5.2)	9.9	15.8
Unit value.....	\$396	\$351	\$369	\$363	\$411	(6.7)	(11.3)	5.2	13.1
Cost of goods sold (COGS).....	5,388,196	5,754,650	5,956,189	2,981,380	3,200,717	10.5	6.8	3.5	7.4
Gross profit or (loss).....	1,428,985	707,491	1,144,439	547,298	884,136	(19.9)	(50.5)	61.8	61.5
SG&A expenses.....	308,409	307,452	309,706	151,576	167,861	0.4	(0.3)	0.7	10.7
Operating income or (loss).....	1,120,576	400,039	834,733	395,722	716,275	(25.5)	(64.3)	108.7	81.0
Net income or (loss).....	985,503	261,229	712,613	333,634	648,921	(27.7)	(73.5)	172.8	94.5
Capital expenditures.....	866,039	851,999	633,648	244,901	319,715	(26.8)	(1.6)	(25.6)	30.5
Unit COGS.....	\$313	\$313	\$310	\$307	\$322	(1.0)	(0.1)	(0.9)	4.9
Unit SG&A expenses.....	\$18	\$17	\$16	\$16	\$17	(10.1)	(6.7)	(3.6)	8.2
Unit operating income or (loss).....	\$65	\$22	\$43	\$41	\$72	(33.3)	(66.6)	99.8	76.9
Unit net income or (loss).....	\$57	\$14	\$37	\$34	\$65	(35.2)	(75.2)	161.2	90.1
COGS/sales (fn1).....	79.0	89.1	83.9	84.5	78.4	4.8	10.0	(5.2)	(6.1)
Operating income or (loss)/sales (fn1).....	16.4	6.2	11.8	11.2	17.5	(4.7)	(10.2)	5.6	6.3
Net income or (loss)/sales (fn1).....	14.5	4.0	10.0	9.5	15.9	(4.4)	(10.4)	6.0	6.4

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

fn3.--Data for U.S. producers' U.S. shipments (used for apparent consumption) are from WPPA industry data. Data for the January-June period are estimates based on January-May data from table III-7.

fn4.--Questionnaire data.

Source: Compiled from data submitted in response to Commission questionnaires, WPPA industry data, and official import statistics (as discussed in part IV).

Cedar/Redwood

Table C-2

Cedar/redwood: Summary data concerning the U.S. market, 2014-16, January to June 2016, and January to June 2017

(Quantity=1,000 board feet; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per 1,000 board feet; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	2014	Calendar year 2015	2016	January to June 2016	2017	2014-16	Calendar year 2014-15	2015-16	Jan-Jun 2016-17
U.S. consumption quantity:									
Amount.....	813,607	805,840	939,887	485,052	443,963	15.5	(1.0)	16.6	(8.5)
Producers' share (fn1).....	28.8	27.9	23.3	25.5	25.8	(5.5)	(0.8)	(4.6)	0.3
Importers' share (fn1):									
Canada.....	71.0	71.0	76.0	73.8	73.3	5.1	0.1	5.0	(0.6)
Nonsubject sources.....	0.3	1.1	0.7	0.6	0.9	0.4	0.8	(0.4)	0.3
All import sources.....	71.2	72.1	76.7	74.5	74.2	5.5	0.8	4.6	(0.3)
U.S. consumption value:									
Amount.....	767,469	802,108	1,017,309	522,693	477,978	32.6	4.5	26.8	(8.6)
Producers' share (fn1).....	21.7	19.9	17.0	17.7	22.6	(4.7)	(1.8)	(2.9)	4.9
Importers' share (fn1):									
Canada.....	77.6	78.3	81.8	81.3	75.9	4.2	0.7	3.5	(5.4)
Nonsubject sources.....	0.8	1.8	1.2	1.0	1.5	0.4	1.0	(0.6)	0.5
All import sources.....	78.3	80.1	83.0	82.3	77.4	4.7	1.8	2.9	(4.9)
U.S. imports from:									
Canada:									
Quantity.....	577,263	572,204	714,347	358,210	325,273	23.7	(0.9)	24.8	(9.2)
Value.....	595,433	628,285	832,184	424,881	362,840	39.8	5.5	32.5	(14.6)
Unit value.....	\$1,031	\$1,098	\$1,165	\$1,186	\$1,115	12.9	6.5	6.1	(6.0)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
Nonsubject sources									
Quantity.....	2,419	8,738	6,649	3,094	3,979	174.9	261.2	(23.9)	28.6
Value.....	5,835	14,311	12,233	5,256	7,003	109.6	145.3	(14.5)	33.2
Unit value.....	\$2,412	\$1,638	\$1,840	\$1,699	\$1,760	(23.7)	(32.1)	12.3	3.6
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity.....	579,682	580,942	720,996	361,304	329,252	24.4	0.2	24.1	(8.9)
Value.....	601,268	642,595	844,417	430,138	369,843	40.4	6.9	31.4	(14.0)
Unit value.....	\$1,037	\$1,106	\$1,171	\$1,191	\$1,123	12.9	6.6	5.9	(5.6)
Ending inventory quantity.....	***	***	***	***	***	***	***	***	***
U.S. producers:									
Average capacity quantity.....	341,251	319,926	304,901	152,163	143,873	(10.7)	(6.2)	(4.7)	(5.4)
Production quantity.....	256,457	243,243	235,105	117,221	103,281	(8.3)	(5.2)	(3.3)	(11.9)
Capacity utilization (fn1).....	75.2	76.0	77.1	77.0	71.8	2.0	0.9	1.1	(5.3)
U.S. shipments:									
Quantity.....	233,925	224,898	218,891	123,748	114,711	(6.4)	(3.9)	(2.7)	(7.3)
Value.....	166,201	159,513	172,892	92,555	108,135	4.0	(4.0)	8.4	16.8
Unit value.....	\$710	\$709	\$790	\$748	\$943	11.2	(0.2)	11.4	26.0
Export shipments:									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Ending inventory quantity.....	61,415	52,580	49,190	36,957	32,140	(19.9)	(14.4)	(6.4)	(13.0)
Inventories/total shipments (fn1).....	***	***	***	***	***	***	***	***	***
Production workers.....	***	***	***	***	***	***	***	***	***
Hours worked (1,000s).....	713	651	610	300	271	(14.4)	(8.7)	(6.3)	(9.7)
Wages paid (\$1,000).....	18,655	17,527	17,095	8,585	7,383	(8.4)	(6.0)	(2.5)	(14.0)
Hourly wages (dollars).....	\$26.16	\$26.92	\$28.02	\$28.62	\$27.24	7.1	2.9	4.1	(4.8)
Productivity (short tons per hour).....	359.7	373.6	385.4	390.7	381.1	7.2	3.9	3.2	(2.5)
Unit labor costs.....	\$72.74	\$72.06	\$72.71	\$73.24	\$71.48	(0.0)	(0.9)	0.9	(2.4)
Net sales: (fn3)									
Quantity.....	***	***	***	***	***	***	***	***	***
Value.....	***	***	***	***	***	***	***	***	***
Unit value.....	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS).....	***	***	***	***	***	***	***	***	***
Gross profit or (loss).....	***	***	***	***	***	***	***	***	***
SG&A expenses.....	***	***	***	***	***	***	***	***	***
Operating income or (loss).....	***	***	***	***	***	***	***	***	***
Net income or (loss).....	***	***	***	***	***	***	***	***	***
Net assets.....	***	***	***	***	***	***	***	***	***
Capital expenditures.....	***	***	***	***	***	***	***	***	***
Unit COGS.....	***	***	***	***	***	***	***	***	***
Unit SG&A expenses.....	***	***	***	***	***	***	***	***	***
Unit operating income or (loss).....	***	***	***	***	***	***	***	***	***
Unit net income or (loss).....	***	***	***	***	***	***	***	***	***
COGS/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1).....	***	***	***	***	***	***	***	***	***
Operating income or (loss)/assets.....	***	***	***	***	***	***	***	***	***

Notes:

fn1.--Reported data are in percent and period changes are in percentage points.

fn2.--Undefined.

fn3.-- ***

Source: Compiled from data submitted in response to Commission questionnaires and official import statistic based on HTS statistical reporting numbers 4407.10.0168, 4407.10.0169, 4407.10.0174, 4407.10.0175,

Table C-3

**Softwood lumber: Summary data concerning the U.S. market excluding two U.S. producers
***, 2014-16, January to June 2016, and January to June 2017**

* * * * *

APPENDIX D

FIRMS' NARRATIVES ON THE IMPACT OF THE ORDERS

AND THE LIKELY IMPACT OF REVOCATION

Table D-1

Softwood lumber: Firms' narratives on the impact of the orders and likely impact of revocation

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Effect of order	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Likely impact of revocation	U.S. producer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Effect of order	Importer	***
Effect of order	Importer	***
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Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Effect of order	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Importer	***
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Effect of order	Importer	***
Effect of order	Importer	***
Effect of order	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
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Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
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Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
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Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
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Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Likely impact of revocation	Importer	***
Effect of order	Purchaser	***
Effect of order	Purchaser	***
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Effect of order	Purchaser	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Purchaser	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Purchaser	***
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Effect of order	Purchaser	***
Effect of order	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
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Likely impact of revocation	Purchaser	***
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Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Likely impact of revocation	Purchaser	***
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
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Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
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Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
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Response type	Firm type	Firm name and narrative on impact or likely impact
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Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Effect of order	Foreign producer/ exporter	***
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Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
Effect of order	Foreign producer/ exporter	***
Likely impact of revocation	Foreign producer/ exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
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Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
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Likely impact of revocation	Foreign producer/exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
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Likely impact of revocation	Foreign producer/exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
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Likely impact of revocation	Foreign producer/exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
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Likely impact of revocation	Foreign producer/exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
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Likely impact of revocation	Foreign producer/exporter	***
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Likely impact of revocation	Foreign producer/exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
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Likely impact of revocation	Foreign producer/exporter	***

Response type	Firm type	Firm name and narrative on impact or likely impact
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***
Likely impact of revocation	Foreign producer/exporter	***

APPENDIX E

U.S. SHIPMENTS BY GEOGRAPHIC MARKET AND SPECIES

Table E-1
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by geographic markets and by species, 2022

Quantity in mbf

Region	Firm type	SYP	DF	SPF	HF	C/RW	Other species	All species
Northeast	U.S. producers	***	***	***	***	***	***	2,234,871
Midwest	U.S. producers	***	***	***	***	***	***	3,179,165
Southeast	U.S. producers	***	***	***	***	***	***	8,349,044
Central Southwest	U.S. producers	***	***	***	***	***	***	5,305,773
Mountains	U.S. producers	***	***	***	***	***	***	2,212,126
Pacific Coast	U.S. producers	***	***	***	***	***	***	4,517,328
Other	U.S. producers	***	***	***	***	***	***	141,934
All regions	U.S. producers	14,904,440	6,302,586	1,243,718	2,454,299	206,195	829,003	25,940,241
Northeast	Subject importers	***	***	***	***	***	***	2,002,896
Midwest	Subject importers	***	***	***	***	***	***	3,728,255
Southeast	Subject importers	***	***	***	***	***	***	2,696,249
Central Southwest	Subject importers	***	***	***	***	***	***	1,332,873
Mountains	Subject importers	***	***	***	***	***	***	1,104,992
Pacific Coast	Subject importers	***	***	***	***	***	***	1,004,505
Other	Subject importers	***	***	***	***	***	***	180,105
All regions	Subject importers	3,633	1,016,058	10,250,843	189,990	515,701	73,652	12,049,875

Table continued.

Table E-1 Continued
Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by geographic markets and by species, 2022

Shares down in percent

Region	Firm type	SYP	DF	SPF	HF	C/RW	Other species	All species
Northeast	U.S. producers	***	***	***	***	***	***	8.6
Midwest	U.S. producers	***	***	***	***	***	***	12.3
Southeast	U.S. producers	***	***	***	***	***	***	32.2
Central Southwest	U.S. producers	***	***	***	***	***	***	20.5
Mountains	U.S. producers	***	***	***	***	***	***	8.5
Pacific Coast	U.S. producers	***	***	***	***	***	***	17.4
Other	U.S. producers	***	***	***	***	***	***	0.5
All regions	U.S. producers	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Northeast	Subject importers	***	***	***	***	***	***	16.6
Midwest	Subject importers	***	***	***	***	***	***	30.9
Southeast	Subject importers	***	***	***	***	***	***	22.4
Central Southwest	Subject importers	***	***	***	***	***	***	11.1
Mountains	Subject importers	***	***	***	***	***	***	9.2
Pacific Coast	Subject importers	***	***	***	***	***	***	8.3
Other	Subject importers	***	***	***	***	***	***	1.5
All regions	Subject importers	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table continued.

Table E-1 Continued

Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by geographic markets and by species, 2022

Shares across in percent

Region	Firm type	SYP	DF	SPF	HF	C/RW	Other species	All species
Northeast	U.S. producer	***	***	***	***	***	***	100.0
Midwest	U.S. producer	***	***	***	***	***	***	100.0
Southeast	U.S. producer	***	***	***	***	***	***	100.0
Central Southwest	U.S. producer	***	***	***	***	***	***	100.0
Mountains	U.S. producer	***	***	***	***	***	***	100.0
Pacific Coast	U.S. producer	***	***	***	***	***	***	100.0
Other	U.S. producer	***	***	***	***	***	***	100.0
All regions	U.S. producer	57.5	24.3	4.8	9.5	0.8	3.2	100.0
Northeast	Subject importer	***	***	***	***	***	***	100.0
Midwest	Subject importer	***	***	***	***	***	***	100.0
Southeast	Subject importer	***	***	***	***	***	***	100.0
Central Southwest	Subject importer	***	***	***	***	***	***	100.0
Mountains	Subject importer	***	***	***	***	***	***	100.0
Pacific Coast	Subject importer	***	***	***	***	***	***	100.0
Other	Subject importer	***	***	***	***	***	***	100.0
All regions	Subject importer	0.0	8.4	85.1	1.6	4.3	0.6	100.0

Table continued.

Table E-1 Continued

Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by geographic markets and by species, 2022

Unit values, f.o.b., in dollars per mbf

Region	Firm type	SYP	DF	SPF	HF	C/RW	Other species	All species
Northeast	U.S. producer	***	***	***	***	***	***	800
Midwest	U.S. producer	***	***	***	***	***	***	708
Southeast	U.S. producer	***	***	***	***	***	***	661
Central Southwest	U.S. producer	***	***	***	***	***	***	681
Mountains	U.S. producer	***	***	***	***	***	***	791
Pacific Coast	U.S. producer	***	***	***	***	***	***	762
Other	U.S. producer	***	***	***	***	***	***	676
All regions	U.S. producer	652	801	681	744	1,081	958	712
Northeast	Subject importer	***	***	***	***	***	***	798
Midwest	Subject importer	***	***	***	***	***	***	792
Southeast	Subject importer	***	***	***	***	***	***	774
Central Southwest	Subject importer	***	***	***	***	***	***	860
Mountains	Subject importer	***	***	***	***	***	***	886
Pacific Coast	Subject importer	***	***	***	***	***	***	939
Other	Subject importer	***	***	***	***	***	***	851
All regions	Subject importer	1,434	840	751	829	2,030	1,351	818

Table continued.

Table E-1 Continued**Softwood lumber: U.S. producers' and U.S. importers' U.S. shipments by geographic markets and by species, 2022**

Unit values, delivered, in dollars per mbf

Region	Firm type	SYP	DF	SPF	HF	C/RW	Other species	All species
Northeast	U.S. producer	***	***	***	***	***	***	882
Midwest	U.S. producer	***	***	***	***	***	***	794
Southeast	U.S. producer	***	***	***	***	***	***	708
Central Southwest	U.S. producer	***	***	***	***	***	***	753
Mountains	U.S. producer	***	***	***	***	***	***	911
Pacific Coast	U.S. producer	***	***	***	***	***	***	833
Other	U.S. producer	***	***	***	***	***	***	717
All regions	U.S. producer	701	931	732	815	1,128	991	782
Northeast	Subject importer	***	***	***	***	***	***	863
Midwest	Subject importer	***	***	***	***	***	***	887
Southeast	Subject importer	***	***	***	***	***	***	872
Central Southwest	Subject importer	***	***	***	***	***	***	988
Mountains	Subject importer	***	***	***	***	***	***	986
Pacific Coast	Subject importer	***	***	***	***	***	***	1,012
Other	Subject importer	***	***	***	***	***	***	915
All regions	Subject importer	1,434	920	841	917	2,201	1,407	911

Source: Compiled from data submitted in response to Commission questionnaires.

Note: Other U.S. markets includes AK, HI, PR, and VI. SYP means southern yellow pine, DF means douglas fir, SPF means spruce pine fir, HF means hem fir, and C/RW means cedars/redwoods.

