



# A New World for US Hardwood Exports

Tripp Pryor  
American Hardwood Export Council  
Western Hardwood Association Annual Convention  
August 2022





Tulipwood Staircase – Tel Aviv, Israel  
by Oded Halaf

# A New World for US Hardwood Exports

Export Statistics

How are Markets Changing?

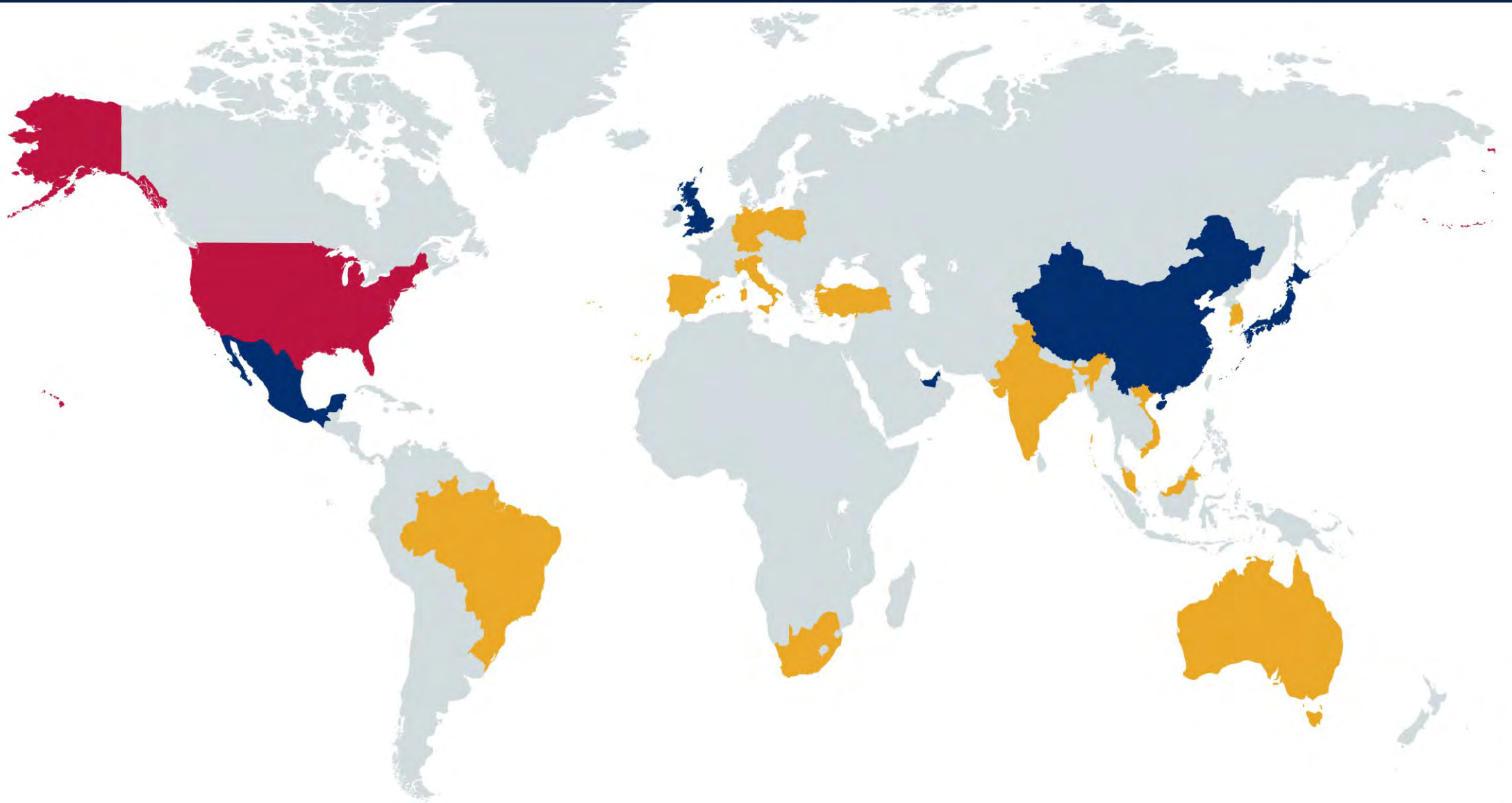
Global Trends to Watch

Innovations & Opportunities

AHEC Events

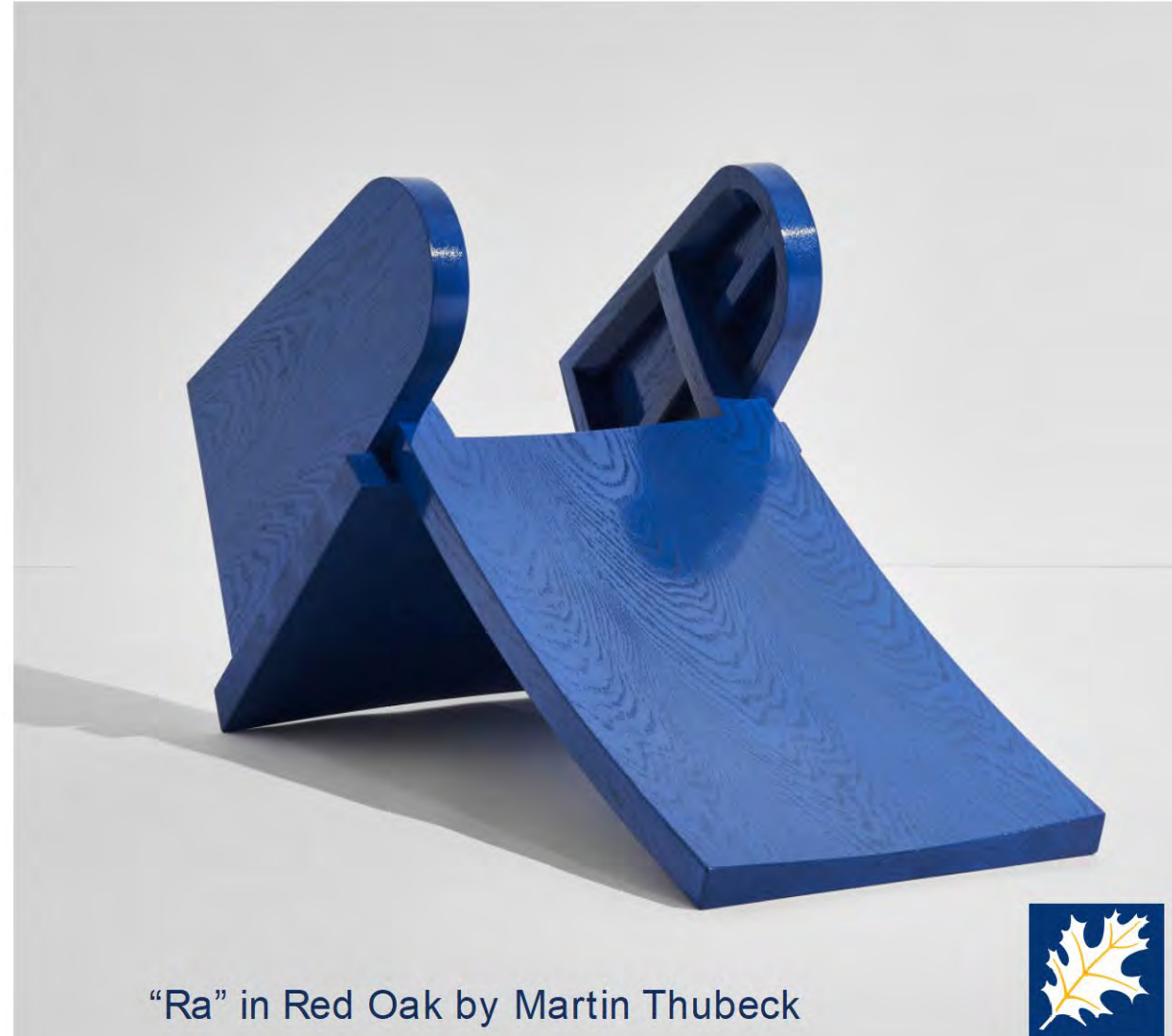


# AHEC's International Reach



## Quick Recap: 2020 to Now

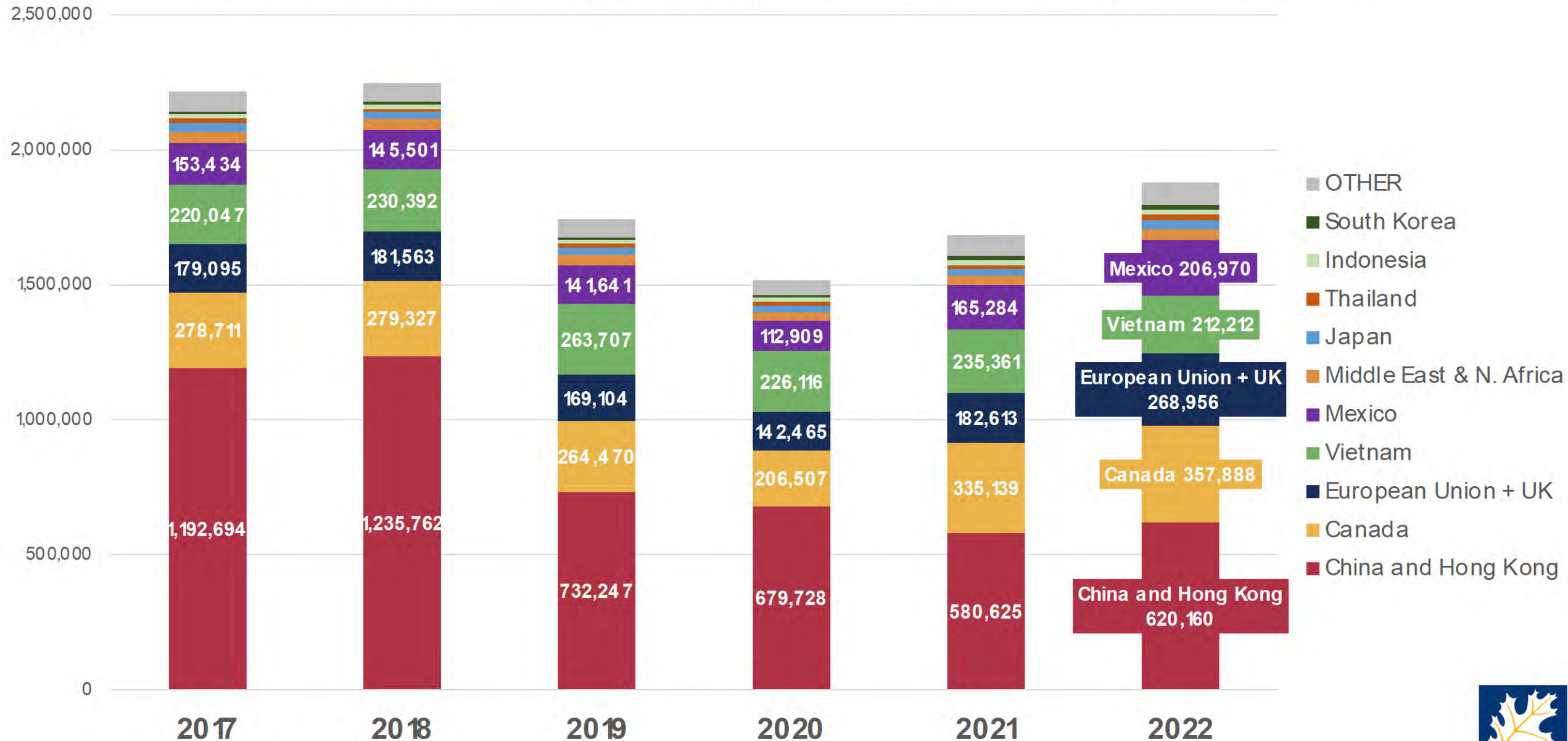
- Chinese tariffs removed
- Global demand boom for wood products
- Shipping issues continue
- So far in 2022:
  - Russia invades Ukraine
  - Inflation
  - Demand slows down and supply catches up



"Ra" in Red Oak by Martin Thubeck



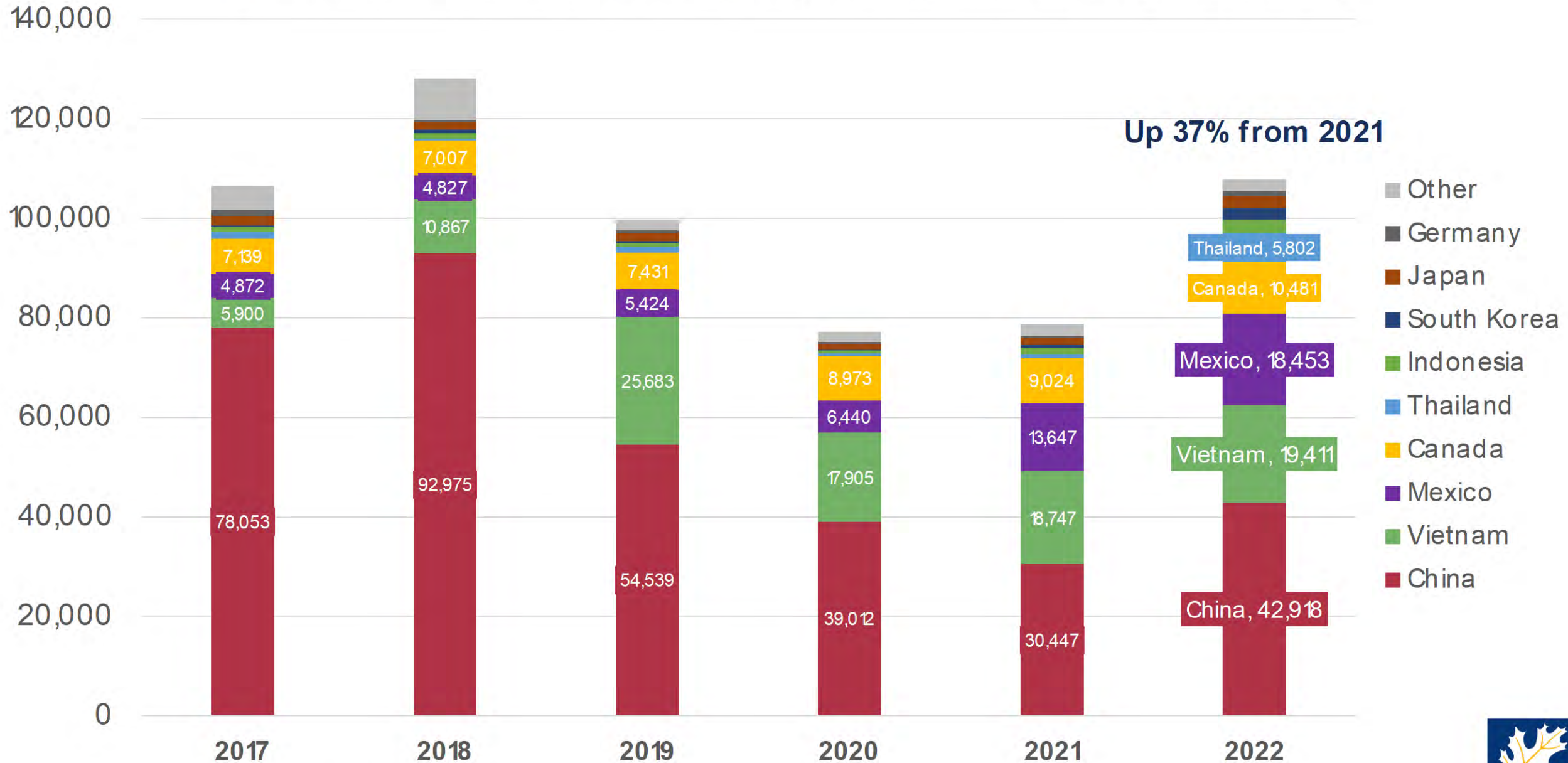
# US Hardwood Lumber Exports (Volume m3, Jan-Jun)



Source: U.S. Census Bureau Trade Data, Jan-June



# Western Red Alder Lumber Exports (volume m3, Jan-June)

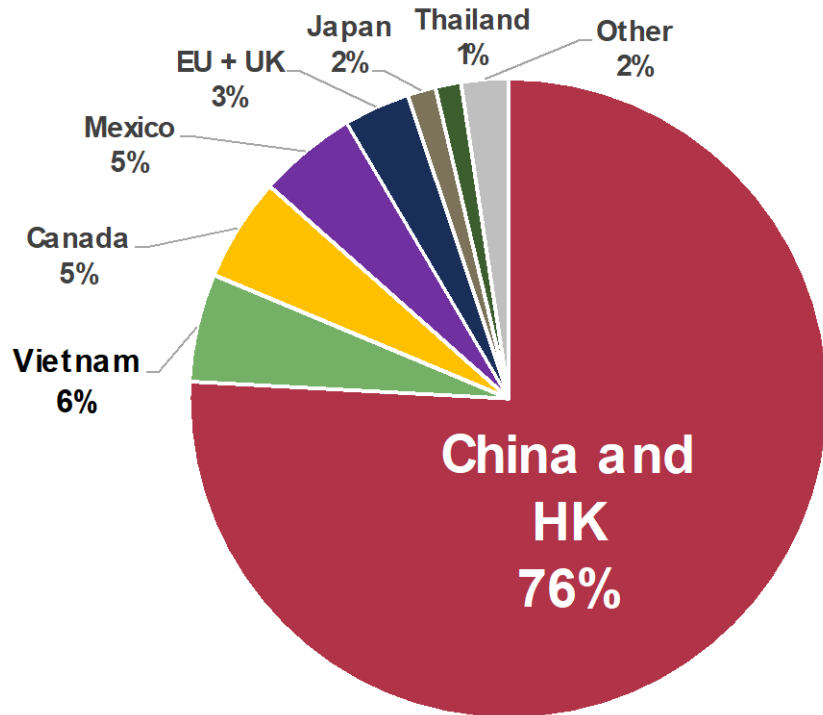


Source: U.S. Census Bureau Trade Data, Jan-June



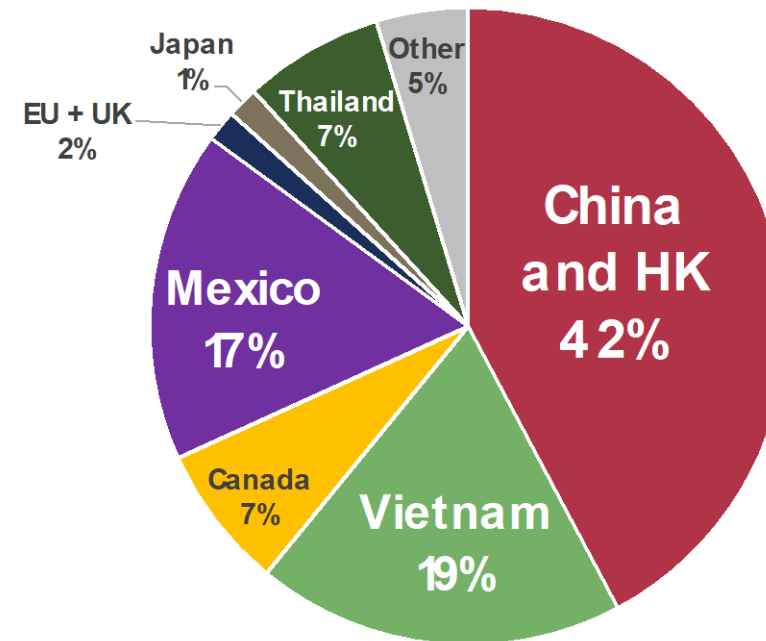
# Western Red Alder Diversified to Replace China

Western Red Alder Lumber Exports, 2017



\$42 million in exports (mid year 2017)  
106,000 m<sup>3</sup>

Western Red Alder Lumber Exports, 2022



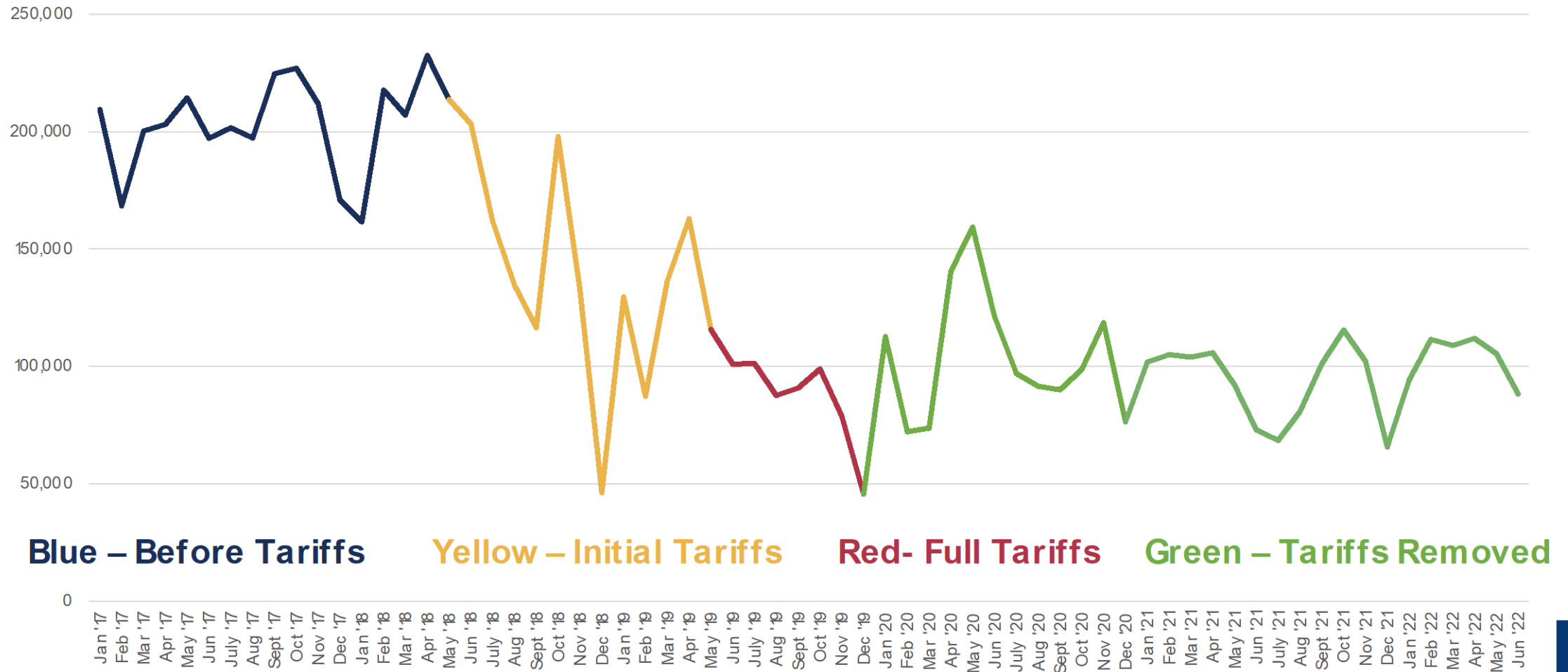
\$44 million in exports (mid year 2022)  
108,000 m<sup>3</sup>





# Tariffs Roughly Halved Monthly Lumber Volume to China

## US HDWD Lumber Exports to China (m3)

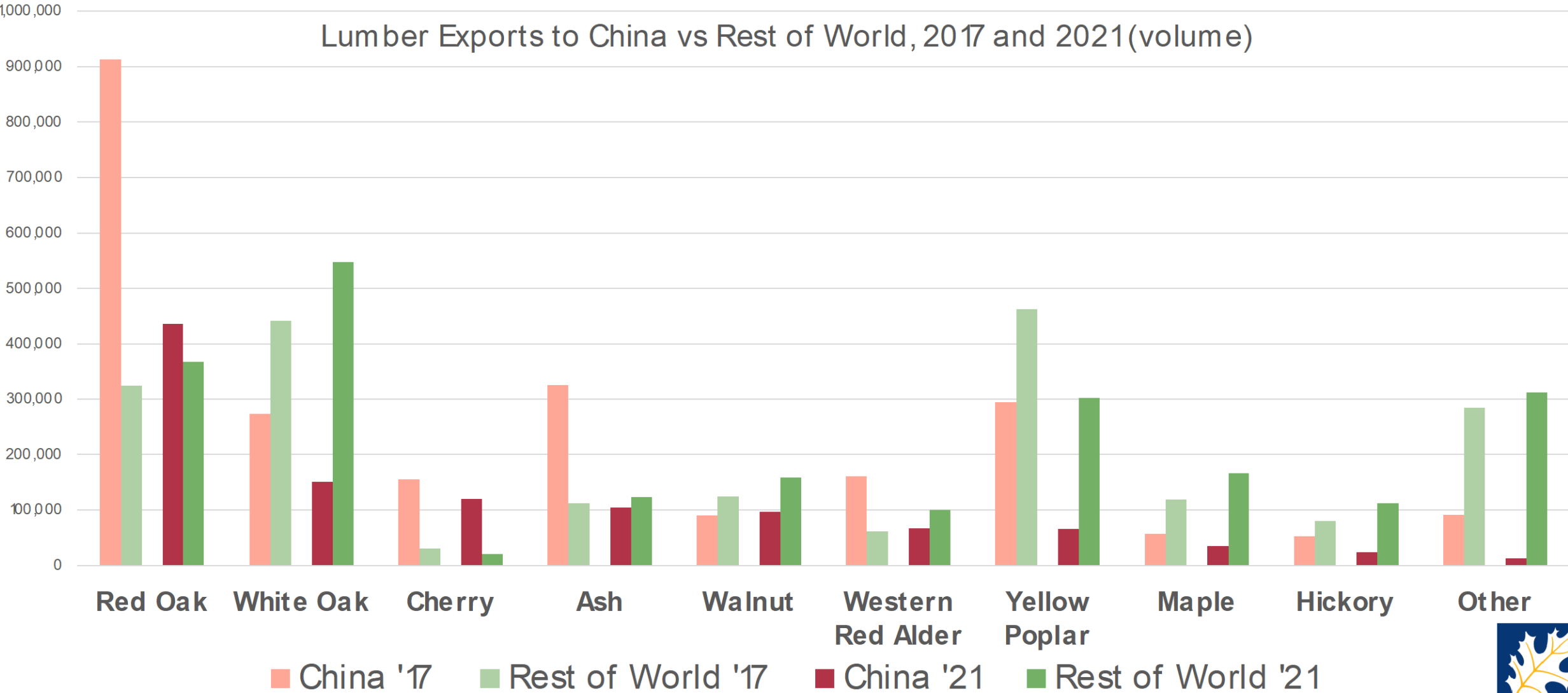


Source: U.S. Census Bureau Trade Data



# Tough to Replace Lost Chinese Demand

Lumber Exports to China vs Rest of World, 2017 and 2021 (volume)



Source: USDA GATS



# Roadblocks in China

- Belt-and-Road Woes
  - Sri Lanka defaulted on Gov Debt, Pakistan could be next
- Housing Bubble?
- Zero-COVID Policy
- Foreign Businesses Feeling Political Pressure
  - Risk of Tariffs/Boycotts
  - “Friendshoring”



“Winding Stream” in Hard Maple  
by Yunhan Wang

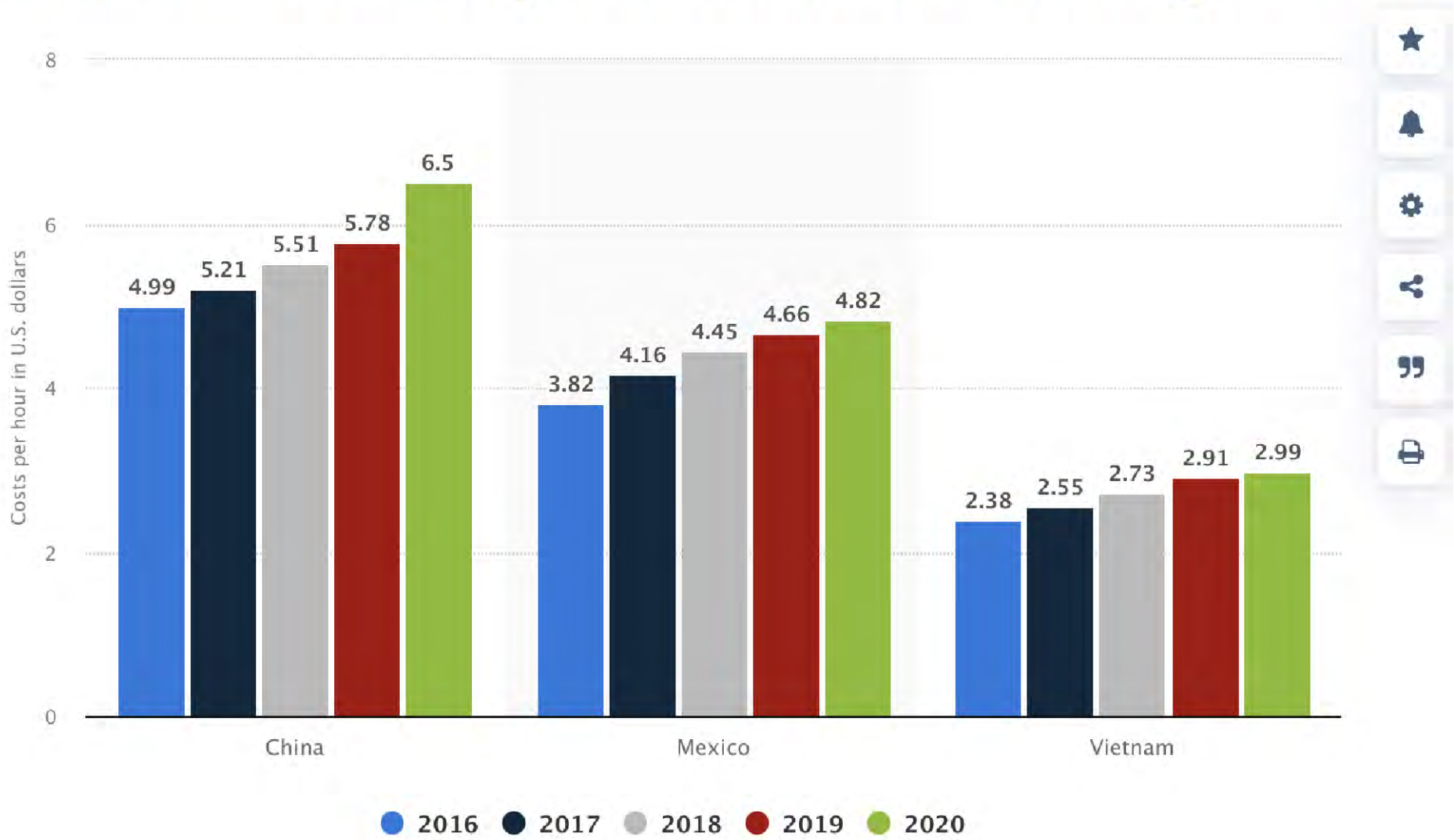
# “Friendshoring”

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

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

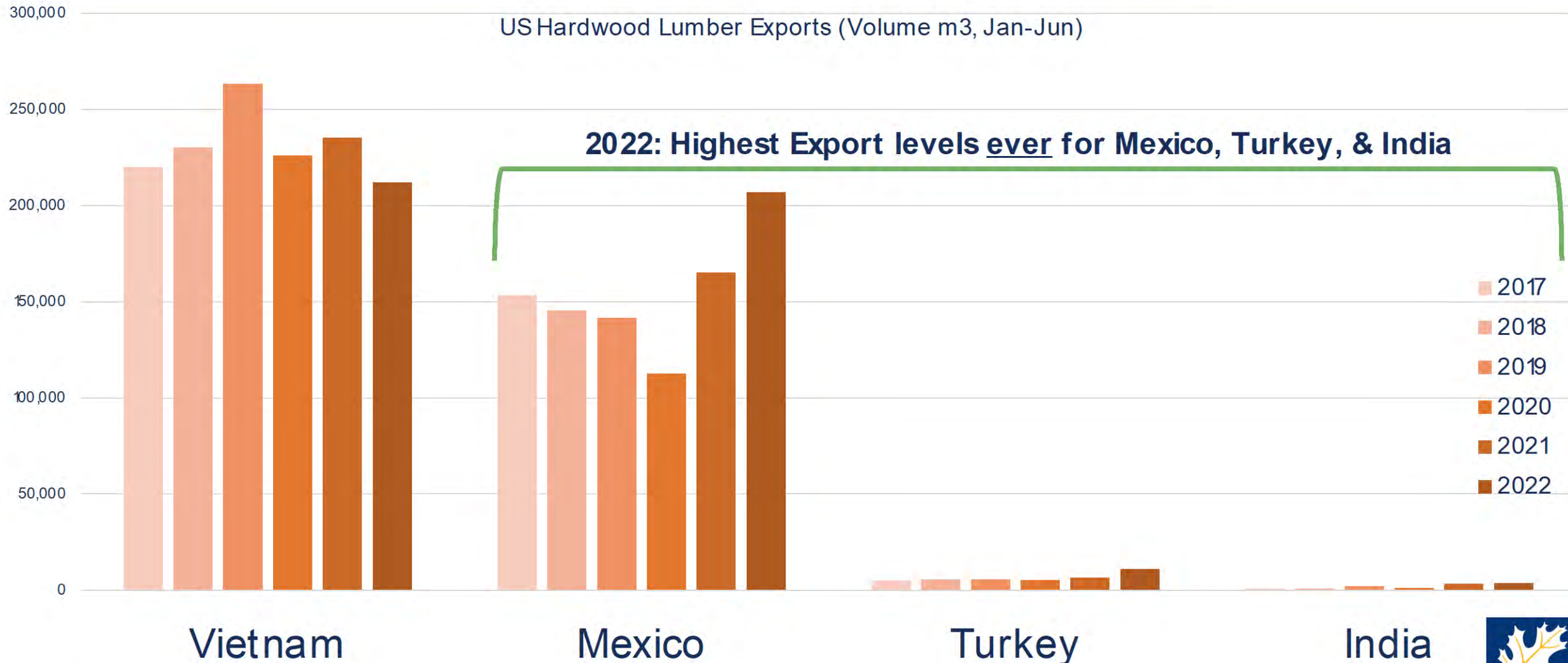
- Apple
  - China -> Vietnam
- Samsung
  - China -> Vietnam
- Hasbro
  - China -> India and Vietnam
- Volvo
  - New EV factory in Slovakia for EU market

# Cost of Hourly Manufacturing Labor

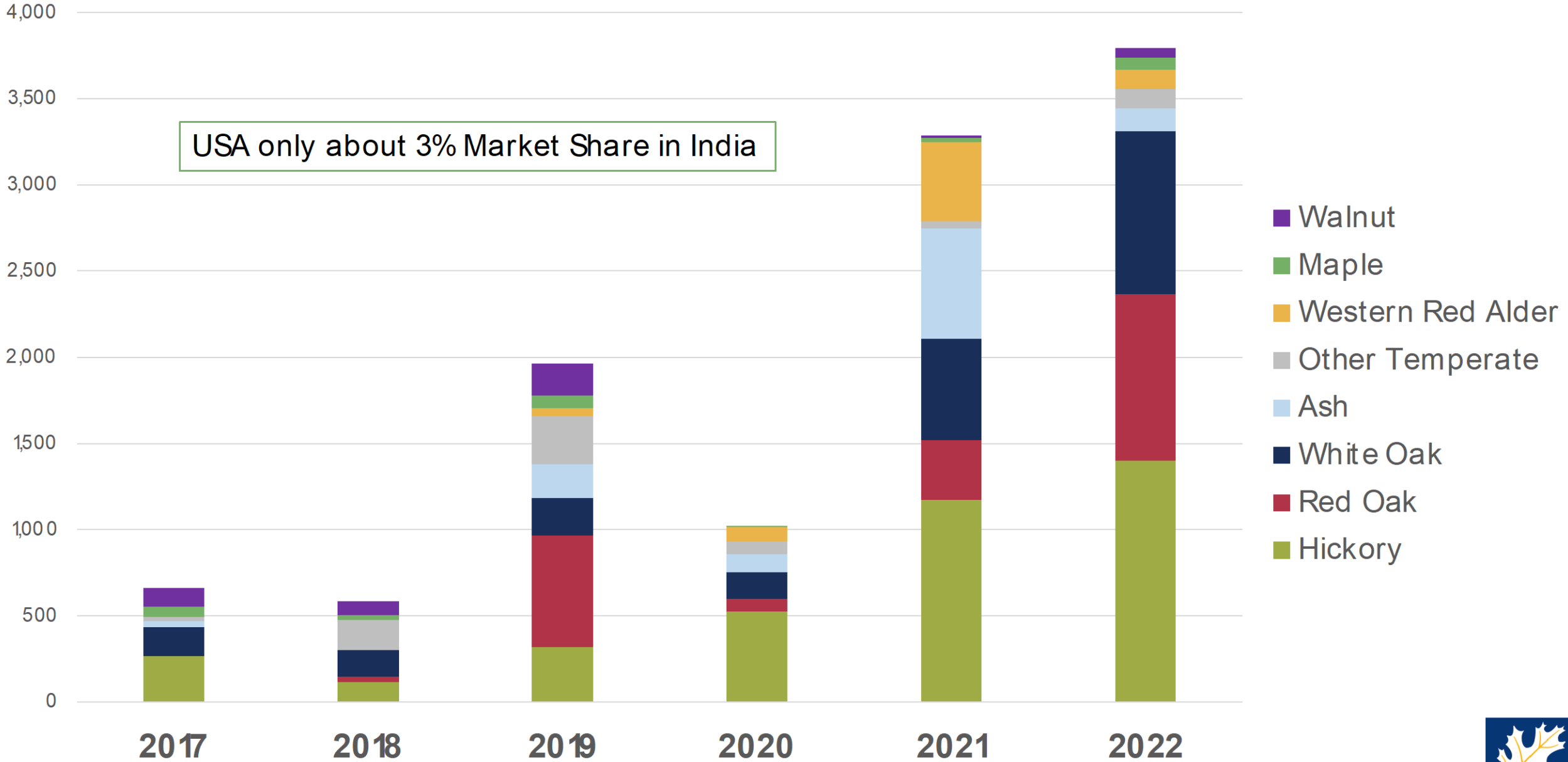


# Beneficiaries of “Friendshoring”

- Vietnam and India for Asia
- Mexico for N. America
- Turkey for Europe



# US Hardwood Lumber Exports to India (Volume, m3 Jan-June)



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



# Vietnam

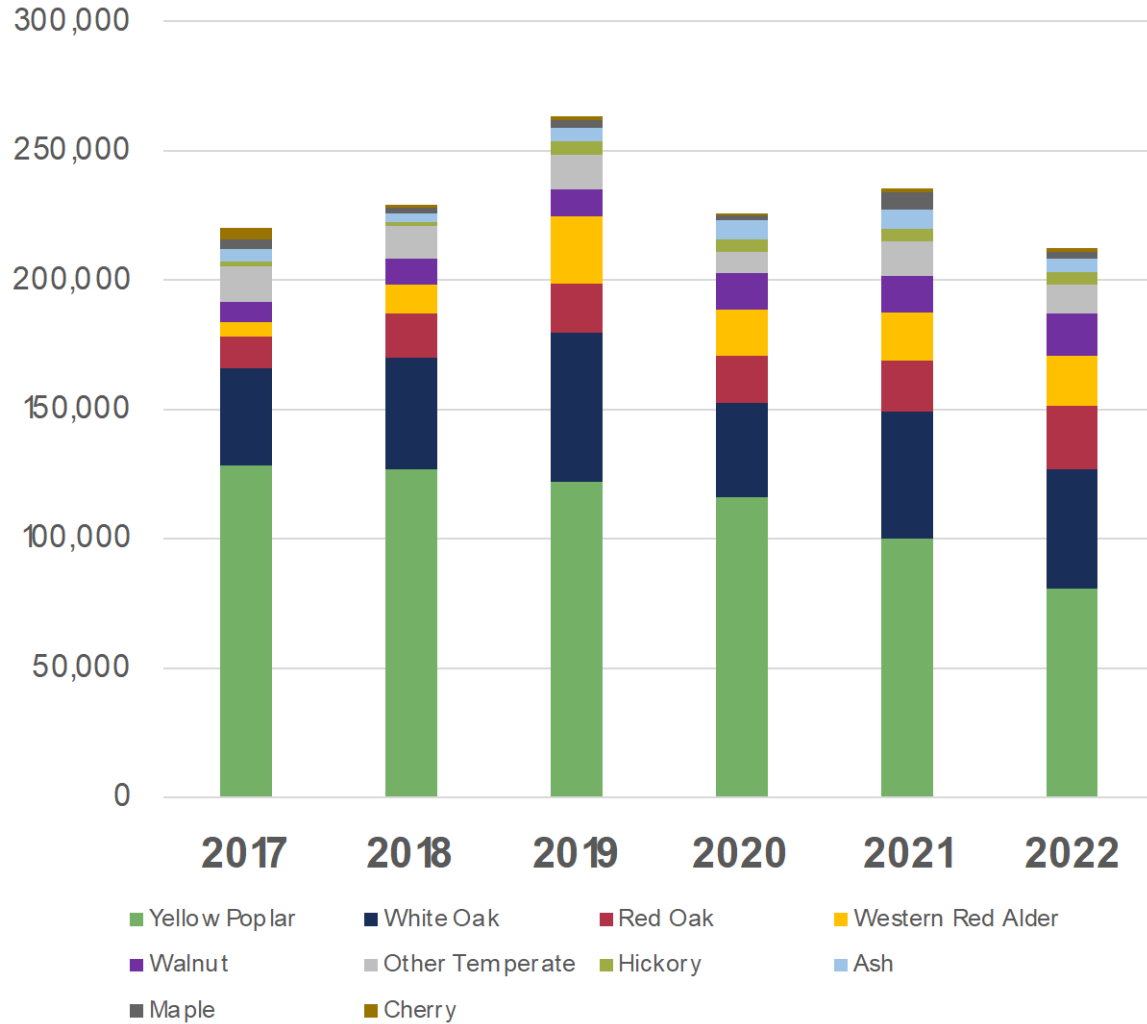


“Roof Stool” in Red Oak, Cherry, and Maple  
by Trang Nguyen



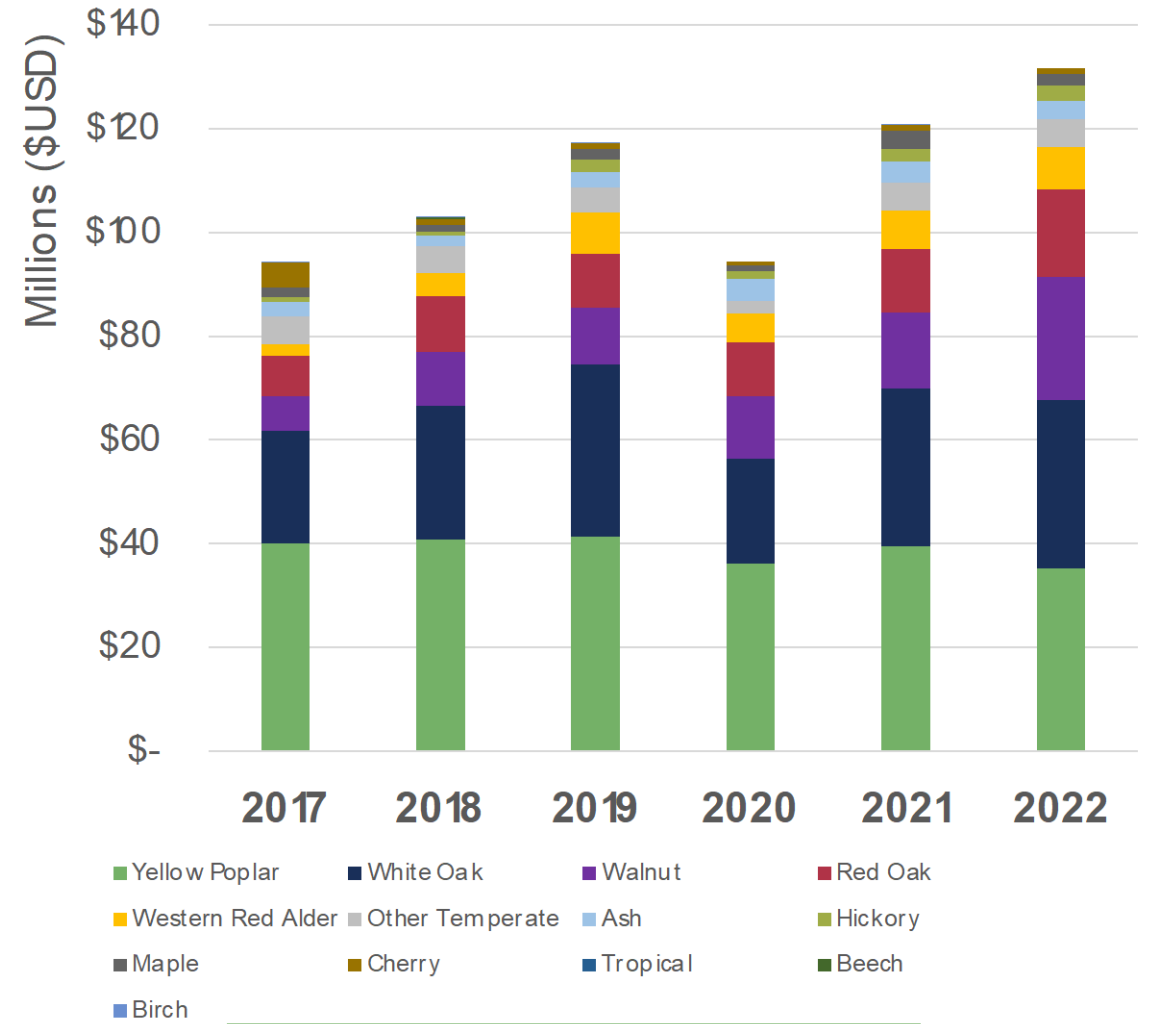


## US HDWD Lumber to Vietnam (Volume m3, Jan-June)



**Volume down 10%**

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

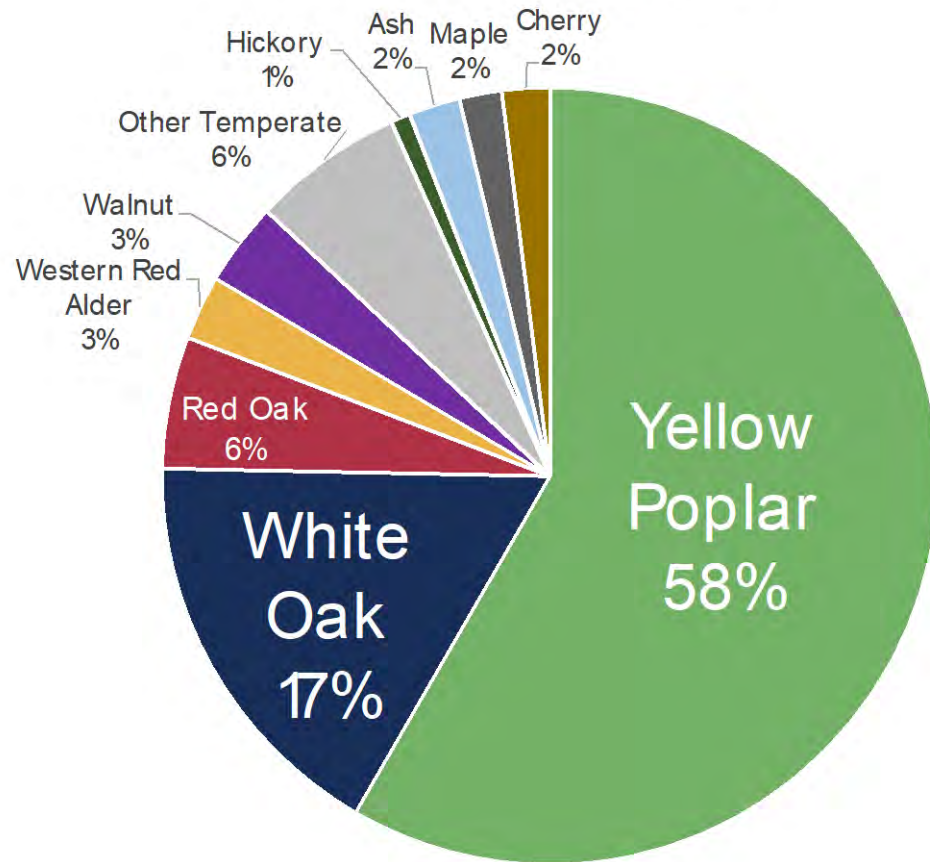


**\$Value up 9%  
up 39% since 2020**

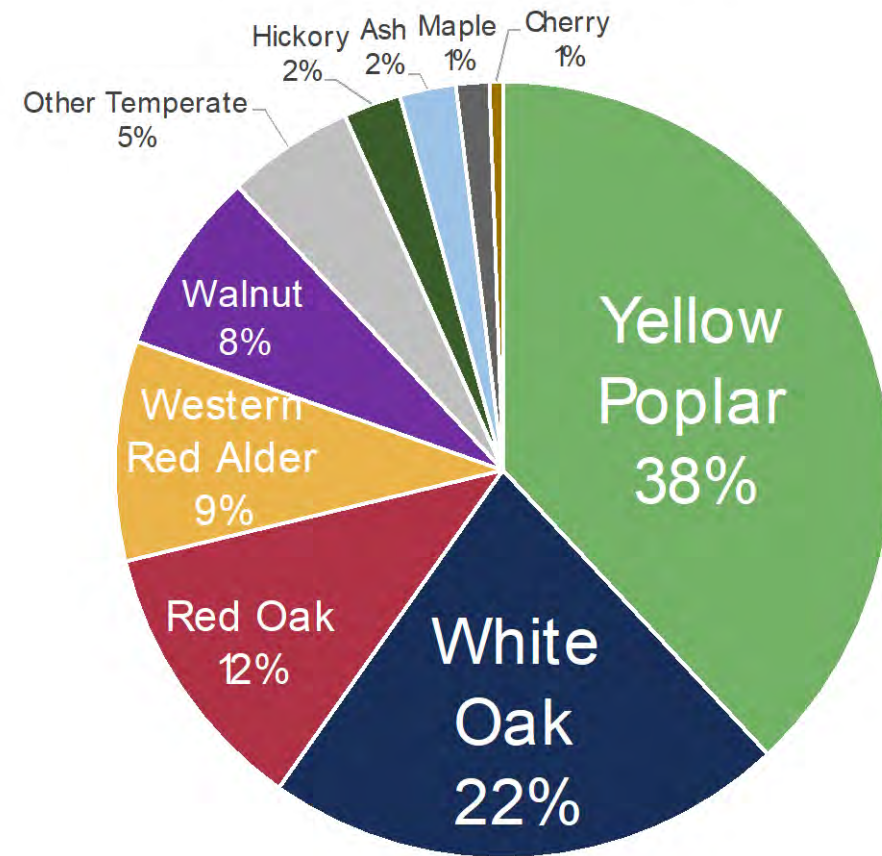


# Species Mix Changing in Vietnam

2017 Vietnam



2022 Vietnam



# Furniture Market Whiplash

- Initial layoffs and downsizing during COVID outbreak
- Surge in home renovations, first time millennial home buyers
- Logistic chokepoints means delays, higher prices, and multiple orders to make inventory
- Supply catches up, overwhelms demand as inflation, higher mortgage rates weaken consumer spending

“Thought Bubble” in Red Oak and Maple  
by Nong Chotipatoomwan



# INSIDER

## Inside Walmart's major inventory problem



Towering boxes at a Walmart store in Ohio. Anonymous



# Case Study: Wal-Mart and RH

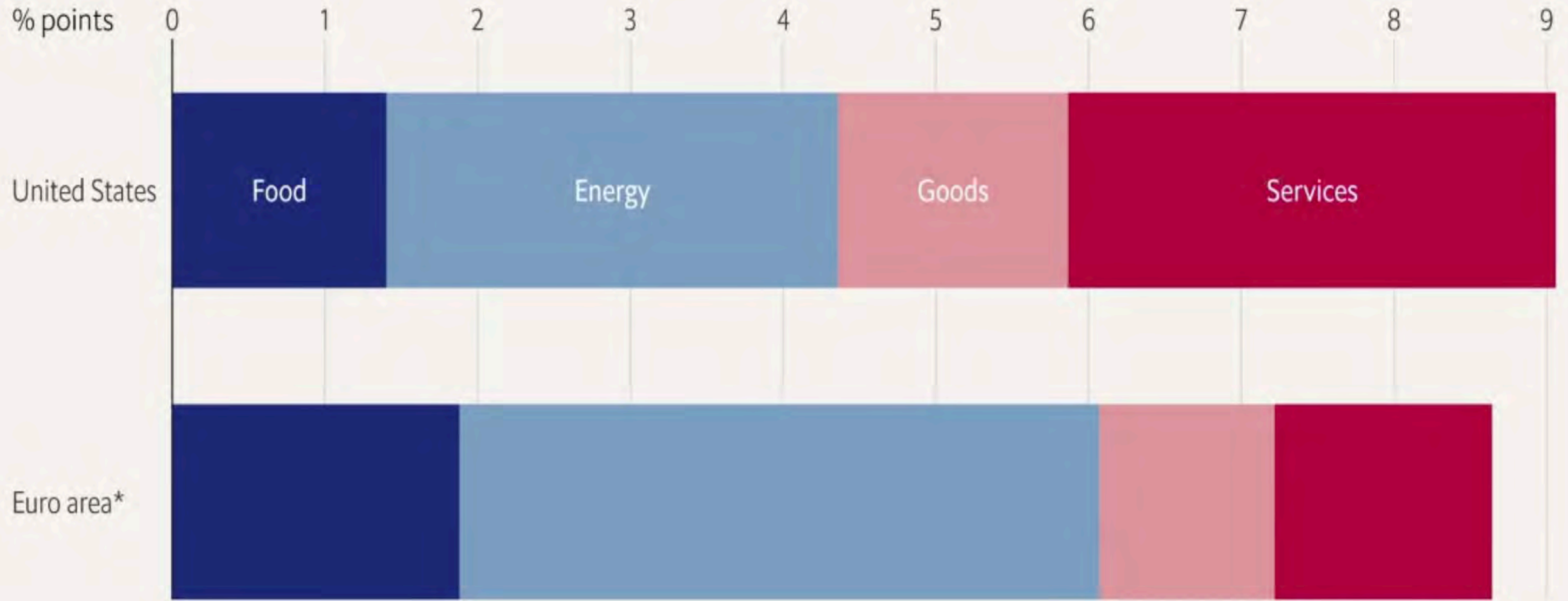


# Industry Opinions

- “Market drop in the last month is like 2008”
- “Customers are cancelling orders on the water to China and Vietnam, or trying to renegotiate mid-shipment”
- “Self-fulfilling prophecy – people got so worried about a market drop that they actually made it happen”
- “Overreaction”
- “Did we have two years of demand squeezed into one?”

# Contribution to annual inflation rate, June 2022

Sources: BLS; Eurostat



\*Food includes tobacco

# The Economist

Leaders | Crunch time

## How to help with energy bills

There are better, fairer and cheaper ways than meddling with prices



Getty Images

Aug 10th 2022

Share

**“Natural-gas prices are eight times higher than they were last summer”**

Aug 10th 2022

Share

**T**HE ENERGY crisis unleashed by Russia’s war on Ukraine is crushing Europe’s consumers and panicking its politicians. Natural-gas prices are eight times higher than they were last summer and traders expect precious little respite over the coming year. Global oil prices are nearly twice their level in January 2021. The result is rampant rises in living costs. By October a household in Britain could be paying more than £3,500 (\$4,200) a year for energy, more than three times last year’s bill, leading the Bank of England to warn of inflation passing 13% before the year is out. Annual consumer-price inflation rates are already in double digits in half of the euro area’s member countries.

# EU Deforestation Legislation

- As written, it would require all wood products to be tied to a geolocation unit – **the individual landowner**
  - Same for wood products that go into Europe from Vietnam, etc.
  - Also affects soy, beef, palm oil, coffee, and cocoa
- Geolocation Requirement means importers will favor industrial plantations and state-owned forest land
- Many producers in rural communities practicing **low intensity forest management** will be locked out of this market



# AHEC Response to EU Deforestation Law

EU Commission has passed this law, but needs to pass **EU Parliament**

Could be resolved by either:

- Moving geolocation requirement from Article 9 “Information Requirements” to Article 10 “Risk Assessment”
- Redefining “Plot of land” from “single real estate property” to “jurisdiction or state” where there is low risk of illegal harvest or deforestation

We are in a coalition with European wood industry representatives and other Ag. groups to voice concerns

Environmental Groups like Rainforest Alliance and Fairtrade International are also proposing amendments

Scan this QR Code for a summary of the law and AHEC’s proposed solutions



# Not All Bad News

- Wider consumer adoption of hardwood products
- Still unmet global demand
- Millennials moving into home ownership, rising global middle class
- Ban on Russian/Belorussian timber could boost demand for US hardwoods
- New technologies improving traceability



“Howard Desk” in Maple  
by Mimi Shodeinde

World Forest ID

Kew Gardens,  
London



# Upcoming AHEC Events

- Sept 7: Webinar
- Sept 23: NHLA Presentation
- October 14:  
SE Asia Convention – Bangkok,  
Thailand
- October 18-21:  
VietnamWood Pavilion – Ho Chi  
Minh

## **Spring 2023:**

- Delhi Wood (March)
- Dubai Woodshow (March)
- Interzum Cologne (May)



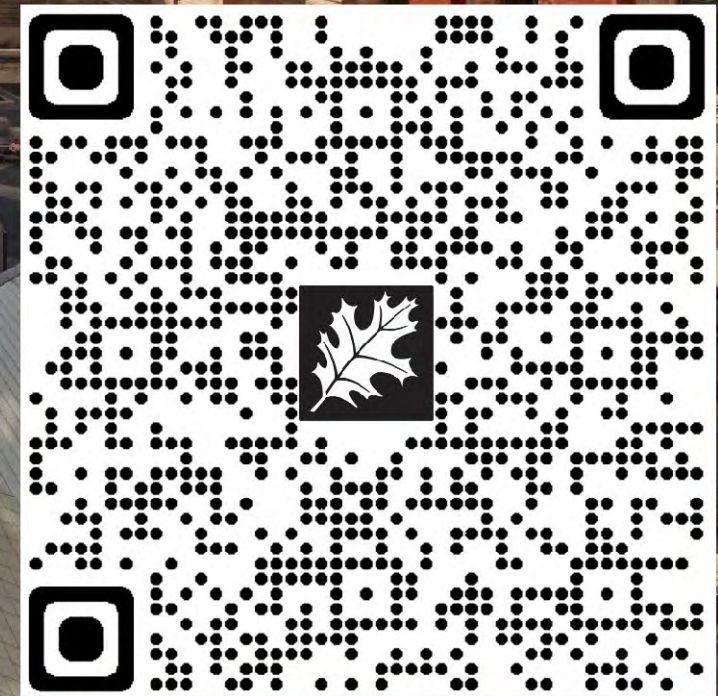
AMERICAN  
HARDWOOD  
EXPORT  
COUNCIL

# Thank You

[tpryor@ahcec.org](mailto:tpryor@ahcec.org)

[americanhardwood.org](http://americanhardwood.org)

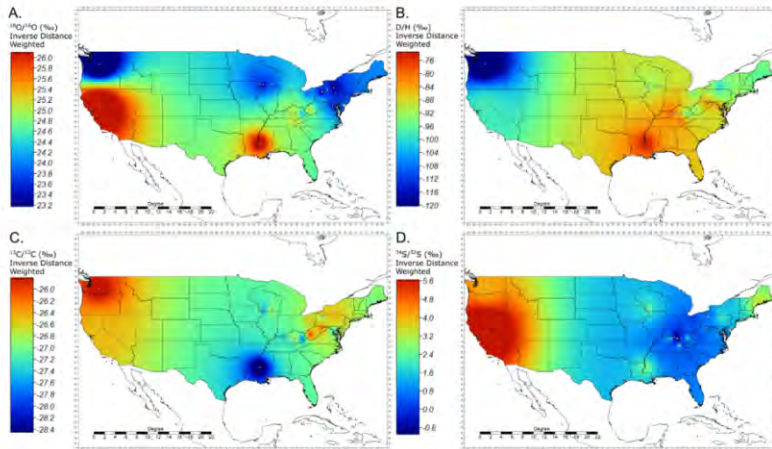
Scan this QR Code for a  
summary of the EU  
Deforestation Law and  
AHEC's proposed solutions



# Innovations: World Forest ID



- 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



# Red Oak Exports to Europe

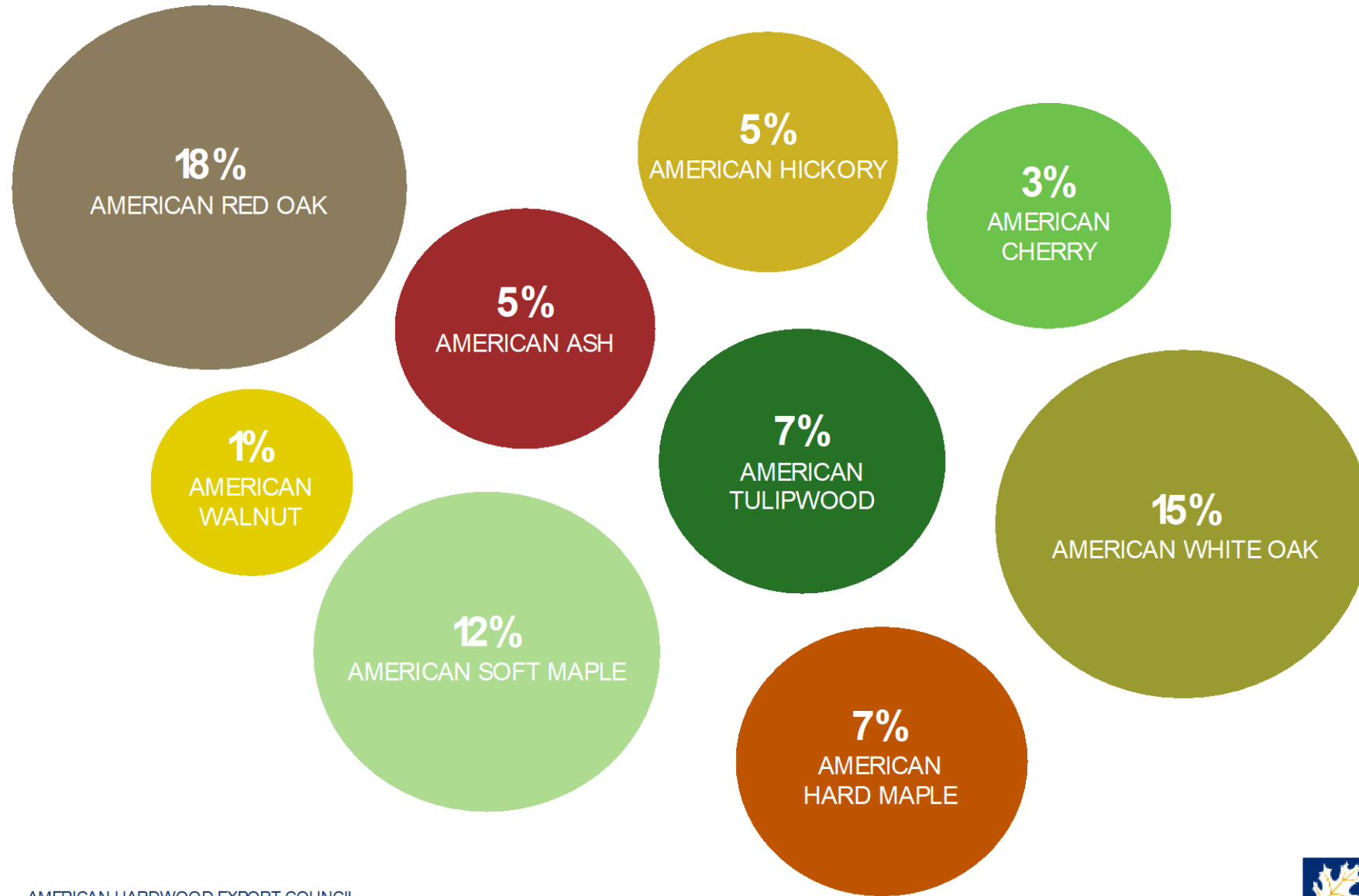


“The Nest” in TMT Red Oak  
by Dallas Pierce Quintero for Sir John Sorrell



## SPECIES DIVERSITY

---





# RED OAK EXPERIMENTATION AT BENCHMARK

---

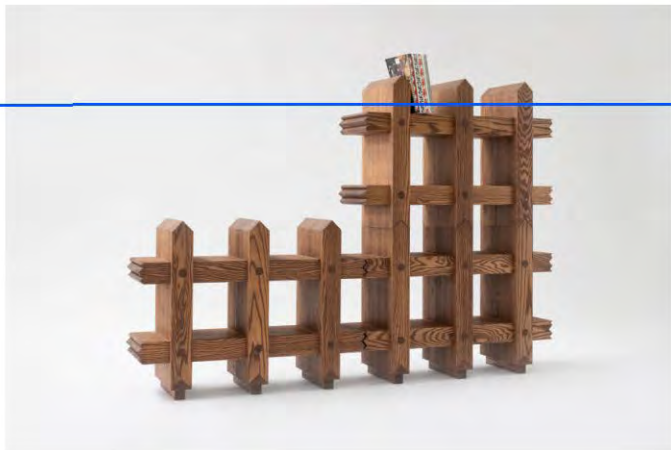


# RED OAK EXPERIMENTATION AT BENCHMARK

---

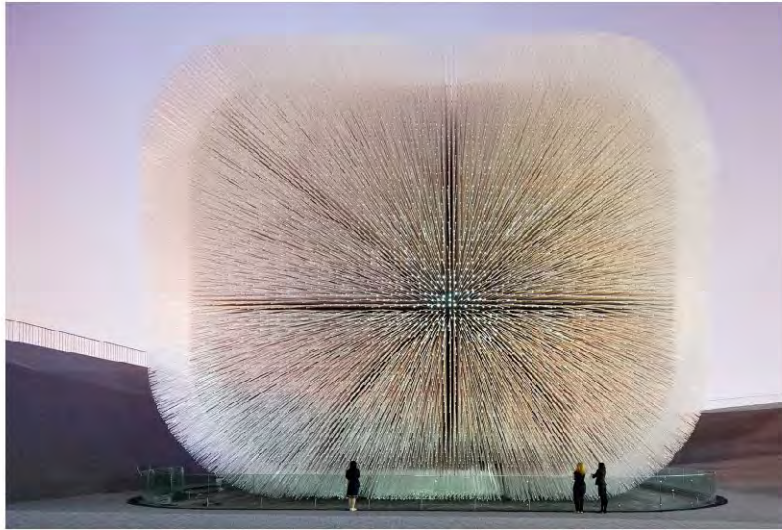


# SLOW DESIGN FOR FAST CHANGE



# THOMAS HEATHERWICK

**UK pavilion**  
Shanghai



**Olympic Cauldron**  
London



**Vessel**  
New York



**New Bus**  
London



# RED OAK PRESS COVERAGE



## Why Jasper Morrison, Max Lamb, and More Are Paying Attention to Red Oak

At London Design Festival, designers and cultural leaders make a case for the ubiquitous hardwood

By Aïda Akkari  
September 18, 2019



Stalwartness by Serpentine Pavilion was created for Serpentine Galleries' Herta and Paul Amirani. (Photo: Courtesy of London Design Festival)

American red oak trees dominate U.S. forests, comprising nearly one fifth of all hardwood volume. But this fast-growing species, which naturally regenerates and stores carbon dioxide, is also a sustainable-minded designer's dream to work with—as revealed by this year's London Design Festival, Opening September 14 and running through September 22, an exhibition called *Legacy* showcases a thoughtful dialogue between established designers and the leaders of various premier cultural institutions located throughout London, all to see how far this green material can go in the world of furniture design.

David Venables, European director at the American Hardwood Export Council, presented the idea to festival chairman John Sorrell, who then invited various illustrious individuals from London's arts scene to participate. The only requirement: The collaborative designs should have longevity, and be able to be passed down through multiple generations. "There is an environmental importance for product design that is just as significant as it is within building design," Venables tells AD PRO. "There is a responsibility to respond to what nature produces."

All but one of the 10 objects created for the show were fabricated in Berkshire, England, and are on display in the sculpture gallery of the Victoria and Albert Museum for the duration of the festival. (*The Nest*, a far larger structure designed by Juliet Quintero of architecture studio Dallas-Pierce-Quintero, sits outside the Natural History Museum. Eventually this contemplative garden lookout, which features thermally modified planks of red oak, will move to Sorrell's country home.)

“...this fast growing species, which naturally regenerates and stores carbon dioxide, is also a sustainable-minded designers dream to work with.”

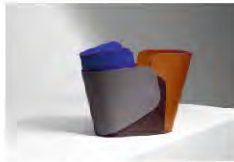
ARCHITECTURAL DIGEST PRO

1.6 million  
monthly viewers



# ONLINE COVERAGE

EL PAÍS DESIGN



Uveley Usssets, de l'atricia Urquiola para Louis Vuitton | PHILIPPE LADOMBE

Además, la exposición 'Funciona! porque soy así reúne cerca de cien objetos del coleccionista Moisés Pérez de Albéniz que responden a la razón de ser del diseño: cumplir la función para la que fueron concebidos. Auriculares, sillas plegables, navajas suizas, percheros, radios portátiles... Un sinfín de ingenios que nos hacen la vida más fácil gracias a un diseño adecuado.

Otras dos exposiciones en el Fernán Gómez ponen el foco en los usos de la empresa pionera en la fabricación de madera aglomerada **Finsa** por un nuevo material de fibra en la instalación **Astral Bodes**, una serie de meteoritos modelados en 3D que recrean el mundo astral; y la American Hardwood Export Council (**AHEC**) presenta los trabajos finalistas del concurso **Toca Madera**, realizados en roble rojo estadounidense.

27.7 million circulation

ABC ABC CULTURAL



«Toca Madera»



Esta es la cita que recoge los proyectos finalistas de la convocatoria **Toca Madera**, en la que han participado más de 40 jóvenes diseñadores de España. La convocatoria, organizada por AIDI Asociación de Ingeniería en Diseño Industrial y AHEC American Hardwood Export Council, propone que los participantes respo reto de diseñar objetos perdurables y cuyo material dominante es la madera de roble rojo estadounidense. Los ganadores se conocer el 15 de febrero en un acto en el COAM. **Toca Madera jóvenes diseñadores profesionales**. Centro Cultural de Arte y Diseño. Hasta el 1 de marzo.

14.2 million circulation

EM España Madrid El Madrid Design Festival lleva el diseño hasta el último rincón de la ciudad

El **Fernán Gómez Centro Cultural de la Villa** acoge dos exposiciones: *Nature Morte Vivante*, con bodegones creados con objetos de la diseñadora Patricia Urquiola e inspirados en el cuadro de Dalí del mismo título; y *Funciona! porque soy así*, sobre cómo el diseño industrial ha conformado el espacio en el que nos movemos actualmente. Una muestra, esta última, que se trasladará a la plaza de Felipe II con una propuesta de mobiliario urbano que reivindica la funcionalidad de los objetos de la vida cotidiana.

Los **Proyectos finalistas de la Convocatoria Toca Madera** para jóvenes diseñadores profesionales y la instalación **Astral Bodes**, que muestra coloridos meteoritos tridimensionales creados digitalmente con fibra de madera, también se verán en el Fernán Gómez.

El Colegio de Arquitectos de Madrid (COAM), en otros escenarios clave, acogerá otras tantas muestras: *Entre la industria, la arquitectura y el arte*, que muestra **mobiliario moderno desde finales de los 50**; la exposición de los 10 finalistas del Radio Star Design Award, premio de la marca relojera suiza y patrocinador del Madrid Design Festival; y las propuestas ganadoras del Concurso Internacional de Diseño Andreu World Design, que celebra su 20 aniversario dentro del MDF20.

19 million circulation



30K circulation

Repasamos los ocho proyectos finalistas de Toca Madera. Diseño joven, diseño en madera



# MEDIA HIGHLIGHTS: CONNECTED

## Financial Times, UK

189k print  
11.7m online  
unique visitors

House@Home



American maple, red oak and cherry are used in Connected furniture designs — Per Krog Photography



(Left and right) The Bathy if a concept by Lee Johnson, University of Dundee, part of New Designers



Connected

Scheduled events are postponed, but some new projects have emerged in response to the pandemic. Connected is an "experiment" by London's Design Museum, Benchmark Furniture and the American Hardwood Export Council. Nine international designers including Inji Archibong, Heatherwick Studio and Studio Swinn have created tables and seating to reflect new ways of working from home. They will be exhibited at the museum when it reopens. The design will be using red oak, maple and cherry, under used but abundant hardwood species.

Says Sir John Sorrell, co-founder of London Design Biennale: "I am excited to see the responses."

New Designers Fairs are important for established brands, but their absence will also affect the careers of young graduates for whom they double as a networking events as well as a chance to showcase

AMERICAN HARDWOOD EXPORT COUNCIL

## Welt am Sonntag, Germany



415k print  
11.1m monthly  
unique visitors



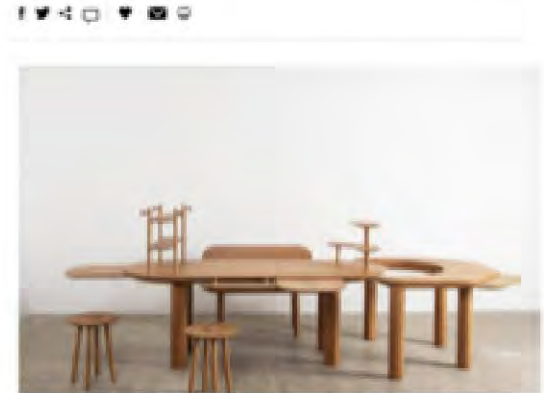
## El Pais, Spain

31.7 million  
monthly unique  
visitors

EL PAÍS

### Siete ejemplos de que el diseño sí ha aprendido de las lecciones de esta pandemia

El London Design Festival celebra su 18 aniversario con una edición volcada en el entorno digital y con piezas que obligan a la reflexión y se adaptan al nuevo contexto "post-covid"

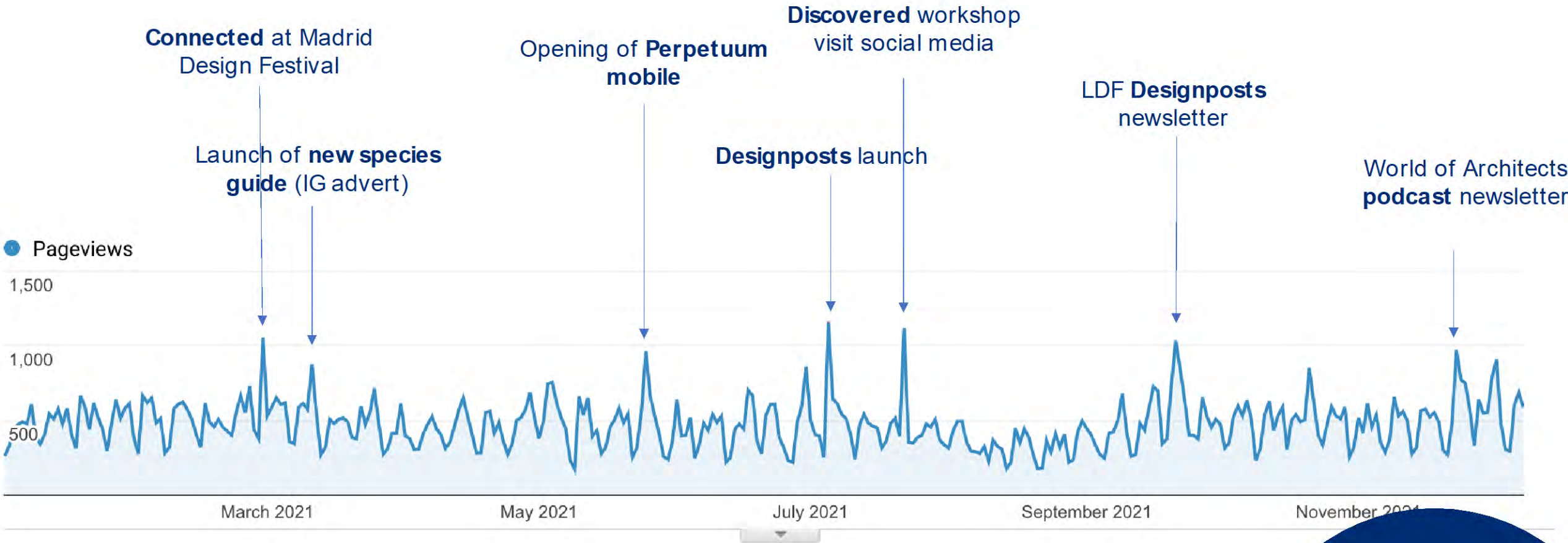


## AMPLIFYING OUR ONLINE REACH THROUGH KEY PARTNERSHIPS





# WEBSITE TRAFFIC OVERVIEW



**TOTAL VISITS**  
**= 197,214**



AMERICAN HARD MAPLE

**2021: 2,323**  
2020: **1,520**  
2019: **1,732**  
2018: **315**



AMERICAN TULIPWOOD

2021: 2,336  
2020: **2,430**  
2019: **2,668**  
2018: **1,794**



AMERICAN RED OAK

**2021: 5,545**  
**2020: 3,991**  
2019: **2,477**  
2018: **565**



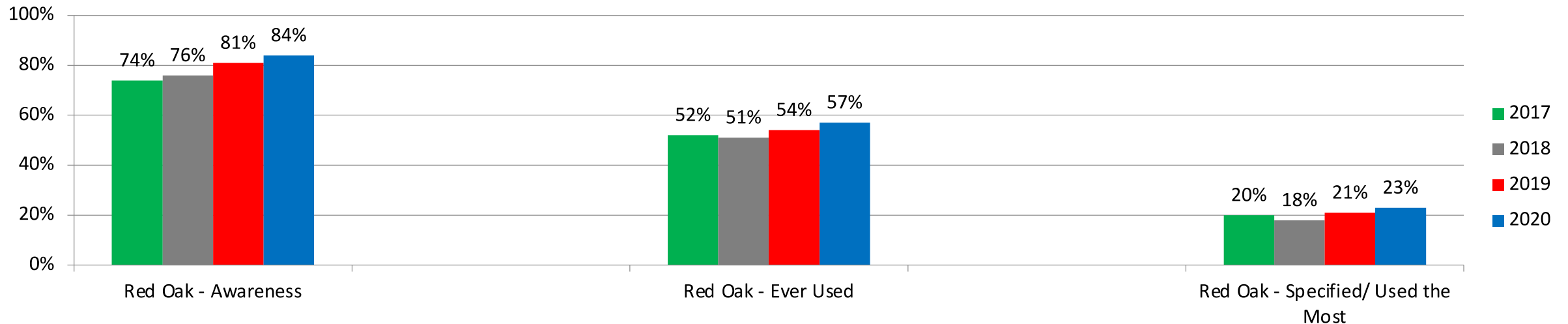
AMERICAN CHERRY

**2021: 1,154**  
2020: **671**  
2019: **930**  
2018: **713**



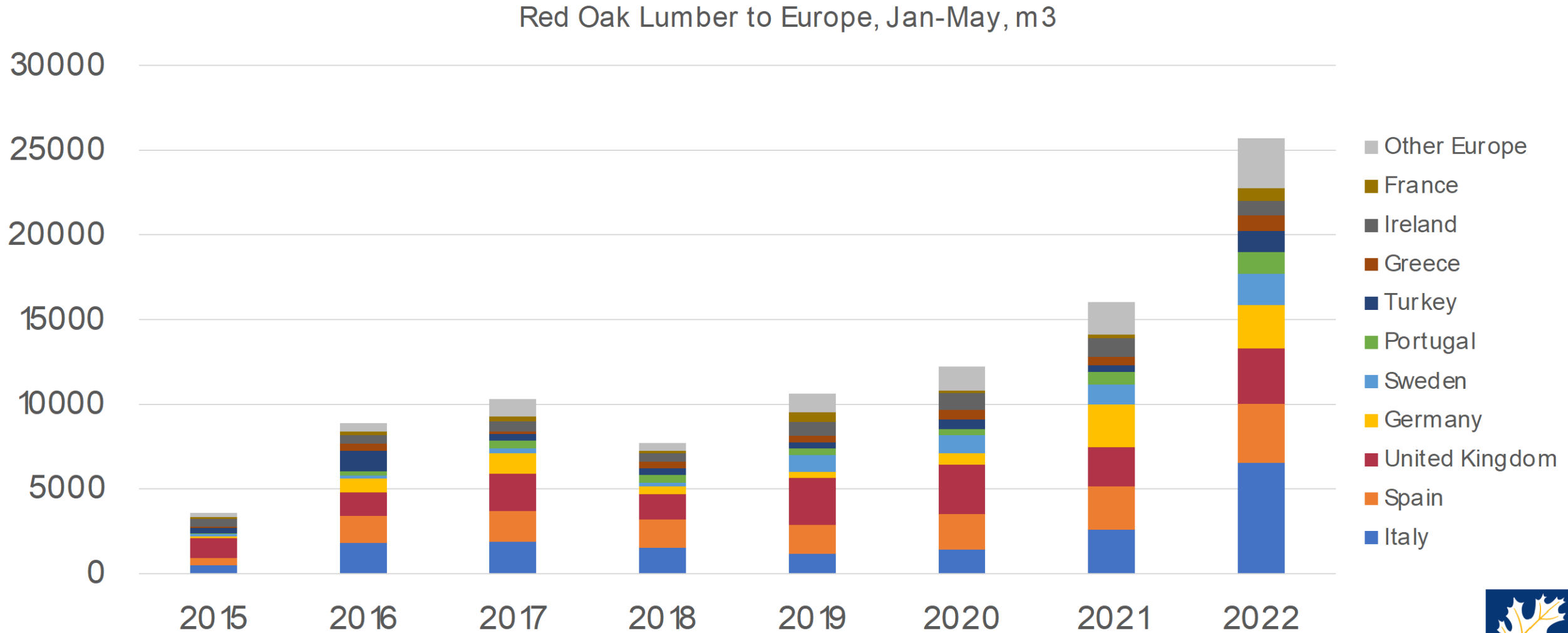
# AWARENESS/USAGE OF U.S. HARDWOOD SPECIES – RED OAK

Also encouraging, and in line with constraints identified in the benchmark study, AHEC Europe has taken a more active role in educating the trade on the various species and their uses – which has resulted in increased awareness of the various species – particularly red oak and tulipwood amongst specifiers (architects and designers).



Q: Which of the following species of U.S. hardwood are you aware of?

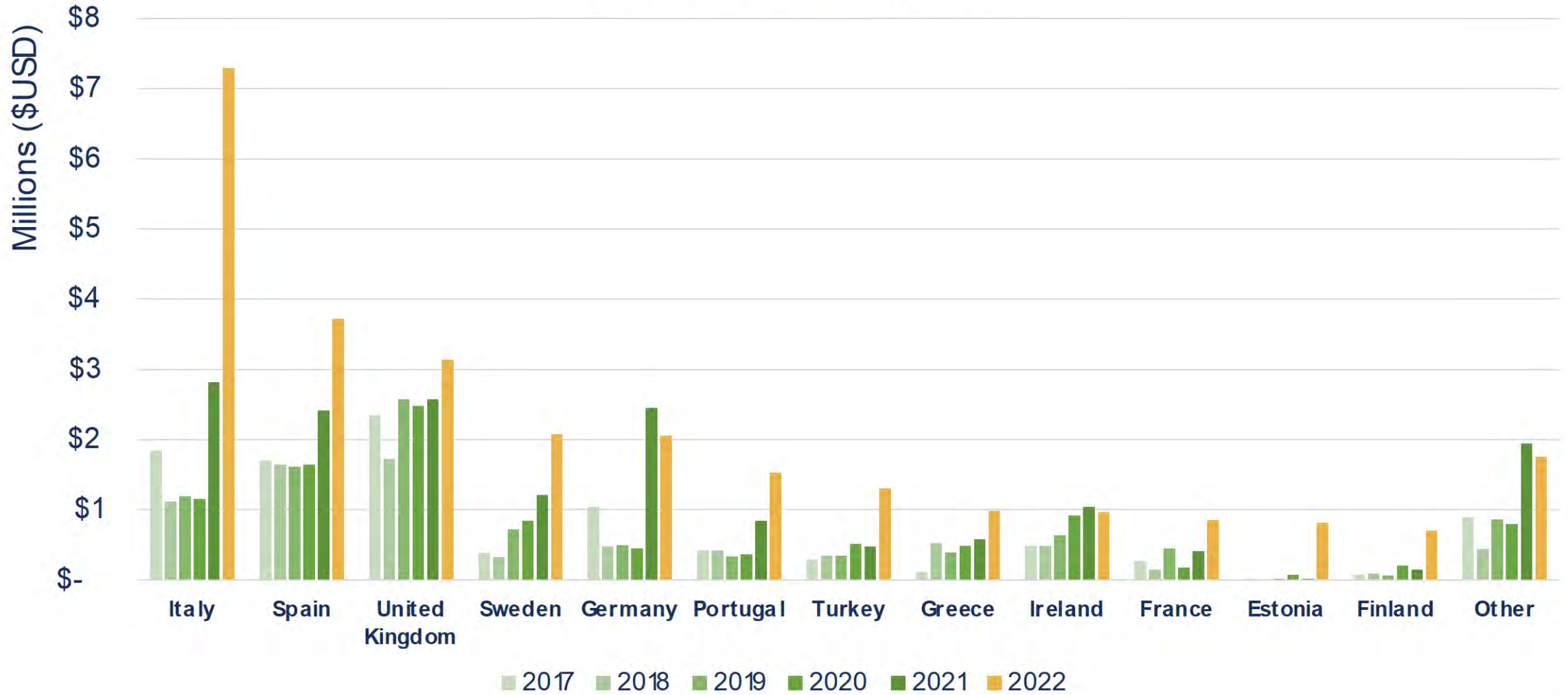
# Red Oak Finding its Markets in Europe



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



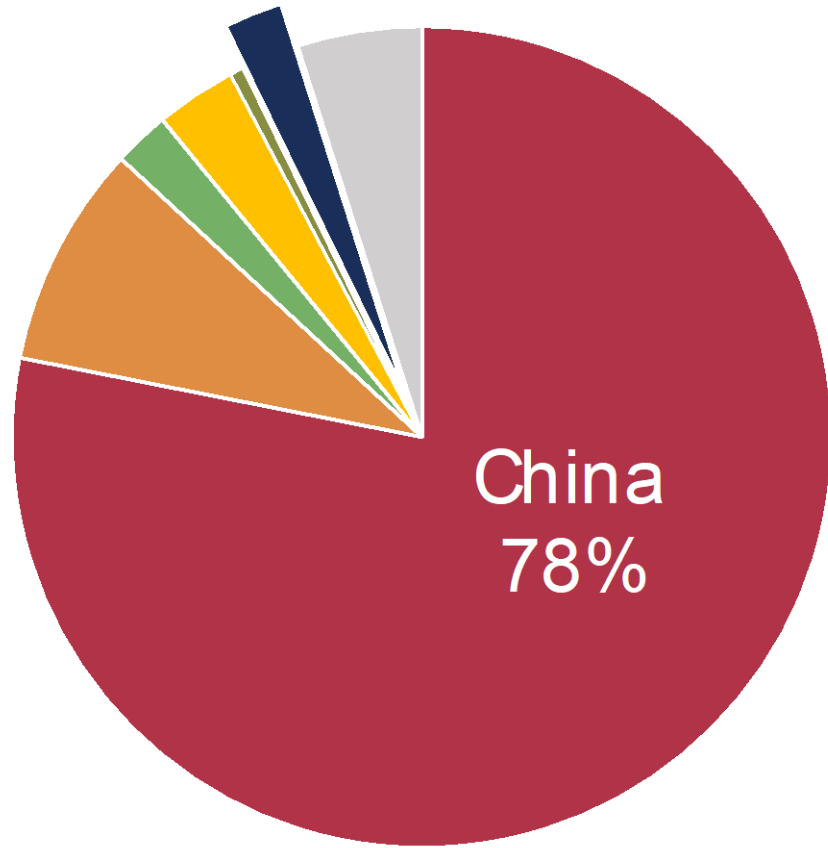
### US Red Oak Lumber to Europe, Jan-Jun



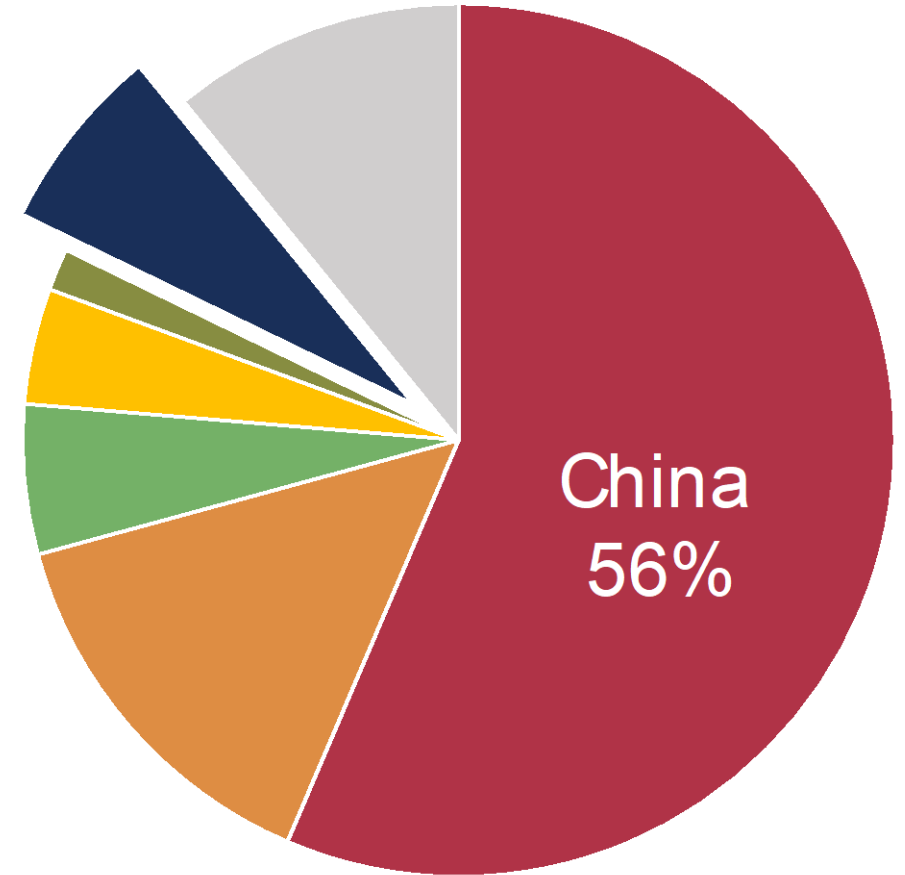
Source: USDA GATS, data for Jan-June each year



Red Oak Exports, 2017



Red Oak Exports, 2021



- China
- Canada
- Vietnam
- Mexico
- Egypt
- EU + UK
- Other

EU Market grew from 2% to 7%,  
now larger than Vietnam

