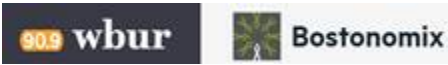


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Another example of “unintended consequences” for the wood products industry from the current trade war between the U.S. and China. Personally, I empathize with colleagues/friends in the hardwood products sector. Rich

<https://www.wbur.org/bostonomix/2019/09/24/hardwood-china-tariffs-lumber-sawmills>

Hard Times: New England Hardwood Industry Struggles Amid Trump's Trade War

Play

September 24, 2019 Updated Sep 26, 2019 9:18 AM

- [Wilder Fleming](#)



An employee inspects oak boards before they are sorted at Allard Lumber in Brattleboro, Vermont. (Jesse Costa/WBUR)

Trevor Allard stands in the sawmill's observation deck at Allard Lumber with his sales manager, looking down on a dusty expanse of grinding saw blades and conveyor belts.

Allard's father co-founded the company, in Brattleboro, Vermont, nearly 50 years ago. It's located where Trevor's grandfather once farmed the land.

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lumber drops 25%, and you've got 4 million logs that you paid money for based on a higher price, you're losing money."



The pine milling operation at Cersosimo Lumber Co. in Brattleboro (Jesse Costa/WBUR)

Cersosimo Lumber is located across Brattleboro from Allard. Founded in 1947, the company now has more than 200 employees in Vermont and New Hampshire.

Monica Hastings, Cersosimo's sales and marketing manager, says she believes the trade war is "catastrophic for this industry."

She says the uncertainty caused by Trump's trade policy has made global prices more volatile — in some cases plummeting even further than the face value of the tariffs.

"I thought the recession of 2009 was pretty harsh, but this is harder to strategize a solution for," she says. "I think we're all feeling like puppets on a string."

Cersosimo sends 90% of its red oak overseas — the vast majority to China — and now, Hastings says, they're shipping it at a loss.

Trump argues that the back-and-forth over tariffs is necessary, part of a negotiating tactic that will benefit the U.S. economy in the long run.

"China has been taking out of this country \$500-plus billion a year," the president said during a speech at the [G-7 Summit in August](#). "It's time they stop."

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Oak boards are packed at Cersosimo Lumber. (Jesse Costa/WBUR)

That rationale doesn't satisfy Jamey French, president and CEO of Northland Forest Products, with headquarters in Kingston, New Hampshire, and operations in Virginia.

"I am the first to admit that the Chinese do not play fair and that they have done some things that are very disruptive, long term, to American business," French says. "But I'm not sure that it's fair to put that burden of this trade war on a sector that has struggled as it [has] over time."

The hardwood industry in the U.S. has been shrinking for decades. But in the wake of the Great Recession, China has been a bright spot. That is, until the trade war. Since Chinese counter-tariffs took effect last September, industry leaders estimate a decrease of more than 40% in exports to China, and a \$615 million drop in the total value of lumber exports.

In May, the Trump administration granted U.S. farmers — including soybeans — a [\\$16 billion relief package](#) intended to help make up for losses related to the trade war.

But the hardwood industry has received no such support.

"Unlike the other main row crops," French says, "we have gotten absolutely no support other than comments of, you know, 'take one for the team' or, 'we can't help you — it's too complicated,' 'you're not really an agricultural product.' "

Jim Hourdequin is CEO and managing director of The Lyme Timber Co., in Hanover, New Hampshire, which acquires and manages millions of acres of forest all over the country. *He says "the hardwood industry is collateral damage in Trump's trade war with China."*

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Stacks of oak and maple boards are ready for shipment at Allard Lumber. (Jesse Costa/WBUR)

The trade war has had a particularly "devastating" impact on sawmills in Pennsylvania, West Virginia, Tennessee and Kentucky, Hourdequin says, with mills cutting hours, and some closing their doors.

Comments

04:38Aug 27, 2019

"And the irony, I mean, as with agricultural commodities, is the hardwood industry in general comes from red states and a lot of the hardwood sawmillers were supporters of Trump, and in some cases willing to take a bloody nose for what some believed was the greater good of getting China to play fair in other industries," he says. "I think that what the industry didn't realize was how long this trade war would go on for."

It's caught the attention of some lawmakers.

Annie Kuster, a Democrat who represents New Hampshire's 2nd Congressional District, co-authored a [letter](#) last summer, signed by 12 other Democrats and 25 Republicans, to the USDA, calling for the industry to be included in future farm aid packages from the Trump administration. She says they've gotten no response.

"The farmers, particularly the big farmers in the Midwest, tend to have the ear of the members of Congress and tend to have a lot of media reports about the impact — particularly Iowa, given the presidential primary," says Kuster. "I wanna make sure that loggers and foresters have that same voice in Washington."

In a statement, the USDA says the lumber industry has received more than \$5 million from the department's Agricultural Trade Promotion Program, "one leg of the President's Support Package for Farmers. However, lumber trade jurisdictionally falls within the Department of Commerce, and so the Department of Agriculture is not providing additional assistance beyond trade promotion in this sector."

The Department of Commerce did not respond to request for comment.



26 September 2019



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Chris Pappas, another Democrat, represents New Hampshire's 1st District and co-authored the letter with Kuster.

"Even if there's assistance, even if the tariffs are lifted, we're going to see a long-term dislocation of these markets," Pappas says. "It's going to take a very long time for the industry to recover."

Richard P. Vlosky, Ph.D.
Director, Louisiana Forest Products Development Center
Crosby Land & Resources Endowed Professor of Forest Sector Business Development
Room 227, School of Renewable Natural Resources
Louisiana State University, Baton Rouge, LA 70803
Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931
Web Site: www.LFPDC.lsu.edu

