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SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

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Grading of European lumber under review

The American Lumber Standard Committee's Board of Review will hold a hearing April 27 to discuss the West Coast Lumber Inspection Bureau's recent performance associated with grading European softwood lumber imported to the U.S. During a March meeting, the Board of Review discussed staff reports indicating that destination checks by the WCLIB and ALSC staff members over the previous month show "continued significant concerns regarding grade quality of lumber coming from several WCLIB mills in Europe for multiple months of production," according to minutes from the meeting.

Issues associated with European lumber in the U.S. found to be off grade surfaced last year (Random Lengths, January 19). WCLIB inspectors found loads of 2x4 with #2 grade stamps to have more than the allowable percentage of pieces off grade. Knot size and placement reportedly caused by ripping 2x8 into 2x4 was a primary issue, while missing grade stamps on some pieces was another problem that surfaced. Some of those European exporters have recently indicated they are considering withdrawing from the U.S. market in response to the ongoing controversy surrounding grading. They note that their companies have shipped to the U.S. for many years without issues, and production practices have not changed.

They say complaints about lumber quality have not been customer-driven, and hold-ups at the ports for regrading have left customers angry and scrambling for coverage elsewhere. Traders have noted some European mills switching grading agencies.

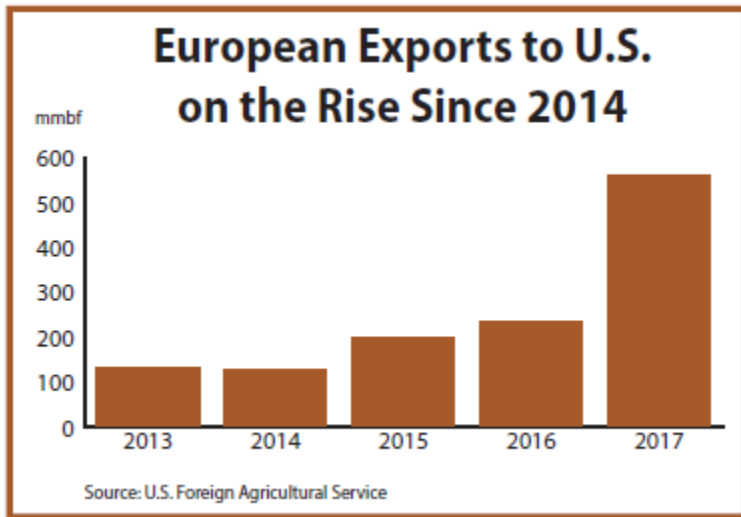
Sources say grading issues on European imports to the U.S. have surfaced occasionally in previous years, and importers acknowledge that there is fault on the part of European mills for off -grade splitter-stock and missing grade stamps. But they also suspect they have been singled out.

"It's clear the Europeans are being singled out; they aren't inspecting domestic output hitting the marketplace," said one veteran importer.

An official with the ALSC declined to comment. But, the Board of Review's recent minutes gave notice to the WCLIB that it plans to take action under various sections of ALSC's Lumber Enforcement Regulations, including sections 10.6, 10.9, and 10.10 of Voluntary Product Standard PS 20-15. Section 10.6 provides the board with authority to revoke

a grading agency's accreditation if it determines that the agency is not conforming with established standards. Section 10.9 requires the board to "administer rules, regulations, and sanctions to ensure the continued competency, reliability, and integrity of accredited agencies providing inspection services." Section 10.10 requires the board to hold a hearing allowing the WCLIB to appear or be represented by counsel to present evidence on its behalf. The board also is required to publicly report any action it takes within 30 days following an official decision. U.S. imports of softwood lumber from the 10 most common European suppliers more than doubled in 2017 versus the previous year, climbing to 560 mmbf, the highest total in a decade.

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European shipments to the U.S. have sustained that momentum in early 2018. Volumes through February increased 140% compared to the first two months of 2017.

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