



July 17, 2021

The Honourable Doug Ford M.L.A.  
Premier of Ontario  
Legislative Building  
Queen's Park  
Toronto, ON M7A 1A1

Dear Premier Ford,

As the President of the Lumber and Building Materials Association of Ontario whose members are the independently owned building supply and hardware stores in Ontario as well as their key suppliers, I am responding to comments you made while holding a press interview in Milton on Thursday, June 17 suggesting that "those lumber companies who are jacking up prices need to be held accountable".

I am offended by your lack of judgement in suggesting that our sector is "ripping the public off". Ontario is a free-market economy and much of the product sold by our stores and suppliers would be considered commodities whose prices are determined by market demand.

There are several reasons for the unprecedented demand and price increases:

1. Due to provincial and federal government regulations to manage the COVID-19 pandemic, many homeowners have had to isolate and work from their home environments, and not use disposable income to travel, dine out etc. However, they did channel those funds towards home renovations and improvements. Our members certainly benefited from this unprecedented shift to home improvements.
2. Early in the pandemic in late 2019, the producers of lumber, primarily in B.C., closed their operations as they, like everyone, saw a significant drop in demand and they laid off employees. Once the economy started to improve, much of it driven by the federal wage subsidies, consumers began to drive up the demand for building supplies. However, the mills were slow to tool up and have had a difficult time finding employees, many who were taking advantage of the CERB.
3. Another factor that has impacted the supply chain were the hurricanes and freezing weather systems in 2020 in the southern U.S. where much of the chemicals used to produce commodity lumber such as OSB and Plywood and related products are produced. These chemicals are still in tight supply with many of these chemical companies not producing at full capacity.

There are several other factors that affect pricing including government policies, as you well know as a business owner yourself prior to taking the role of leading the Conservative party and now as Premier of this great province.

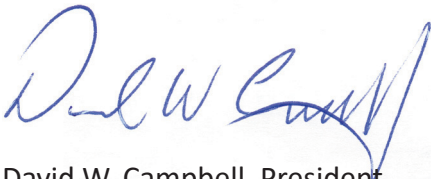
Our members are those independent family-owned lumber and hardware businesses in communities throughout Ontario, serving their communities by hiring local people and contributing significant tax dollars to local and provincial coffers. They are hard workers and take offence at the suggestion that they are “jacking up prices” for profits. Quite simply, our sector is one of the few that has a level of competition that many other sectors do not, so prices are driven by demand and shortage of product, which impacts our entire sector.

Much of that demand is artificially orchestrated by provincial government policies to mitigate the impact of the COVID-19 pandemic which we fully endorse to ensure a focus on moving back to a more normal economy. However, blanket statements such as the one you announced today does not reflect the reality of the marketplace.

We ask that you rescind that statement as you have insulted the hardworking and decent people who work in this sector.

I await your reply.

Kindest regards,



David W. Campbell, President  
The Lumber and Building Materials Association of Ontario