Trade Policy & Lumber Exports

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Improving Market Access Coalition (IMAC)

- The Improving Market Access Coalition (IMAC) primarily represents U.S. timber landowners, log and woodchip exporters who have been economically harmed by agricultural trade barriers and a lack of market access into the European Union and China.
- IMAC seeks to prevent agricultural log and wood chip exports from facing unworkable phytosanitary restrictions and technical barriers to trade, including EU Deforestation Legislation, while supporting the development and advancement of science-based standards.
- IMAC is currently sponsoring an USDA APHIS application to the EU commission under ISPM 28 guidelines to allow for the use of a well proven 60 plus year old fumigant, sulfuryl fluoride, to treat de-barked pinewood chips on-board vessels.

Trade Timeline

- **First Trump Administration (2017–2021)**
  - The Trump administration imposes sweeping tariffs on targeted industries.
  - Retaliatory tariffs, particularly by China, hit agricultural exports, including logs.
- **Biden Administration (2021–2025)**
  - The administration holds tariff rates steady and increases tariffs on targeted industries such as steel and aluminum.
- **Second Trump Administration (2025–)**
  - **February 2025**
    - The administration imposes tariffs targeting countries such as Colombia, Canada, Mexico, and China.
    - Several countries, including China, announce retaliatory measures.
  - **March 2025**
    - China announces a complete ban on U.S. log imports.
  - **April 2025**
    - "Liberation Day" tariffs target nearly every global trading partner, imposing duties of up to 100%+.

Trade Timeline

- **April 2025**
  - Trading partners put swift retaliatory measures in place, including import bans.
  - The "Liberation Day" tariffs are paused pending individual trade deals with nearly all trading partners, replaced instead with baseline tariff rates for each country.
- **June 2025**
  - The U.S. announces a trade deal with China; few specifics are provided.
- **July 2025**
  - The U.S. announces trade deals with the EU and South Korea; few specifics are provided.
- **February 2026**
  - The Supreme Court strikes down Trump's tariff authority under the International Emergency Economic Powers Act (IEEPA).
  - IEEPA tariffs are quickly replaced with a baseline 10% global tariff rate under Section 122 of the Trade Act of 1974.
    - China faces a higher rate, based on existing Section 301 tariffs carried over from both the first Trump administration and the Biden administration.
- **July 2026**
  - Section 122 tariffs expire and are replaced by Section 301 forced-labor tariffs ranging from 10% to 12.5%.

Current Barriers to Trade

- Around the globe, numerous tariff and non-tariff trade barriers are restricting market access for U.S. exports, including in the agricultural and lumber sectors. Two examples illustrate the widespread nature of the problem, from both allies and hostile trading partners alike.
- **European Union**
  - Employs non-tariff trade barriers to protect domestic industry, most notably phytosanitary restrictions that prohibit large amounts of U.S. lumber exports.
- **China**
  - Has imposed burdensome and inconsistent phytosanitary restrictions on U.S. lumber exports.
  - Has used tariffs and import bans on U.S. agricultural products, including logs, in response to U.S. trade policy.

Phytosanitary Restrictions - SYP

Europe

Non-tariff trade barriers imposed by the European Union in the late 1980s effectively locked Southern pine out of European markets for decades. That is now colliding with a historic supply shortfall.

- → EU timber-harvesting regulatory changes reduce domestic supply available for processing.
- → Beetle infestations and drought-driven diebacks, especially in Portugal and Spain, are cutting into European fiber supply.
- → Russia's 2022 invasion of Ukraine triggered a ban on most Russian wood exports – a major prior EU fiber source.
- → Latvia and Estonia have captured the resulting share, growing softwood exports into Scandinavian markets – territory the U.S. has yet to enter.

WHO'S FILLING THE GAP

- **Brazil**
- **Uruguay**
- **Argentina**
- **Estonia**

These origins have gained EU market share at the direct expense of U.S. South landowners, loggers, and processors — the same communities hit by pulp-mill closures at home.

Phytosanitary Restrictions - Timeline

Europe

1980s
Import controls introduced in relation to pinewood nematode.

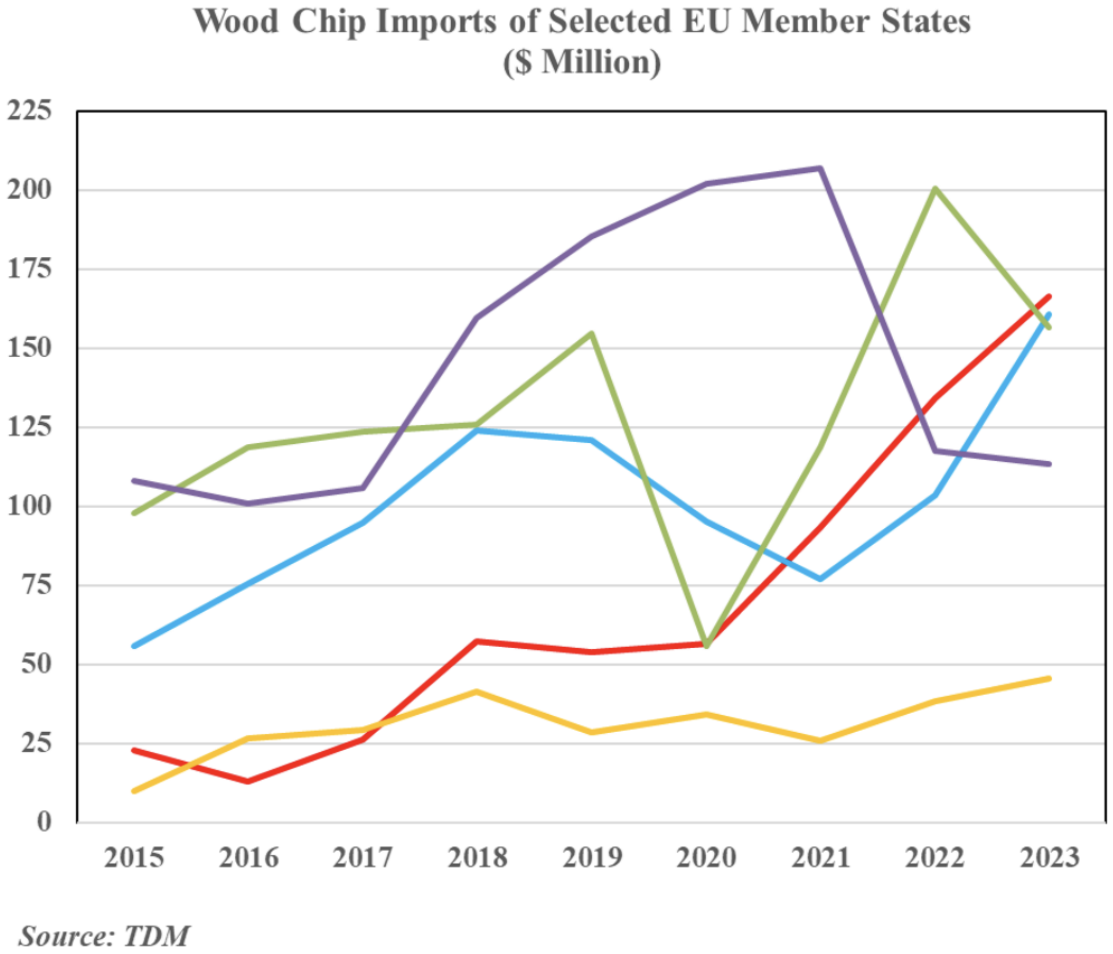
2020
EU bans use of methyl bromide (MB) for lumber imports.

2022
Russia invades Ukraine, increasing demand for U.S. wood.

2025
EU begins process of allowing on-board sulfuryl fluoride (SF) treatment for woodchip imports.

Phytosanitary Restrictions

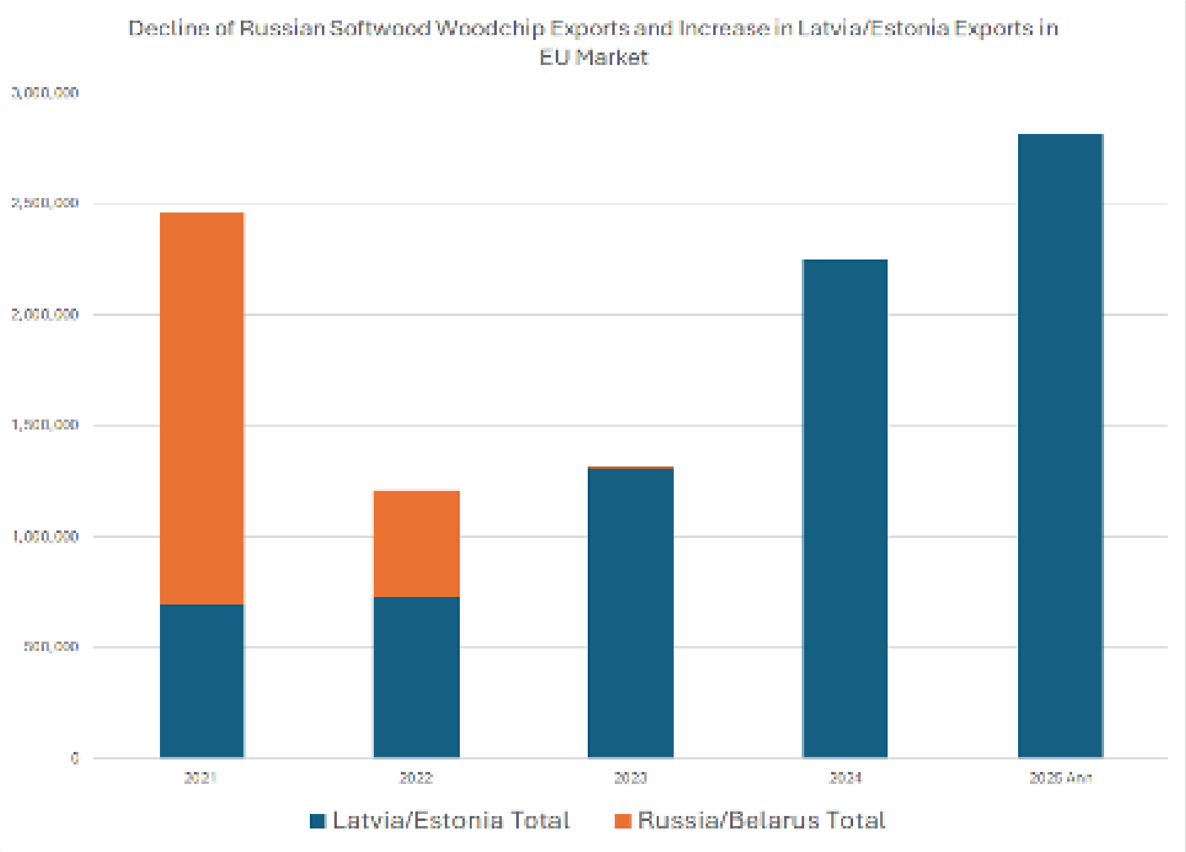
Europe



U.S. Exports of Wood Chips ($ million)									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
World	286	238	239	295	239	206	233	306	336
Japan	104	92	93	125	118	85	96	143	167
Canada	93	72	76	102	102	97	78	67	92
Turkey	76	59	43	39	10	10	5	26	56
China	0	7	4	4	0	2	39	55	15
Mexico	0.2	0.2	14.0	17.3	1.8	0.7	0.8	4.5	1.6
EU 27	3.0	1.5	1.5	1.2	0.8	1.4	1.8	2.4	1.4

Phytosanitary Restrictions

Europe



Phytosanitary Restrictions

Europe

Table 2: EU/UK Wood Fiber Import Trade statistics by Origin Region and Commodity Type: 2020 vs 2022												
Fumigation Requirement	Requires Fumigation								Does not Require Fumigation			
Origin Region	Woodchips: HTS 4401.21/22				Logs: HTS 4403				Pellets: HTS 4401.31			
	2020	2022	2020-2022 Change		2020	2022	2020-2022 Change		2020	2022	2020-2022 Change	
Europe	$434.1M	$642.2M	$208.1M	48%	$2,912.5M	$4,651.9M	$1,739.4M	60%	$1,465.8M	$2,121.2M	$655.5M	45%
North America	**$3.6M**	**$7.0M**	**$3.4M**	96%	**$31.7M**	**$65.2M**	**$33.4M**	105%	**$1,805.0M**	**$1,905.2M**	**$100.2M**	6%
Russia/Belarus	$241.5M	$65.8M	($175.7M)	(73%)	$293.5M	$34.6M	($258.9M)	(88%)	$381.2M	$249.4M	($131.8M)	(35%)
South/Central America	$62.8M	$221.9M	$159.1M	253%	$20.9M	$161.7M	$140.9M	675%	$63.5M	$128.8M	$65.3M	103%
Africa	$0.9M	$22.7M	$21.8M	2,492%	$39.3M	$77.4M	$38.1M	97%	$0.8M	$1.3M	$0.5M	58%
Other: Pacific, Middle East	$3.3M	$4.5M	$1.2M	38%	$5.3M	$3.8M	($1.5M)	(28%)	$11.5M	$73.0M	$61.6M	537%
Grand Total	**$746.1M**	**$964.1M**	**$218.0M**	**29%**	**$3,303.3M**	**$4,994.6M**	**$1,691.4M**	**51%**	**$3,727.7M**	**$4,479.0M**	**$751.3M**	**20%**
North American Market Share	**0.5%**	**0.7%**			**1.0%**	**1.3%**			**48.4%**	**42.5%**		

Phytosanitary Restrictions - Options

Europe

- **There are three labeled fumigants for plant protection in the EU and US**
  - Methyl Bromide – banned by the EU, used by the US for non-manufactured pine exports to China and India
  - Phosphine – not approved for use by the EU due to potential efficacy issues (but allowed for use in Turkey and China)
  - Sulfuryl Fluoride – proven effective both in the EU and US on the treatment of pine nematodes, used by EU member states for wood exports to China, but not authorized by the EU for imported pine wood and not authorized by the EPA for use on-board ships
    - The EU itself has used SF domestically and for its own wood exports to Asian markets, as well as for products intended for human consumption.
- **Heat treatment**. The only current method to ship pine to Europe is using ISPM-15 Heat Treatment protocol that is currently neither cost effective nor commercially feasible.

Phytosanitary Restrictions - Goals

Europe

- Gain approval for the use of Sulfuryl Fluoride on board vessels to treat de-barked pine woodchips for export from EU commission.
- Develop and execute a strategy for experimental use of SF on board vessels with US EPA / USDA APHIS.
- Continue to advocate for alternative methods for wood treatment; e.g. Ethanedinitrile, “EDN”, di-electric heat.
- Continue to educate Congress, key committees, USTR, USDA APHIS, EU Commission to non-tariff trade barriers for US wood export products.

In January 2025, the European Food Safety Authority (EFSA) completed a technical analysis of SF. The report identified no issues with SF’s efficacy, and EFSA is currently evaluating the longstanding U.S. request for its approval for on-board vessel use. Despite efforts from the U.S., the EU continues to delay formal approval for SF and the slow pace of this process continues to block major export opportunities for U.S. producers.

In October 2026, EFSA and USDA APHIS will hold bilateral discussions in Savannah. USDA believes a final rule will be proposed by the European Commission on the use of SF for on-board vessel fumigation.

Chinese Trade Restrictions

- **Phytosanitary barriers**. China grew into one of the world's largest markets for pine logs and chips – until a February 2022 phytosanitary ban erased Southeast SYP exports overnight, even as tariffs kept the rest of the U.S. South at a disadvantage.
  - Inconsistent application of phytosanitary rules, leading to confusion and market disruption.
  - Under current Chinese policy, any container of logs flagged for a potential invasive species must be returned to its point of origin.
    - Prior to 2022, a flagged container could be re-fumigated at the port of entry or diverted to another country without comparable phytosanitary restrictions.
    - USDA is currently working to establish an agreement with the China to permit a one-year pilot program for sulfuryl fluoride (SF) treated softwood logs.

Chinese Trade Restrictions

- **Ban on U.S. logs and subsequent tariffs.**
  - In March 2025, China implemented a complete ban on U.S. logs.
  - China reversed log ban in November 2025 but imposed 10% tariffs.
    - Significant competitive disadvantage relative to logs sourced from Russia, New Zealand, Australia, and Europe.
  - 75% of 2025 Chinese pine-log import volume now come from New Zealand radiata pine.
- **China remains the largest export market for U.S. South wood products.**

Main suppliers for China's softwood log imports in 2025

Supplier	Cu.m mil.	YoY % change
Total	23.92	-8%
New Zealand	18.10	2%
Japan	1.71	4%
Canada	1.28	11%
Latvia	0.54	63%
Australia	0.46	-15%
Germany	0.39	-62%
Poland	0.36	-62%
South Africa	0.23	-35%
Demark	0.18	-6%
BIH	0.15	72%
France	0.14	-48%
USA	0.14	-89%
Slovakia	0.10	-19%

Data source: China Customs

Other Trade Issues

- **North America**
  - In response to new tariffs imposed in August, Canada has announced a 25% tariff on U.S. wood products including softwood like pine, fir and spruce that has been sawn or sliced thicker than six millimeters.
    - Hardwoods will be hit with a 50% duty.
  - U.S. "withdrew" from the USMCA agreement in July 2026, moving the North American bloc into annual review periods.
- **Ongoing trade deal negotiations**
  - Following the pause on most tariffs in April 2025, the U.S. has stated that its goal remains to negotiate individual trade deals with practically every trading partner around the globe.
    - Following the Supreme Court's decision to strike down the majority of the Trump administration's tariffs, many countries have placed U.S. negotiations on hold.

Q&A