



American Hardwoods and Global Markets

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American Hardwood Export Council

October 2022

The State of the US Hardwood Industry

US Hardwood Production

Importance of Export Markets

Growth Markets

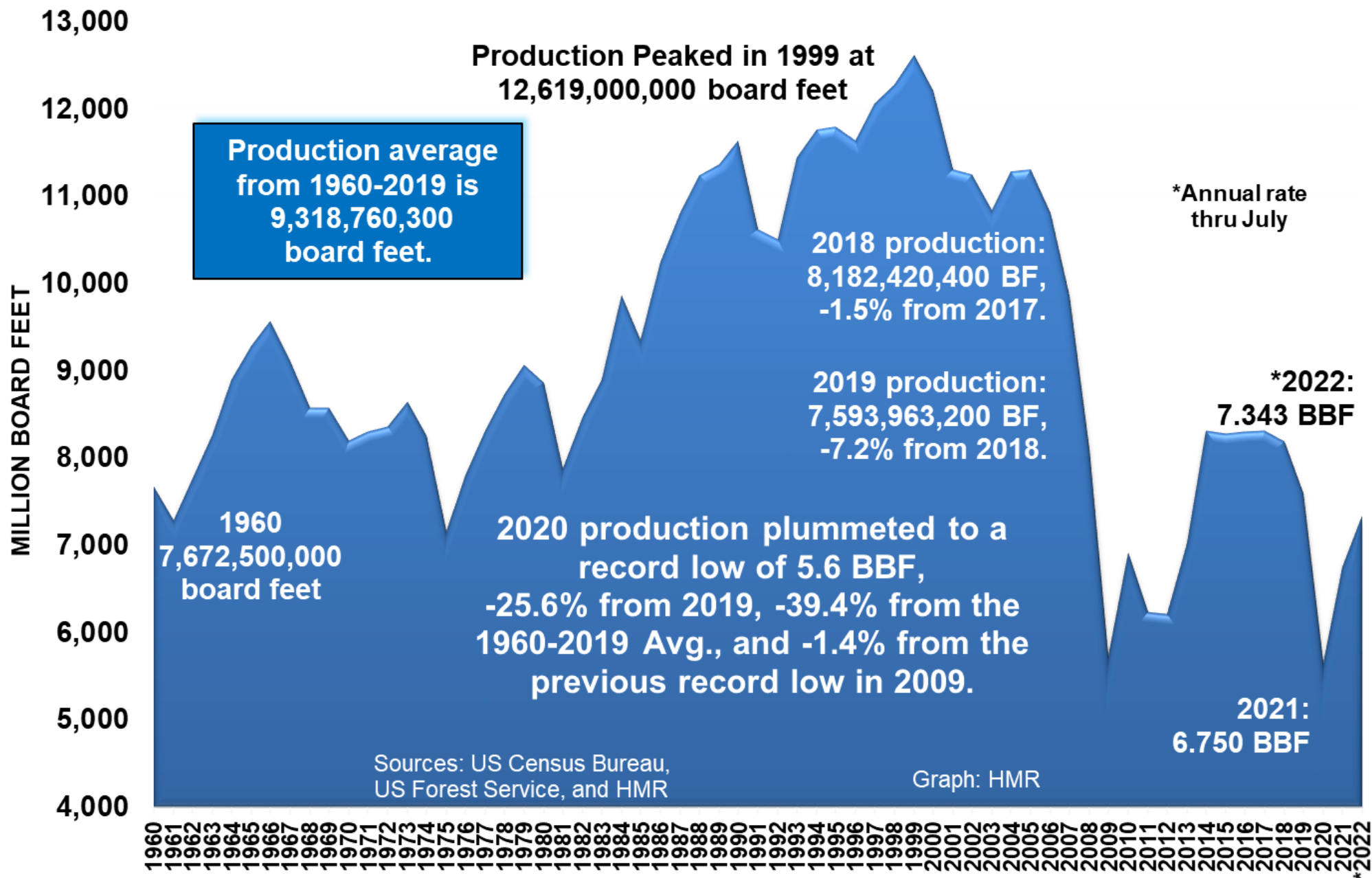
Return of Europe

Technology and Innovations

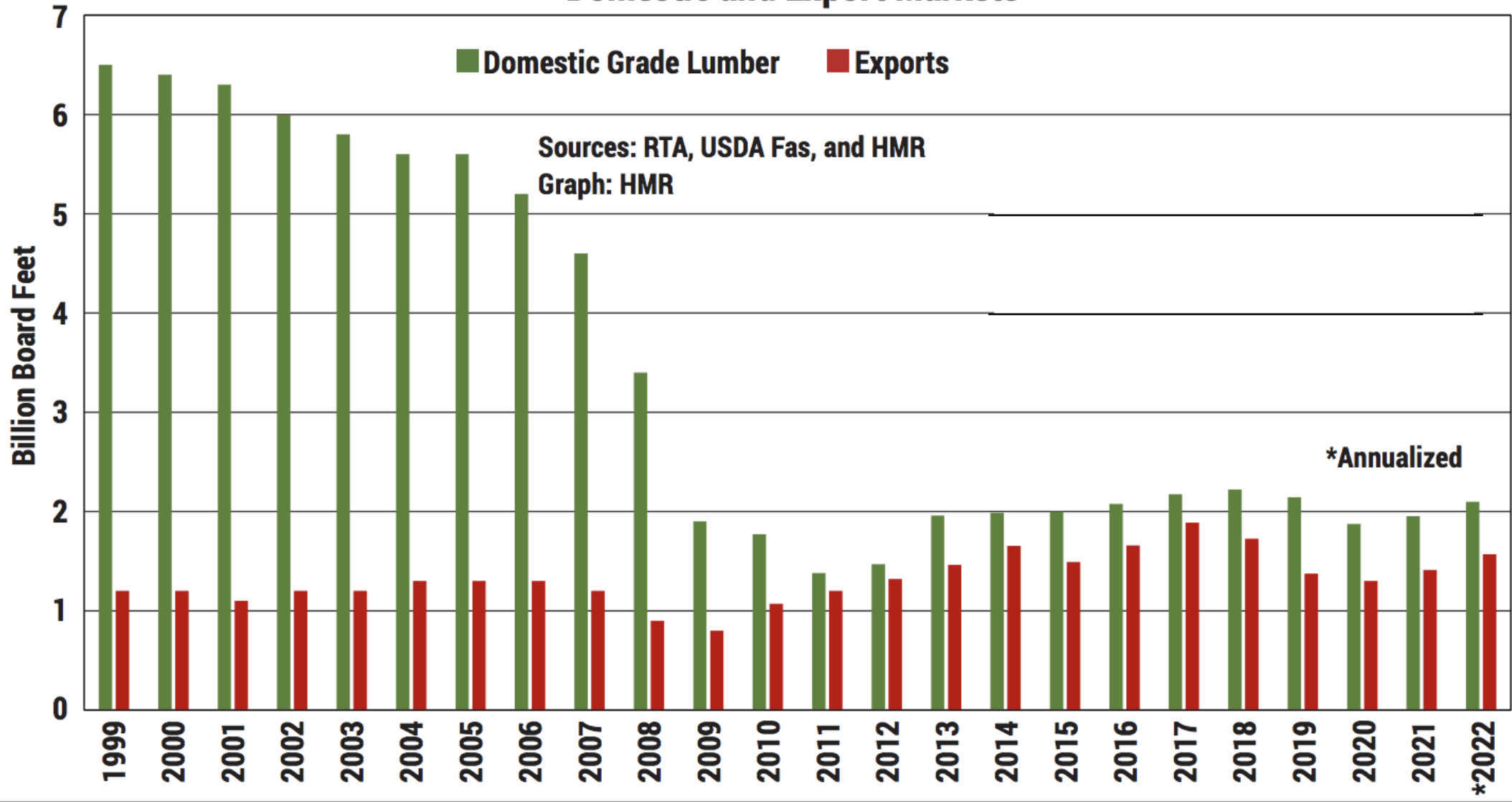
Au – in American Red Oak
by Tomoko Azumi



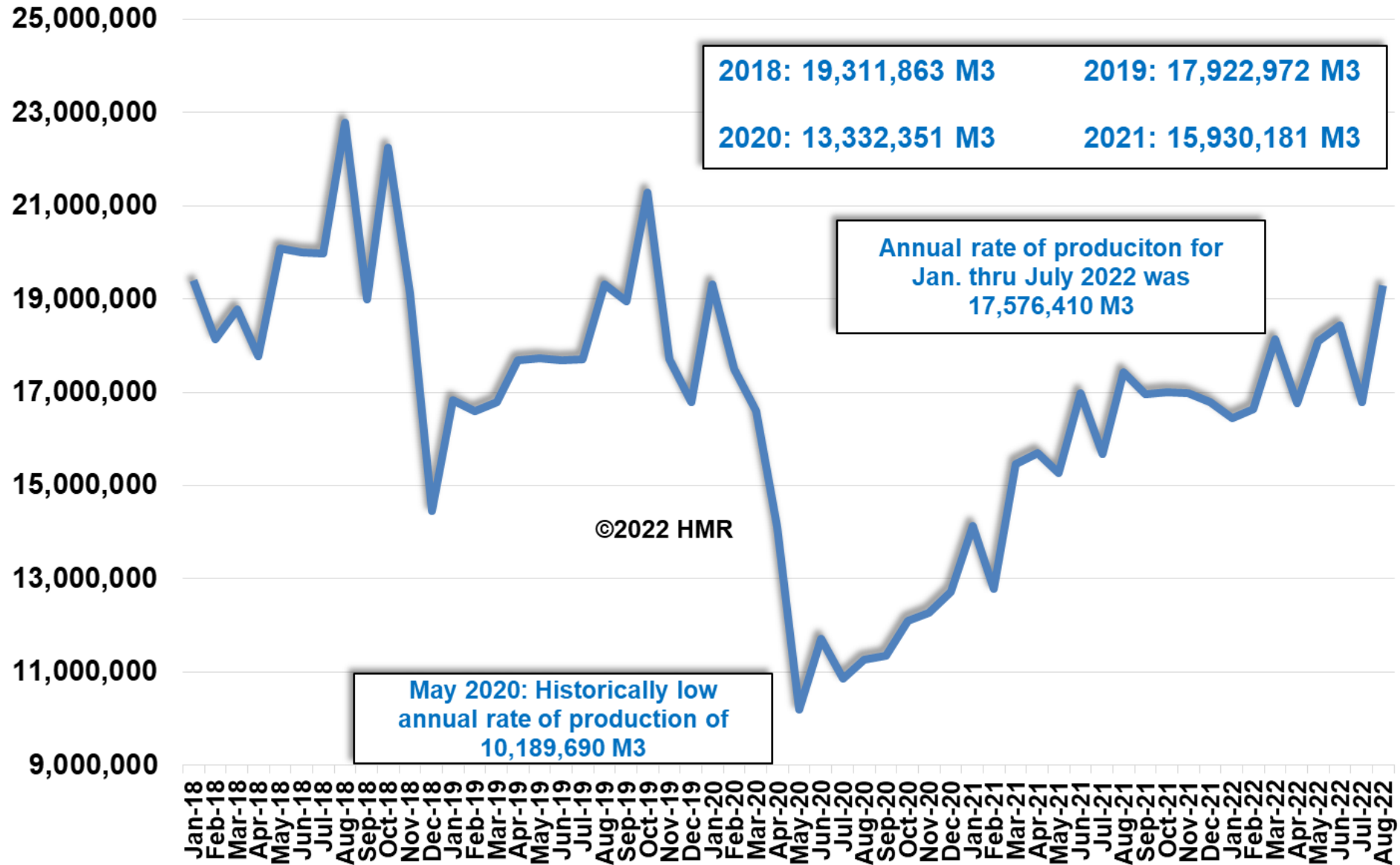
Eastern US Hardwood Sawmill Production



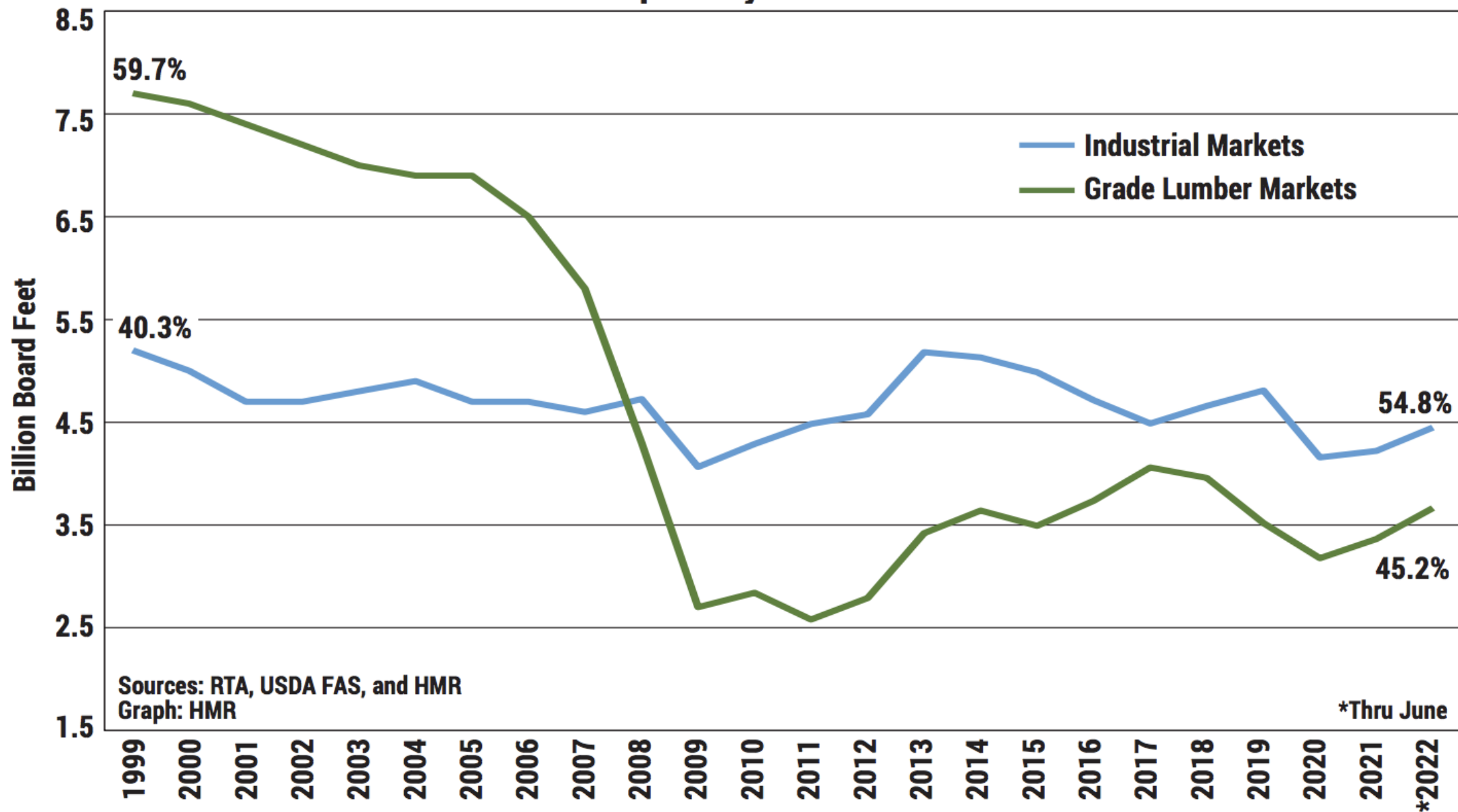
Eastern US Grade Hardwood Lumber Consumption by Domestic and Export Markets



Eastern US Hardwood Sawmill Production (Annual Rate in Cubic Meters)



Eastern US Hardwood Consumption by US Industrial and Grade Lumber Markets

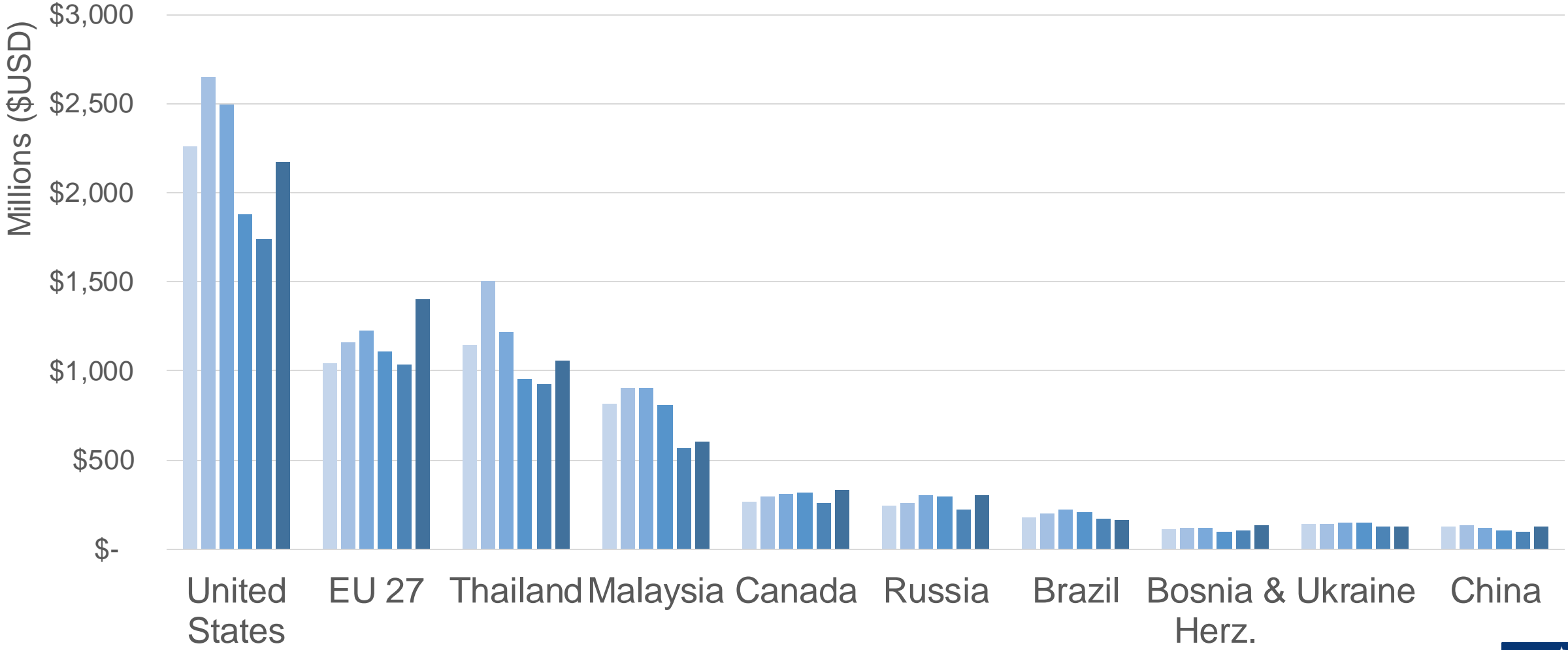


Sources: RTA, USDA FAS, and HMR
Graph: HMR

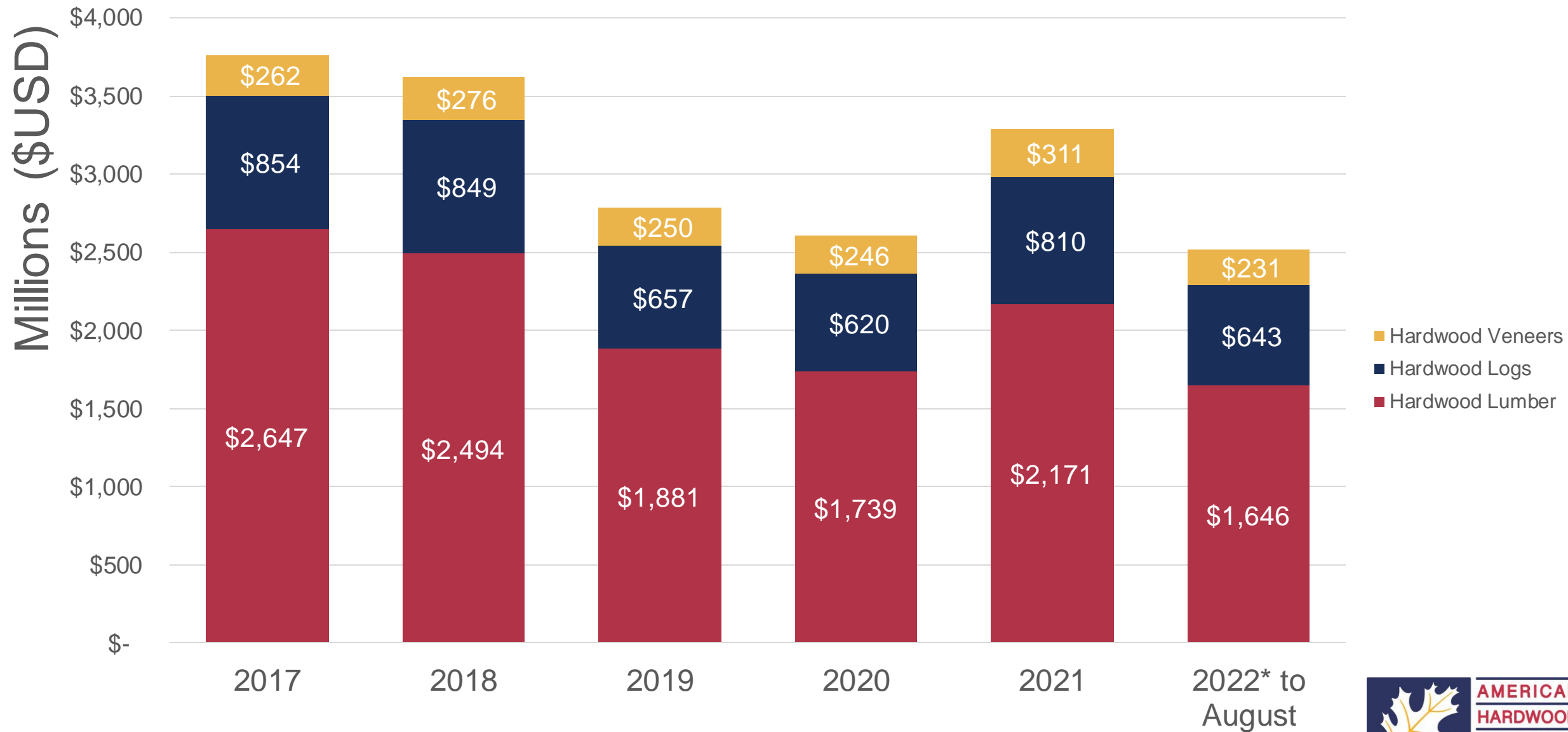
*Thru June

Largest Hardwood Lumber Exporters

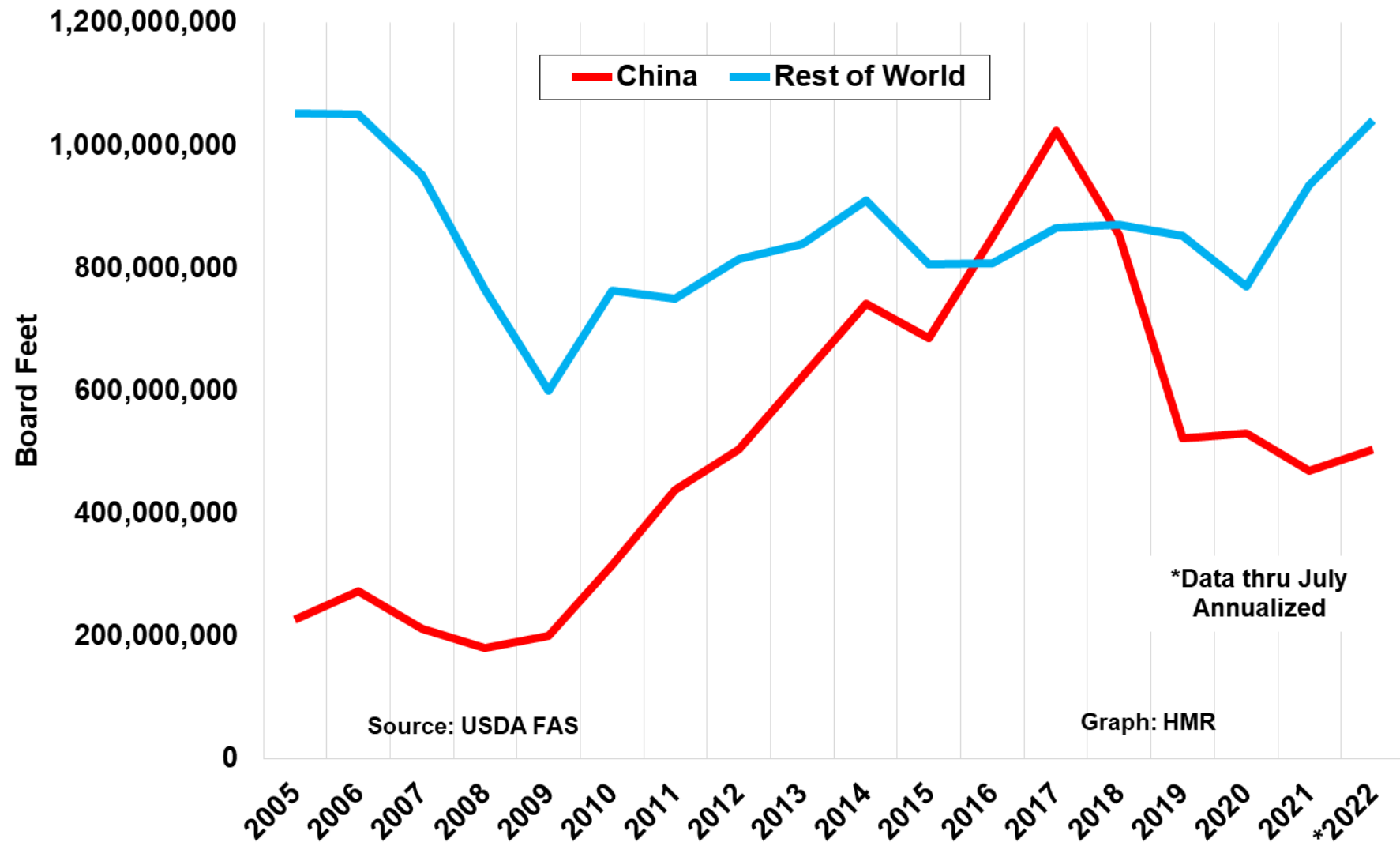
2016 2017 2018 2019 2020 2021



US Hardwood Exports

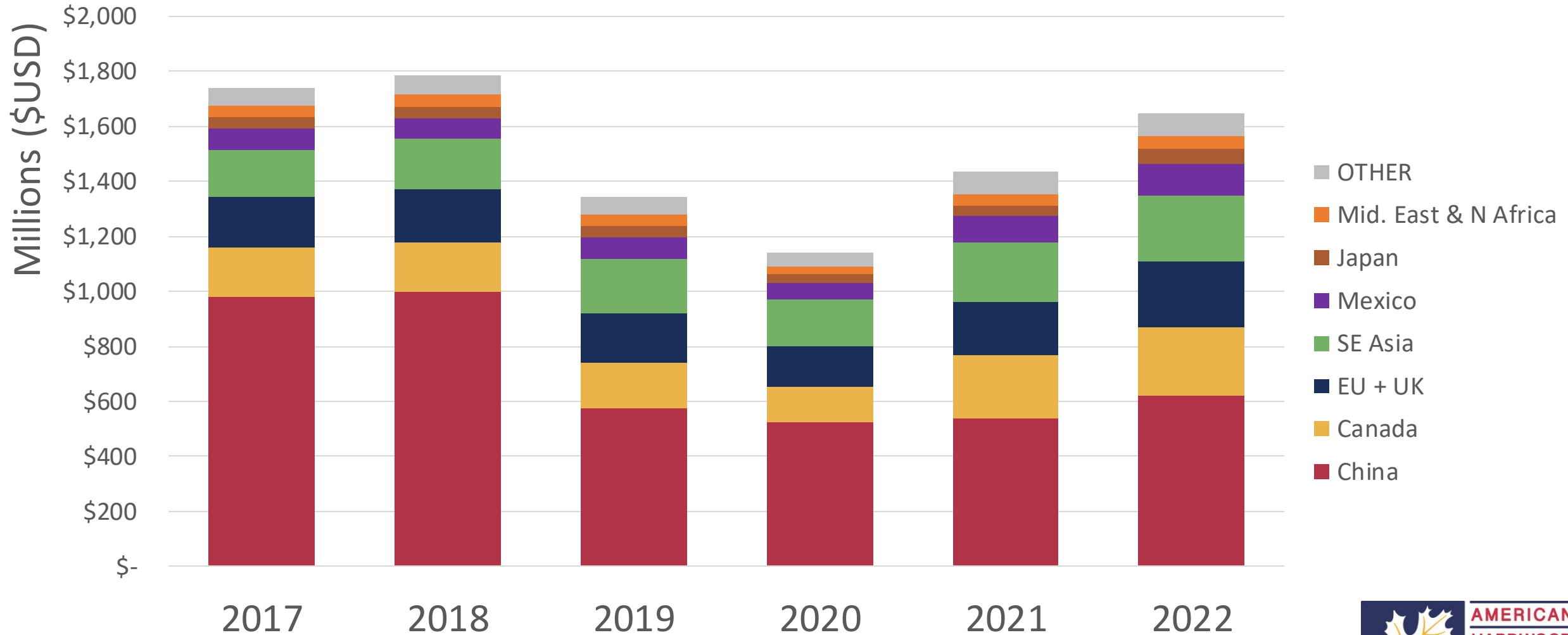


US Exports of Hardwood Lumber to China and the Rest of the World

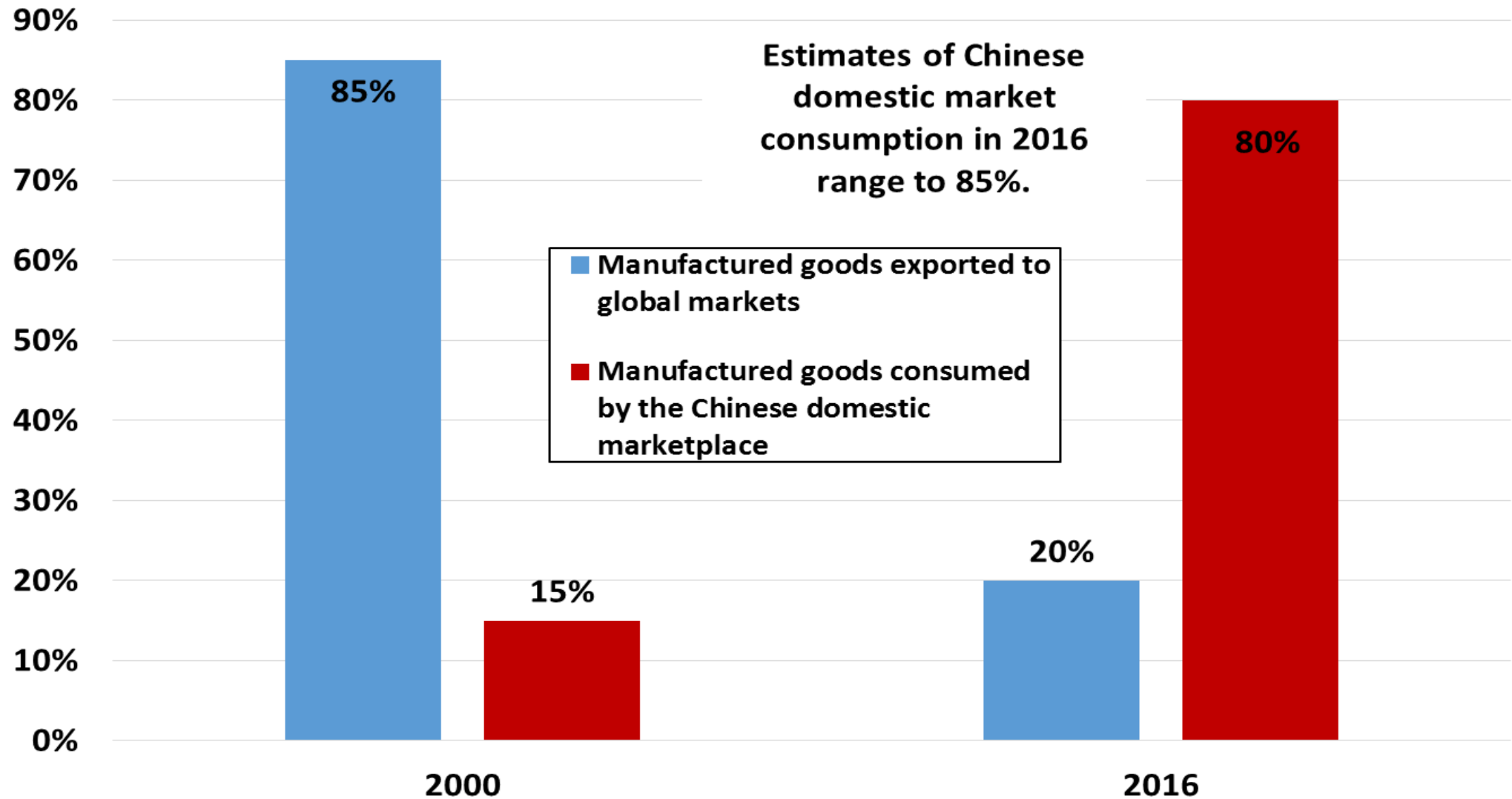


China Still Largest Market for US Exports

US Hardwood Lumber Exports (Jan-August)



Final Destination of US Hardwood Lumber Exported to China



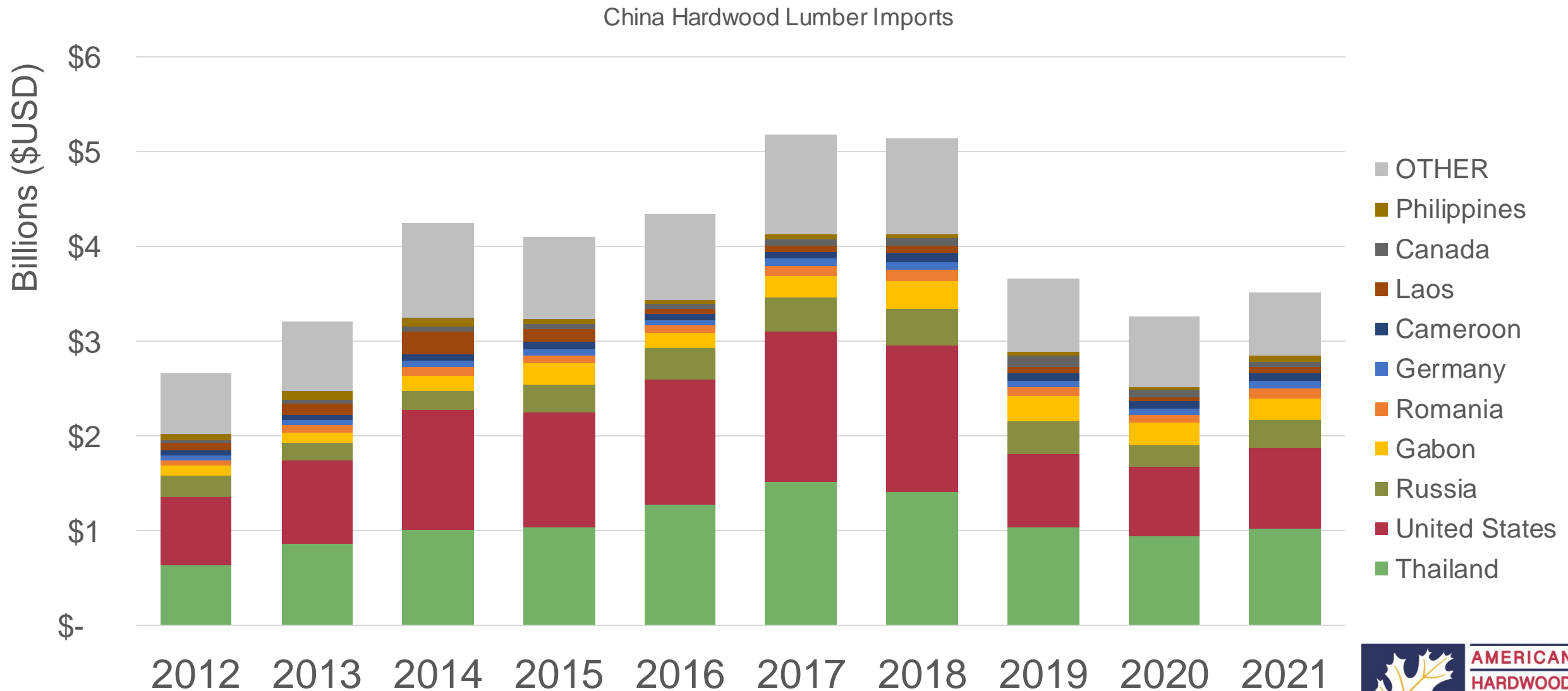
Source: AHEC/China Timber Import Association
Graph: Hardwood Market Report



In 2019 alone, U.S. log and lumber exports to China dropped \$1.25 billion. To put this in perspective, the sales lost are nearly equal (88%) to a total loss of all U.S. logs and lumber in 2019 to Mexico, Japan, Vietnam, and Western Europe combined.



China Total Imports Have Slowed Down



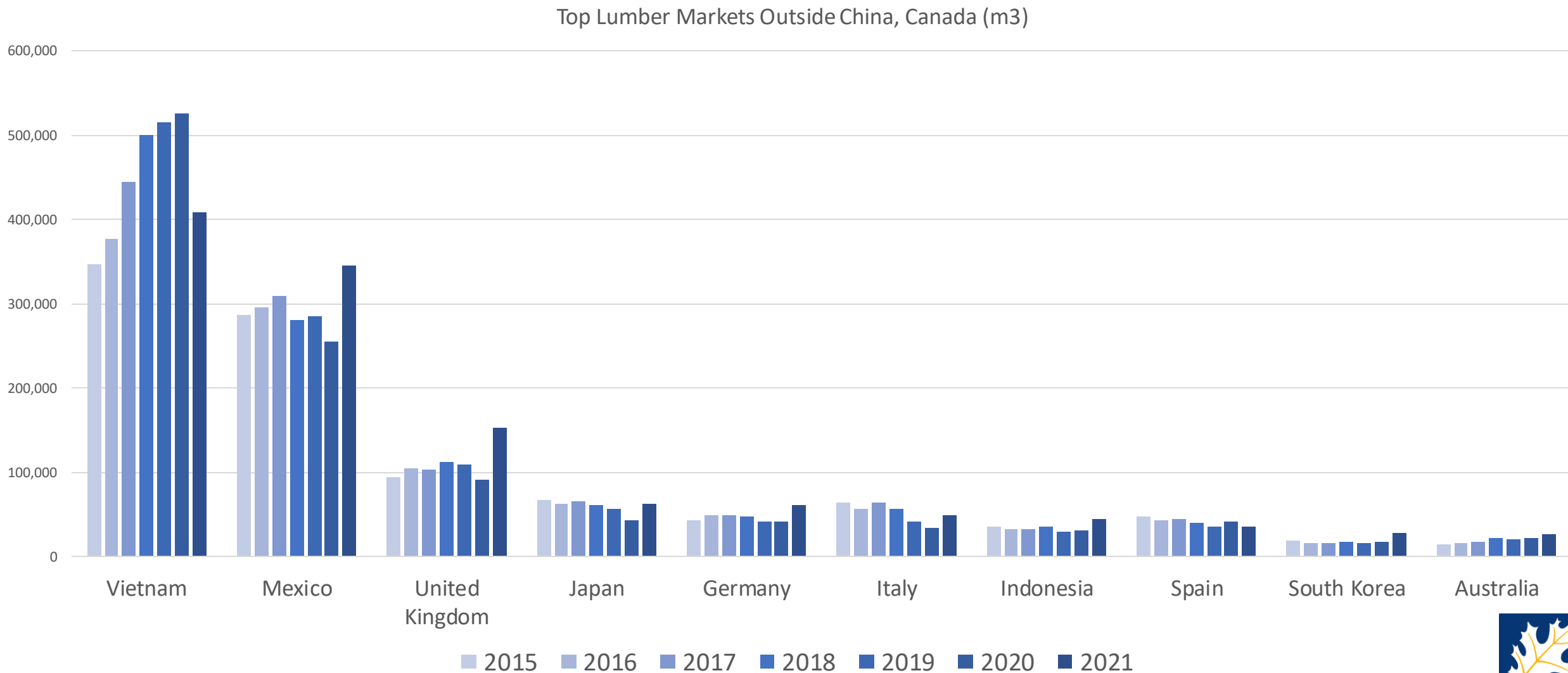
Source: Trade Data Monitor



China at a Crossroads:

- Growth slowing
- Geopolitics over economics
- Return of the “zombie” SOE
- Housing Market in Crisis
- Increasing debt/Belt and Road defaults
- “Zero COVID” a mistake?
- Nearshoring/”friendshoring”
- Demographic “timebomb”

Top Markets Outside of China, Canada



Source: USDA GATS



Nearshoring and “Friendshoring”

**Moving supply chains to
“friendly countries” to limit
operations risk**

**Fueled by logistics, Gov
policy, overreliance on one
market**

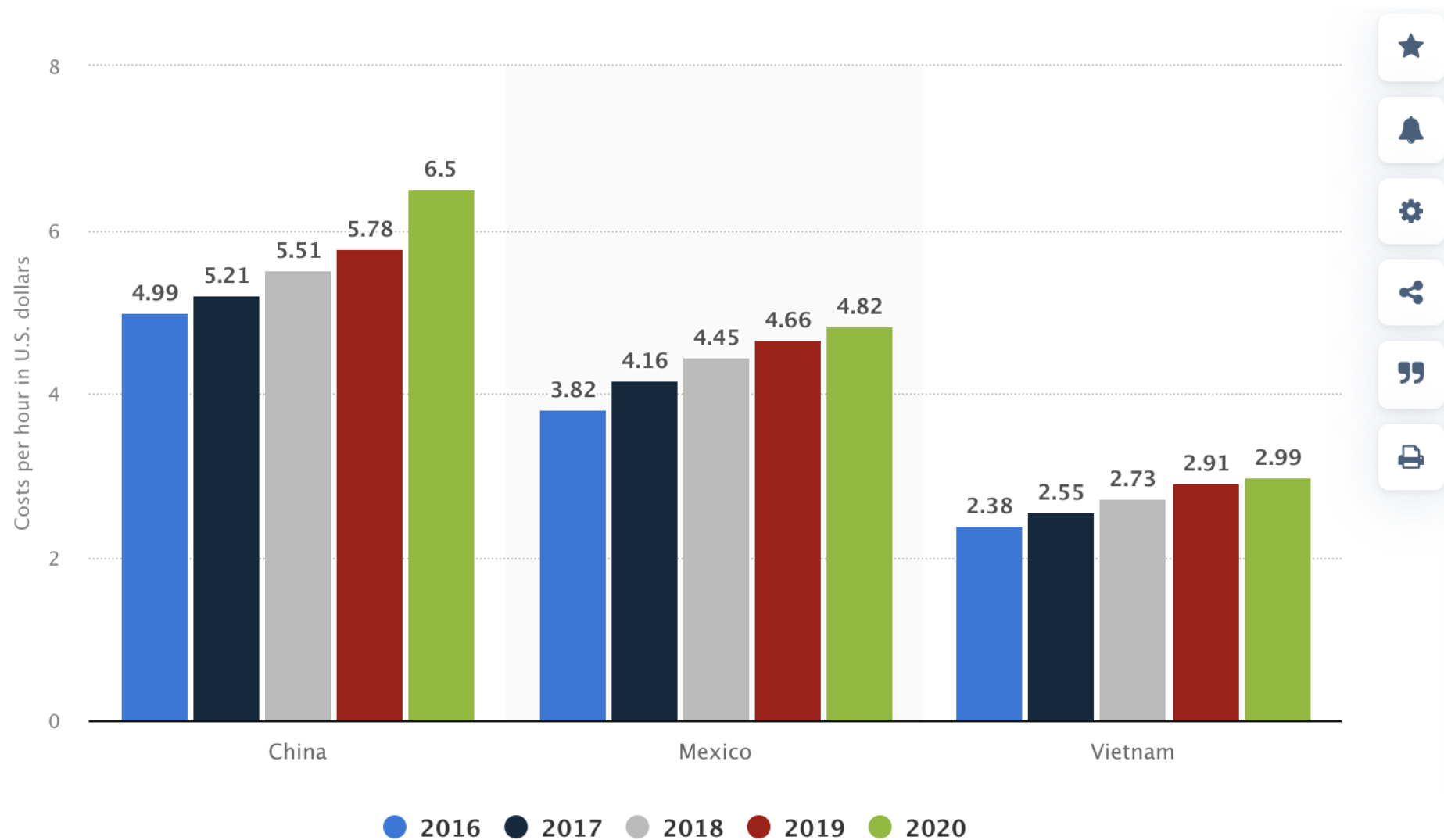
- Apple
 - China -> Vietnam
- Samsung
 - China -> Vietnam
- Hasbro
 - China -> India and Vietnam
- Volvo
 - New EV factory in Slovakia for EU market

Beneficiaries of “Nearshoring”

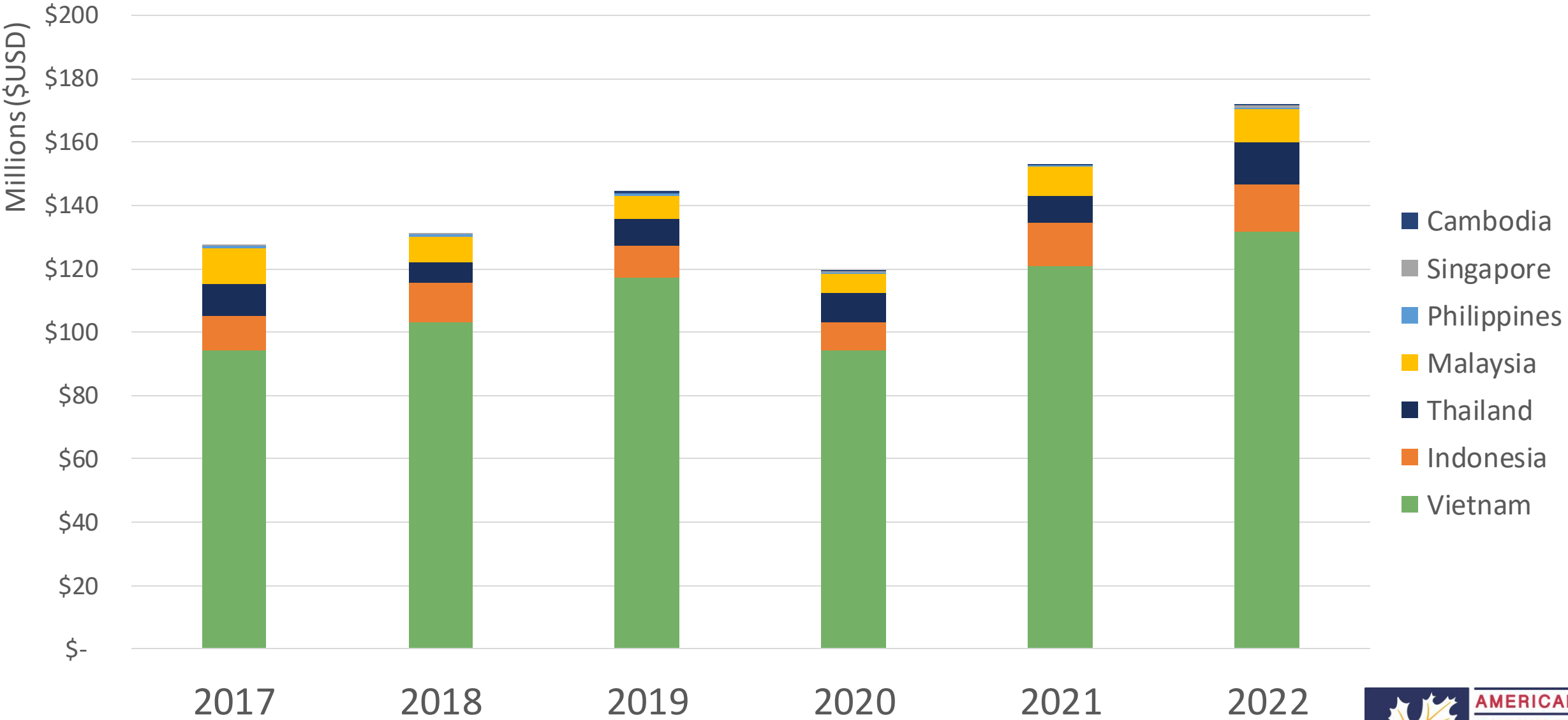
- SE Asia and India for Asian Manufacturing
- Mexico for N. America
- Turkey for Europe



Cost of Hourly Manufacturing Labor



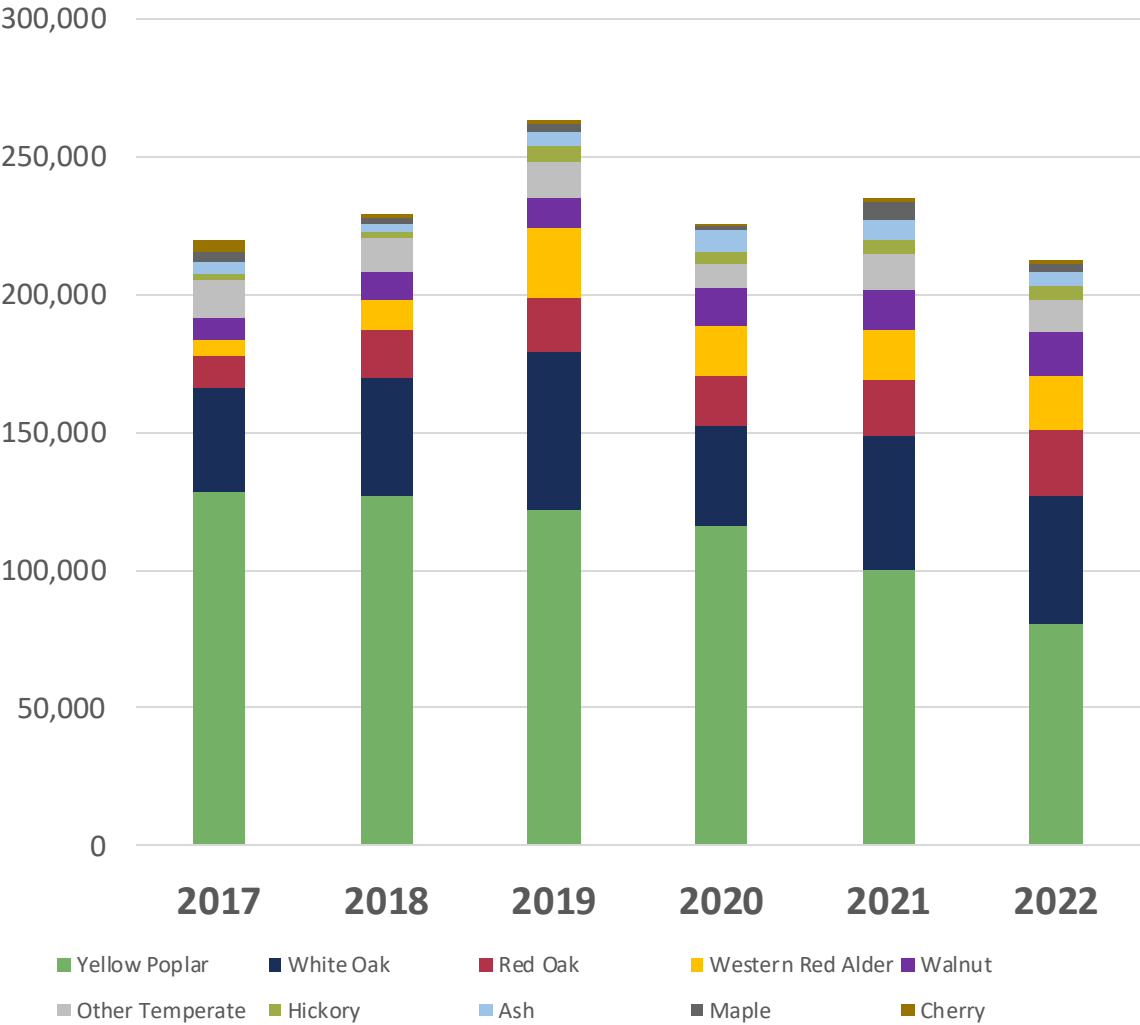
US Lumber to SE Asia (Jan-June)



Source: USDA GATS, data for Jan-June each year

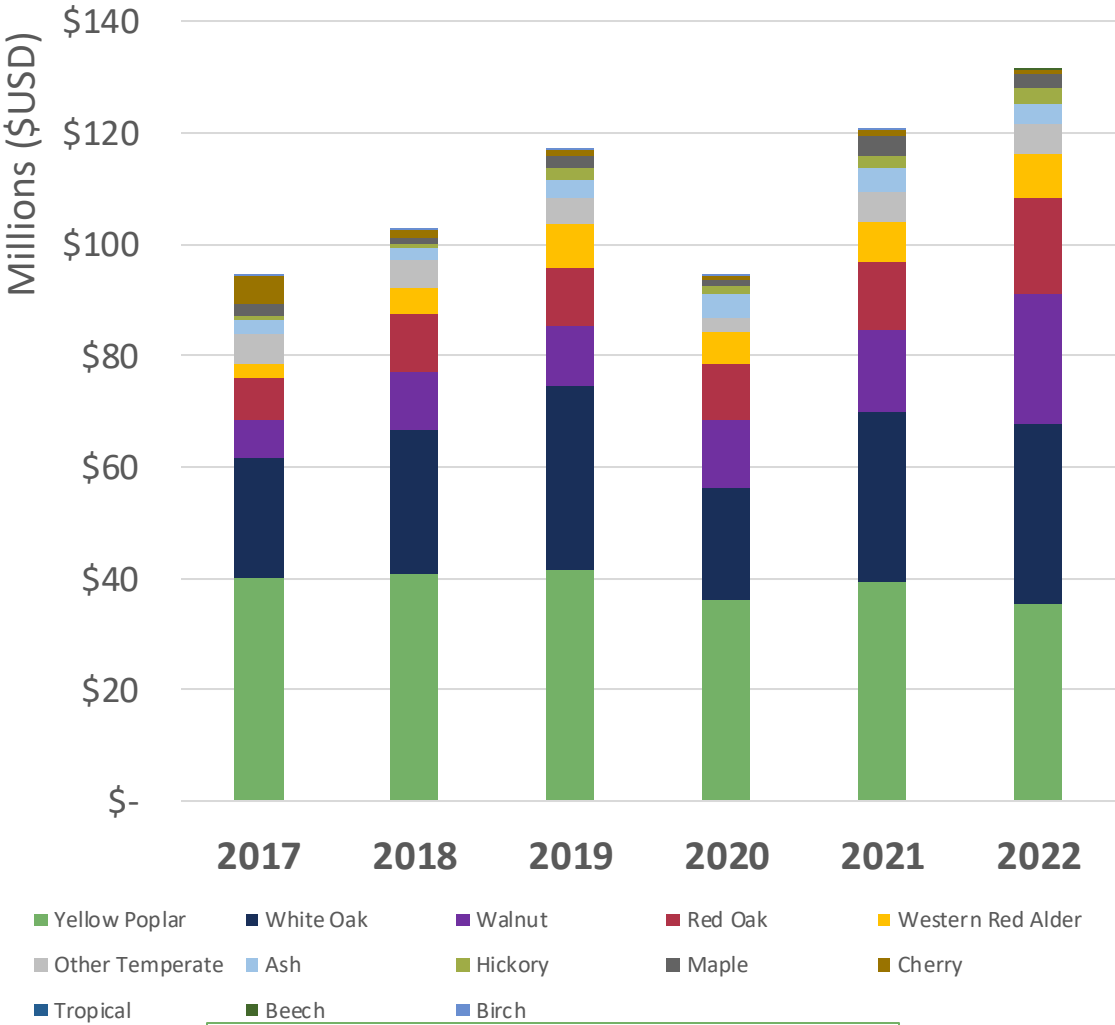


US HDWD Lumber to Vietnam (Volume
m3, Jan-June)



Volume down 10%

US HDWD Lumber to Vietnam
(\$USD, Jan-June)



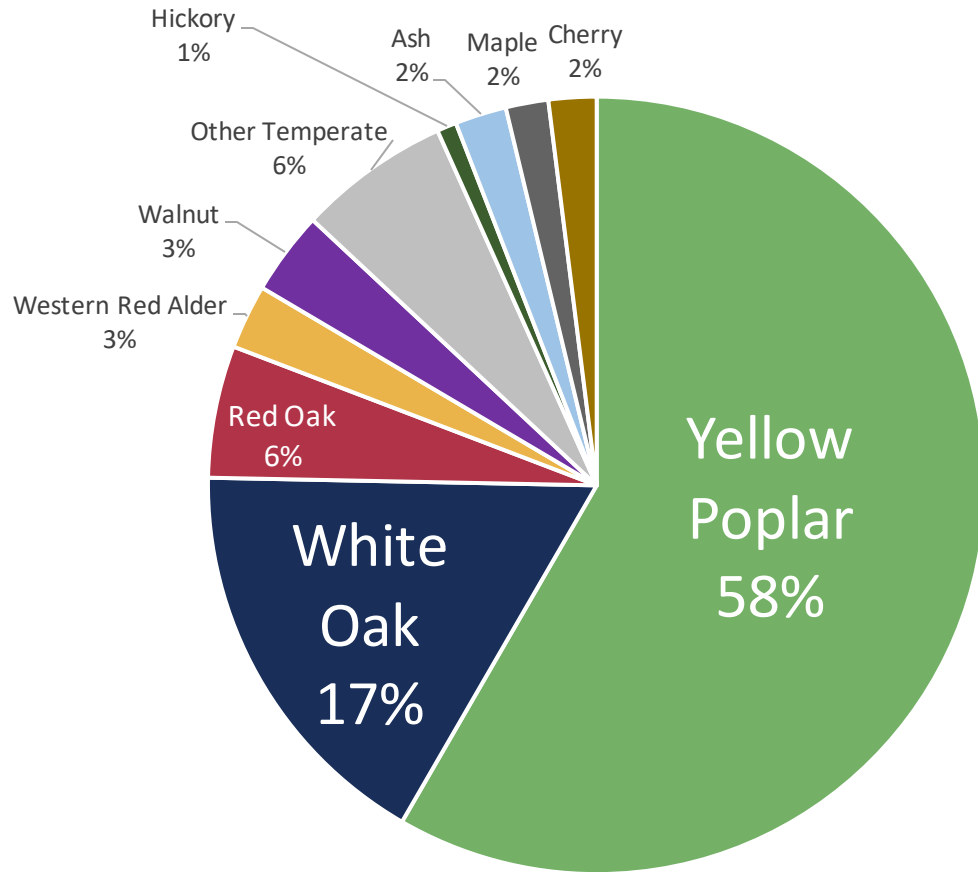
\$Value up 9%
up 39% since 2020

Source: USDA GATS, data for Jan-June each year

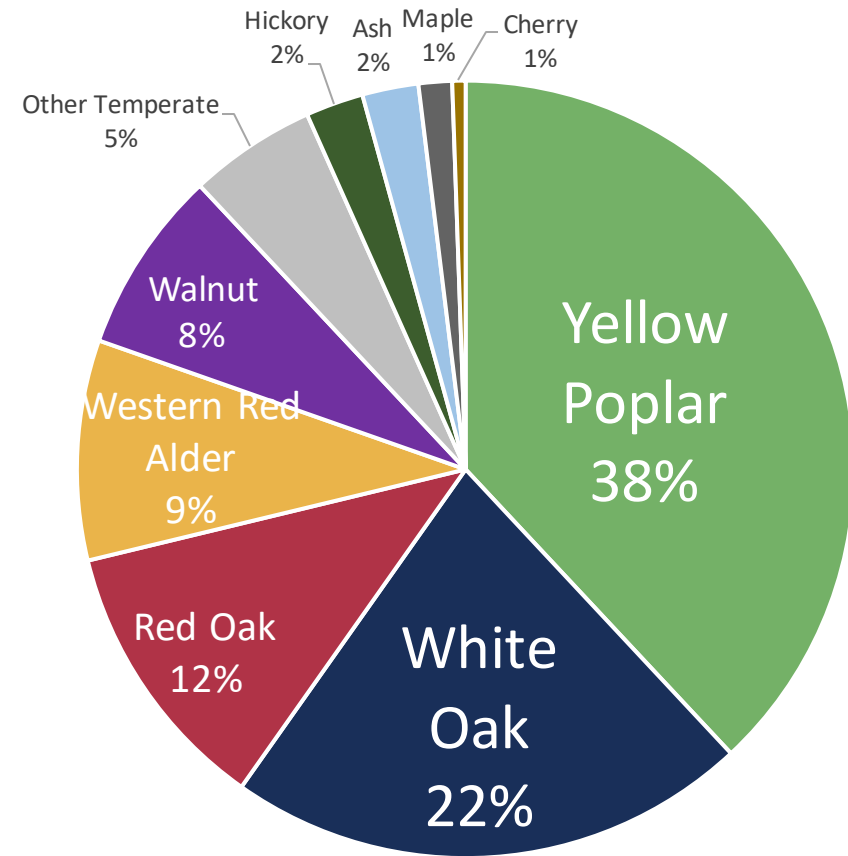


Species Mix Changing in Vietnam

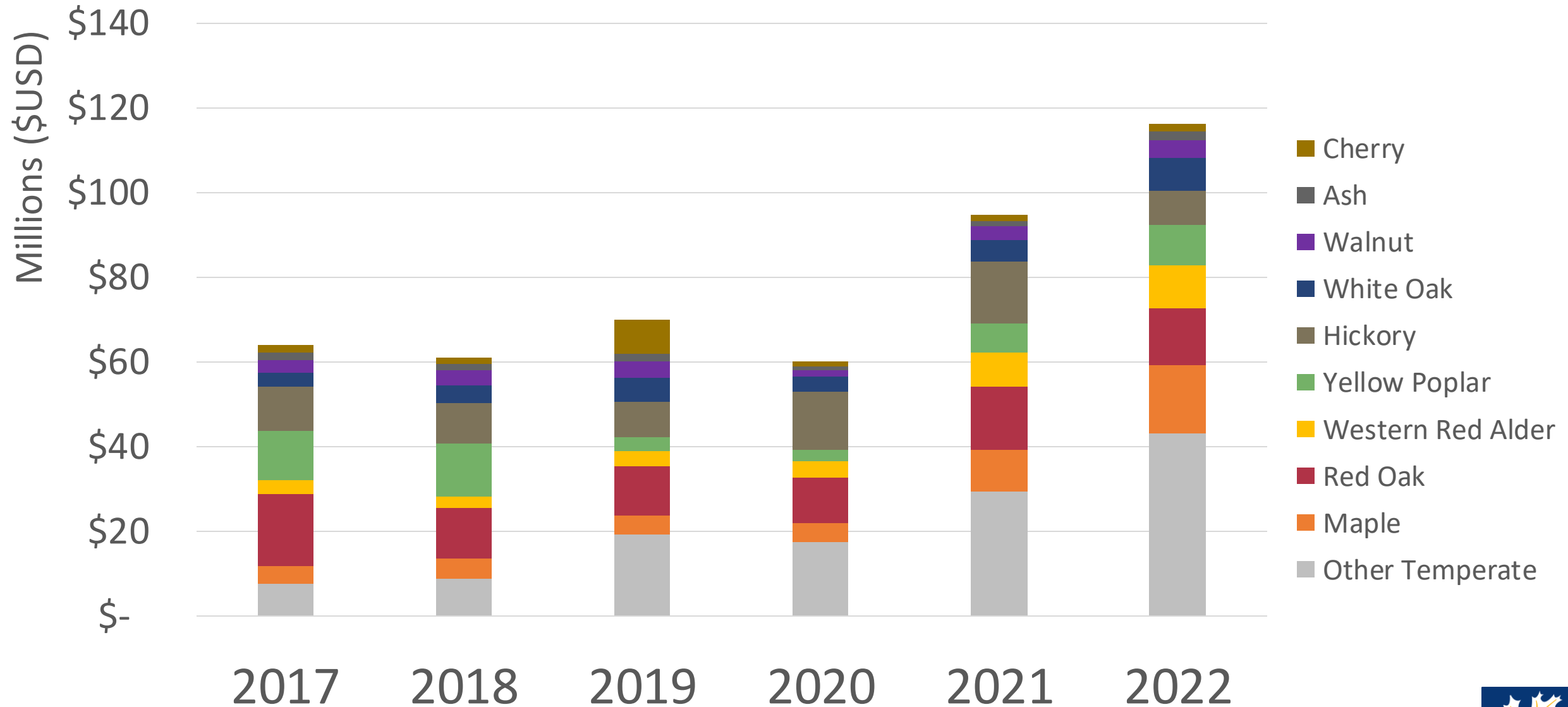
2017 Vietnam



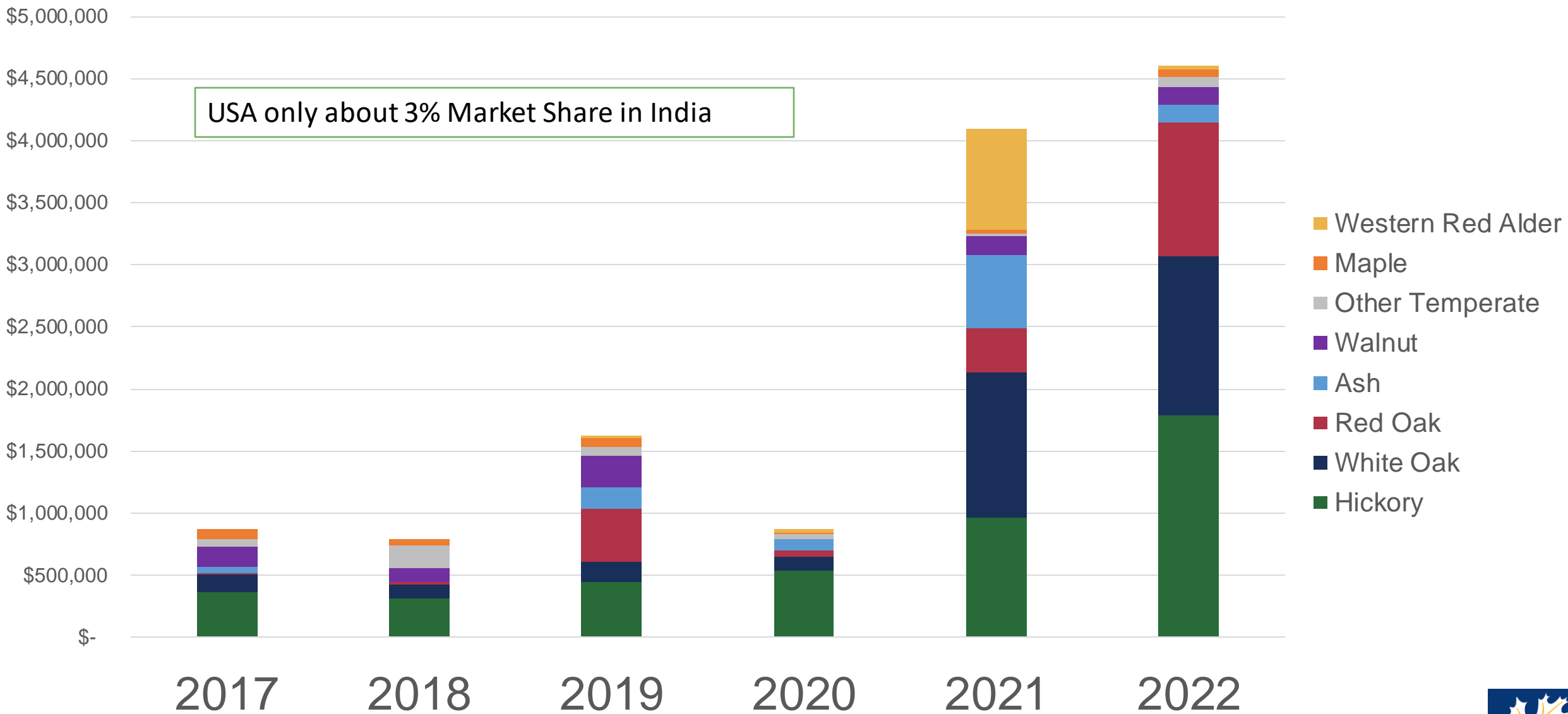
2022 Vietnam



US Lumber to Mexico (Jan-Aug)



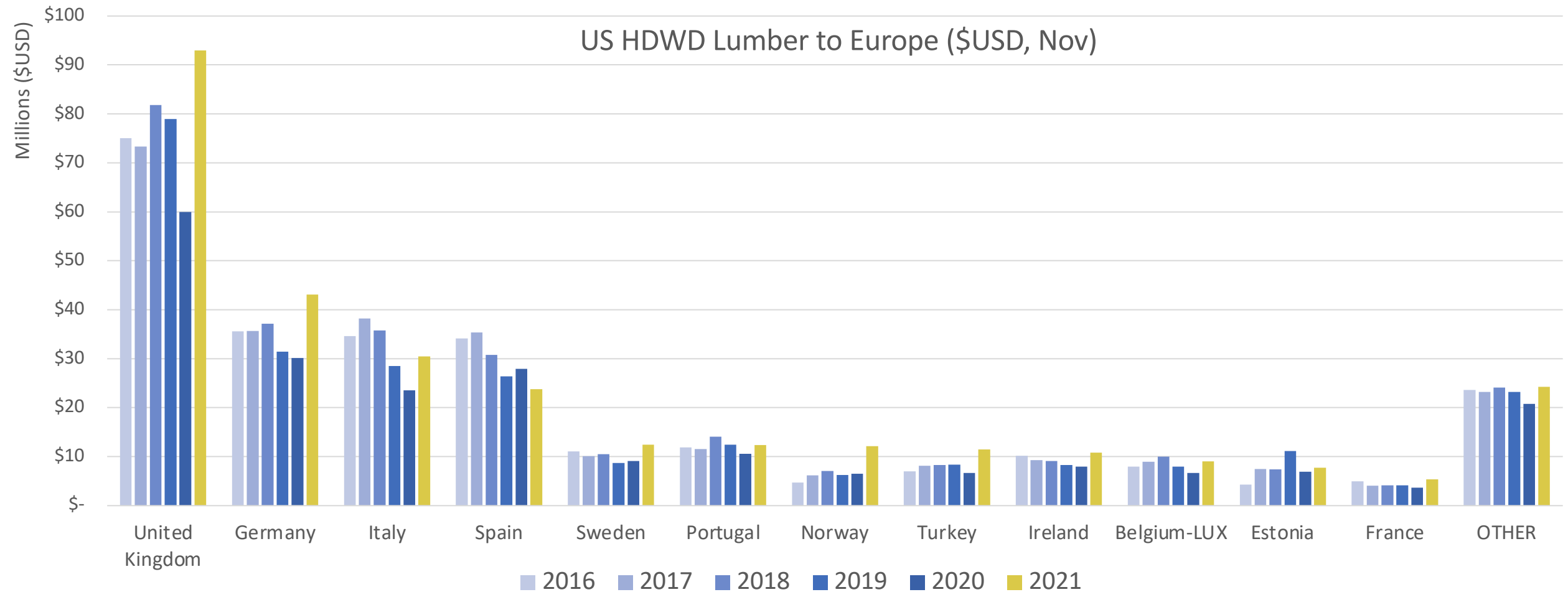
US Lumber to India



Source: USDA GATS, Data Jan-Aug



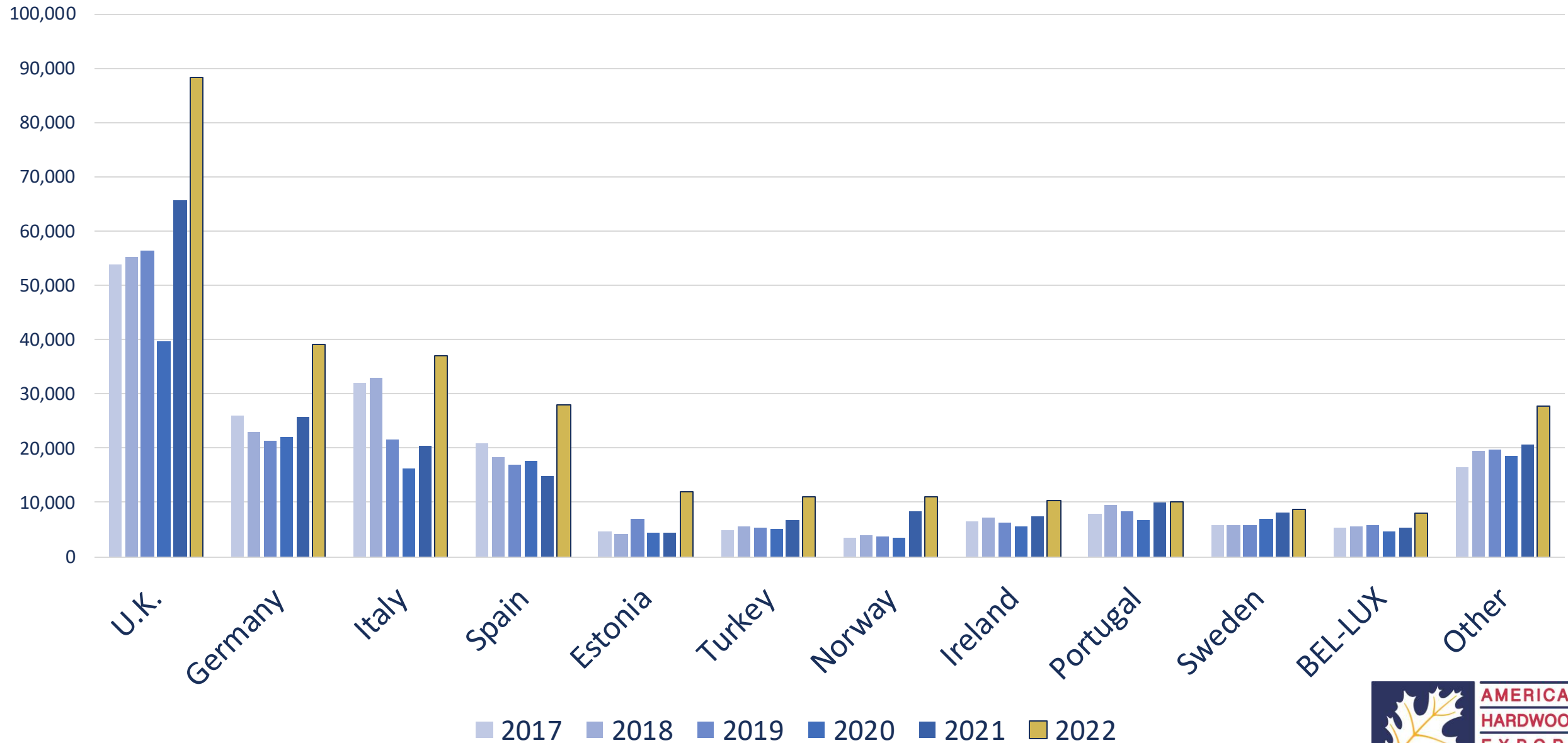
Strong Growth Across Europe



Other includes: Denmark, Netherlands, Lithuania, Greece, Finland, Poland, Malta, Cyprus, Austria, Slovenia, Switzerland, Albania, Iceland,



US Lumber to Europe (m3, Jan-June)



Source: USDA GATS, data for Jan-June each year



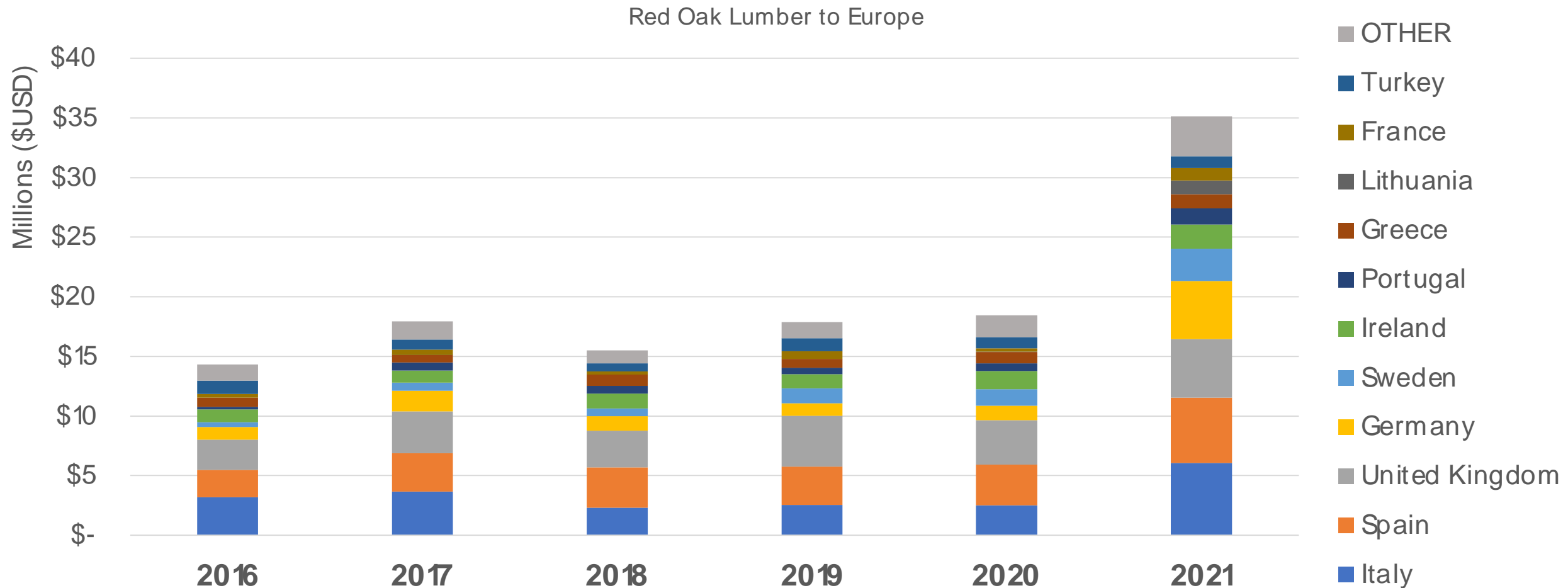
Red Oak Renaissance



“The Nest” in TMT Red Oak
by Dallas Pierce Quintero for Sir John Sorrell



Increasing Red Oak Demand Across Europe

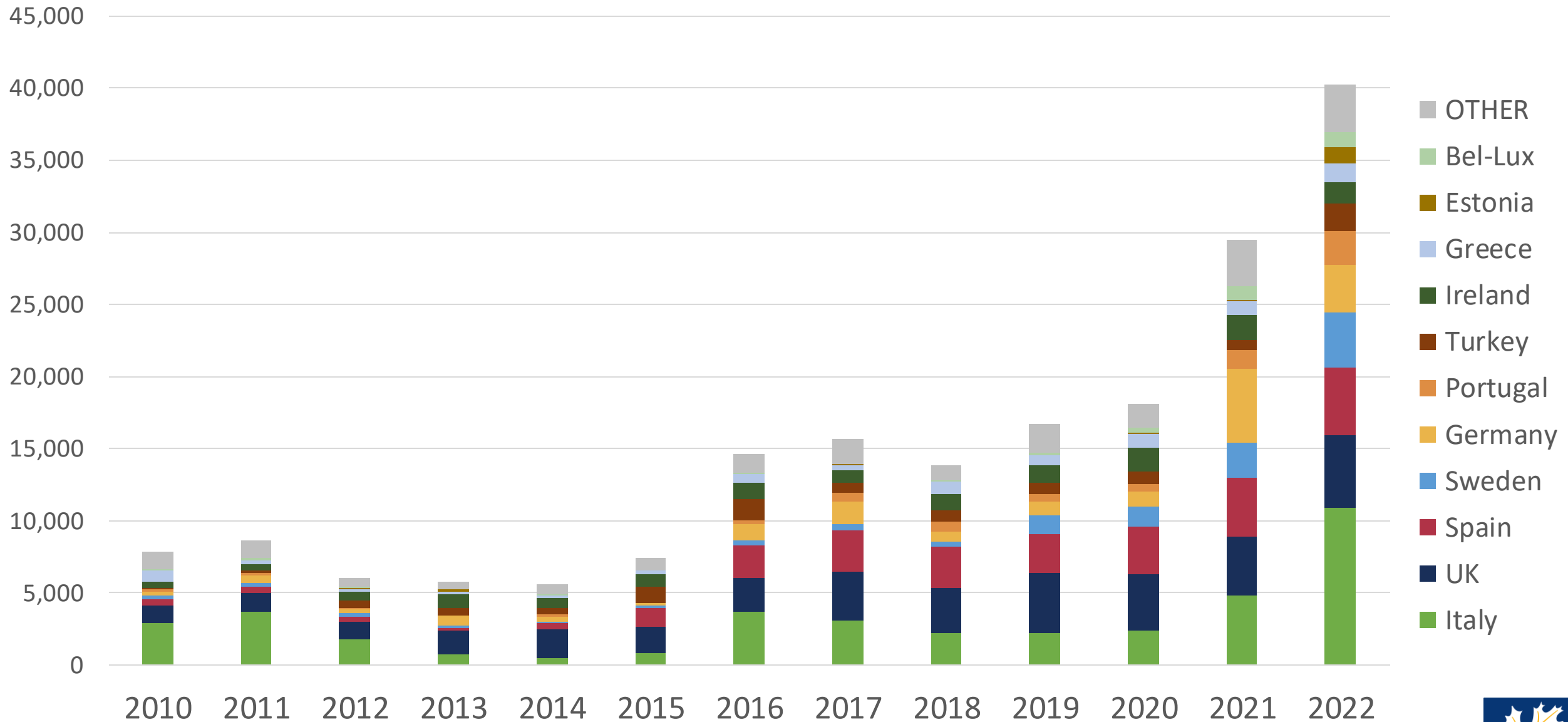


Other includes: Belgium, Estonia, Denmark, Netherlands, Norway, Finland, Poland, Malta, Cyprus, Austria, Slovenia, Switzerland, Albania, Iceland, Bulgaria, Latvia, Croatia, Serbia, Romania

Source: USDA GATS (November)



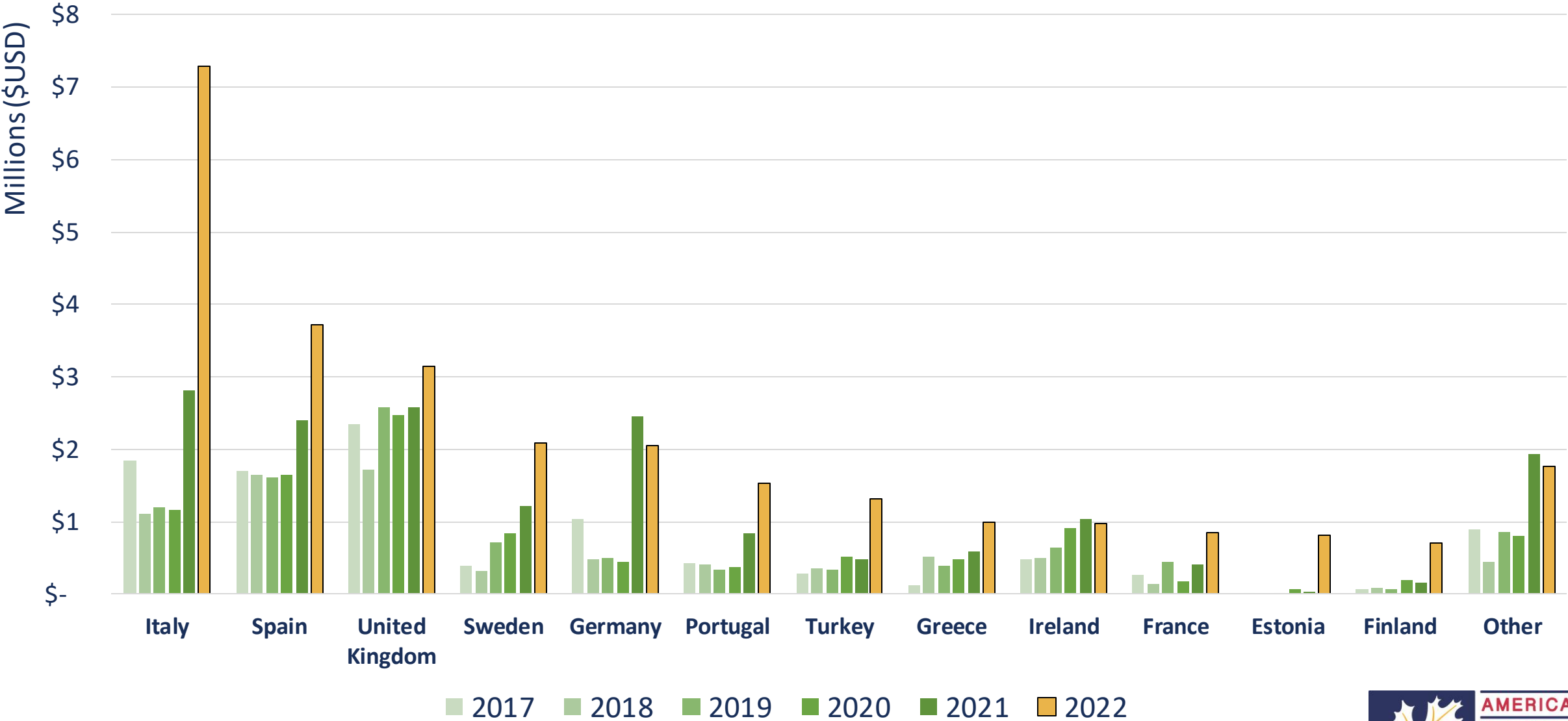
Red Oak Lumber to Europe (Jan-Aug m3)



Source: USDA GATS, Data Jan-Aug



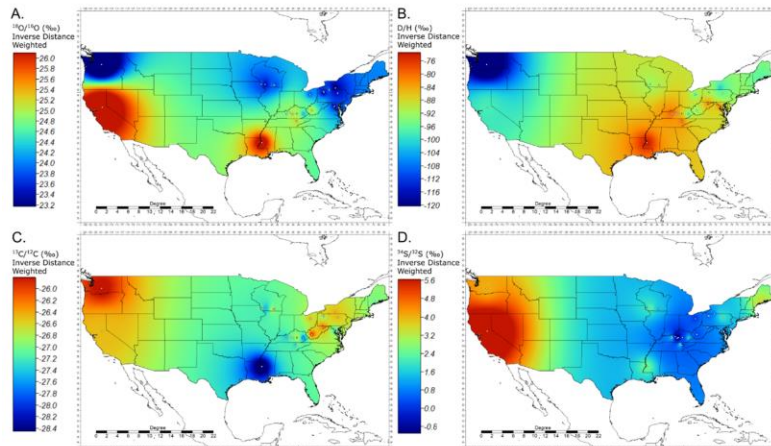
US Red Oak Lumber to Europe, Jan-Jun



Source: USDA GATS, data for Jan-June each year



Innovations: World Forest ID



Watkinson et al, 2020, *The Development and Use of Isoscapes to Determine the Geographical Origin of Quercus spp. in the United States*

<https://www.mdpi.com/1999-4907/11/8/862/htm>

- World Forest ID – consortium comprising US Forest Service International Program, RBS Kew, WRI, FSC, Agroisolab
- Chemical isotope and DNA mapping of timber species
- Initial driver “negative” enforcement role: to identify illegal wood for Lacey/EUTR enforcement
- AHEC identified potential positive communication role
- Link products to well managed source at lower cost and more reliably than CoC
- Marketing benefits from linkage to FIA data, risk assessment, LCA
- Isotope mapping may be particularly beneficial as it is lower cost than DNA analysis
- Currently 125 samples of red & white oak establish origin to “United States level”, possibly state, using a lab isotope test
- World Forest ID now seeking \$6m over 3 years from US government for wide ranging study:
 - Reference library of wood samples from 10 most commonly traded US hardwood species from across growing regions for:
 - DART-TOFMS (Direct Analysis in Real Time—Time of Flight Mass Spectrometry) cheap and quick method to identify species & general geographic origin potentially to State or Region level
 - Stable isotope ratio analysis (SIRA) - does not determine species but can potentially identify specific Forest Inventory and Analysis (FIA) unit or even FMU.
 - DNA/Genetics – identifies species and theoretically the stump from which timber is derived
 - Assess costs and institutional framework for widely accessible testing framework



Sustainable Hardwood Coalition



Proving the sustainability of hardwoods

**Verifying sustainability to maximize
market opportunities for sustainable
hardwood products**

Thank You

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www.americanhardwood.org

Sustainable Hardwood
Coalition
Statement of Support

