

# **Trends in US Hardwood Markets**

**Hardwood Manufacturers Association  
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**Presented by: Judd Johnson  
Managing Editor, HMR Publications  
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# Doritos<sup>®</sup>

BRAND

## Tortilla Chips

GUARANTEED FRESH  
• UNTIL PRINTED DATE •



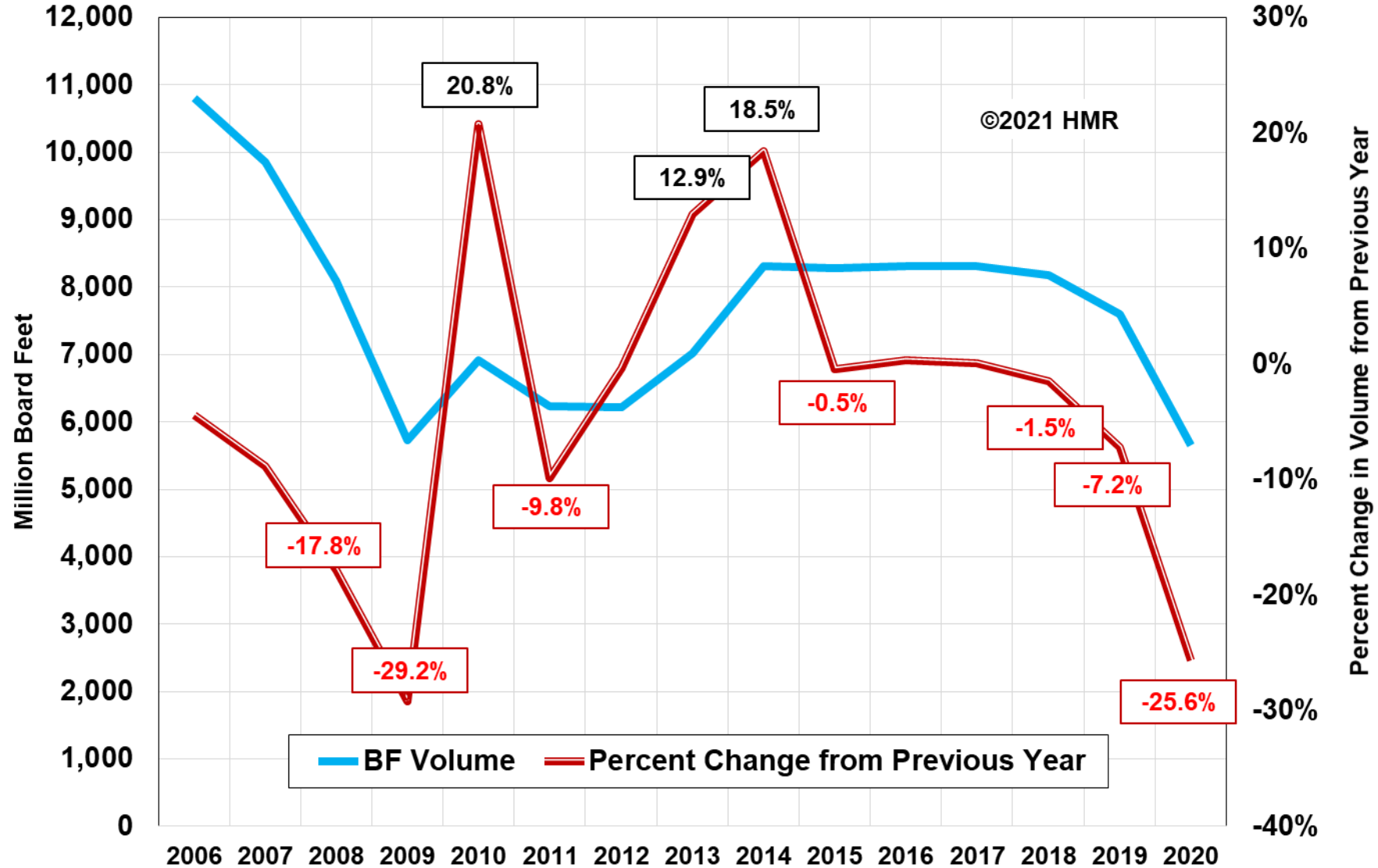
NET WT.  
9¾ OZ.  
(276.4 g)



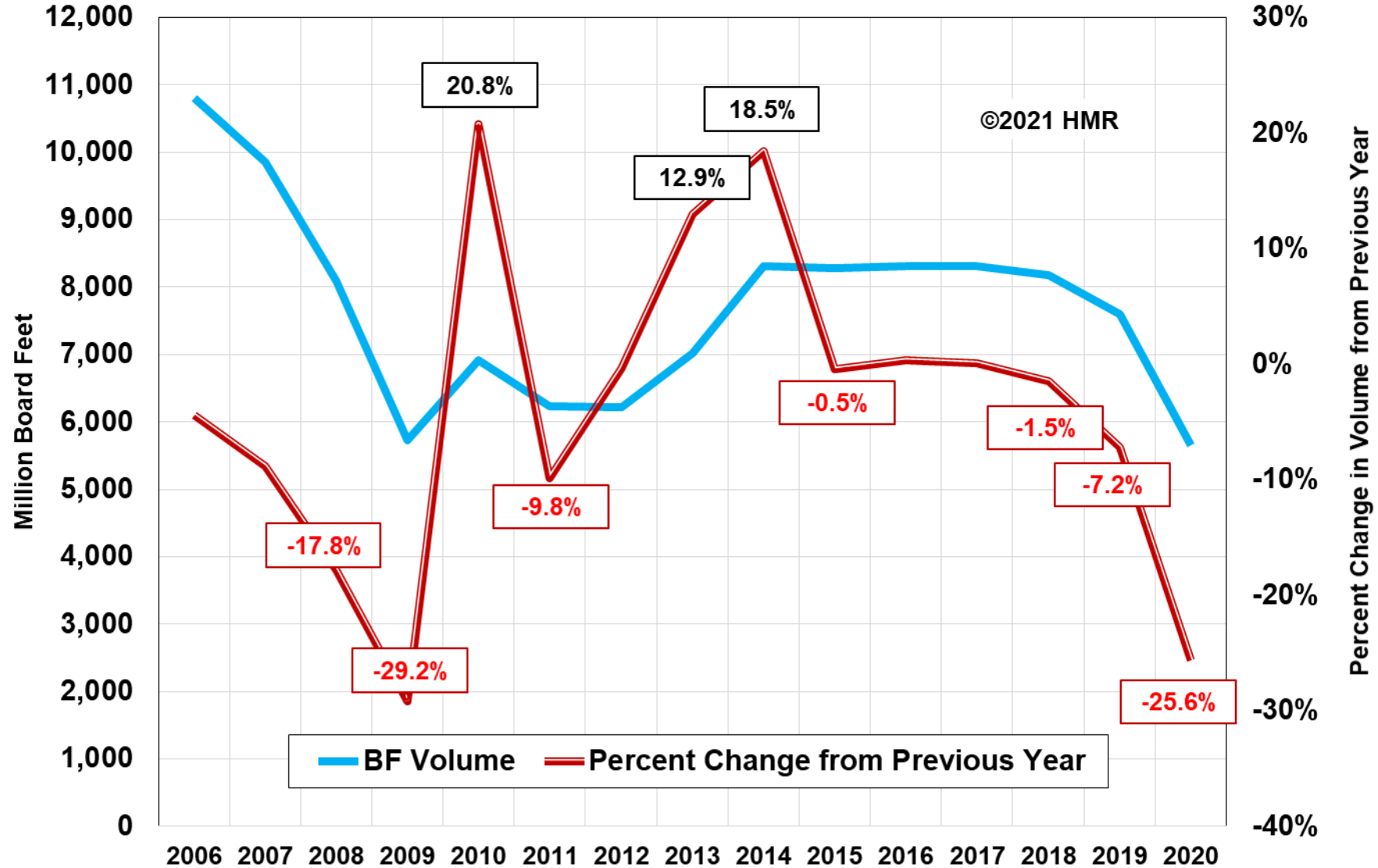
FLAVORED TORTILLA CHIPS



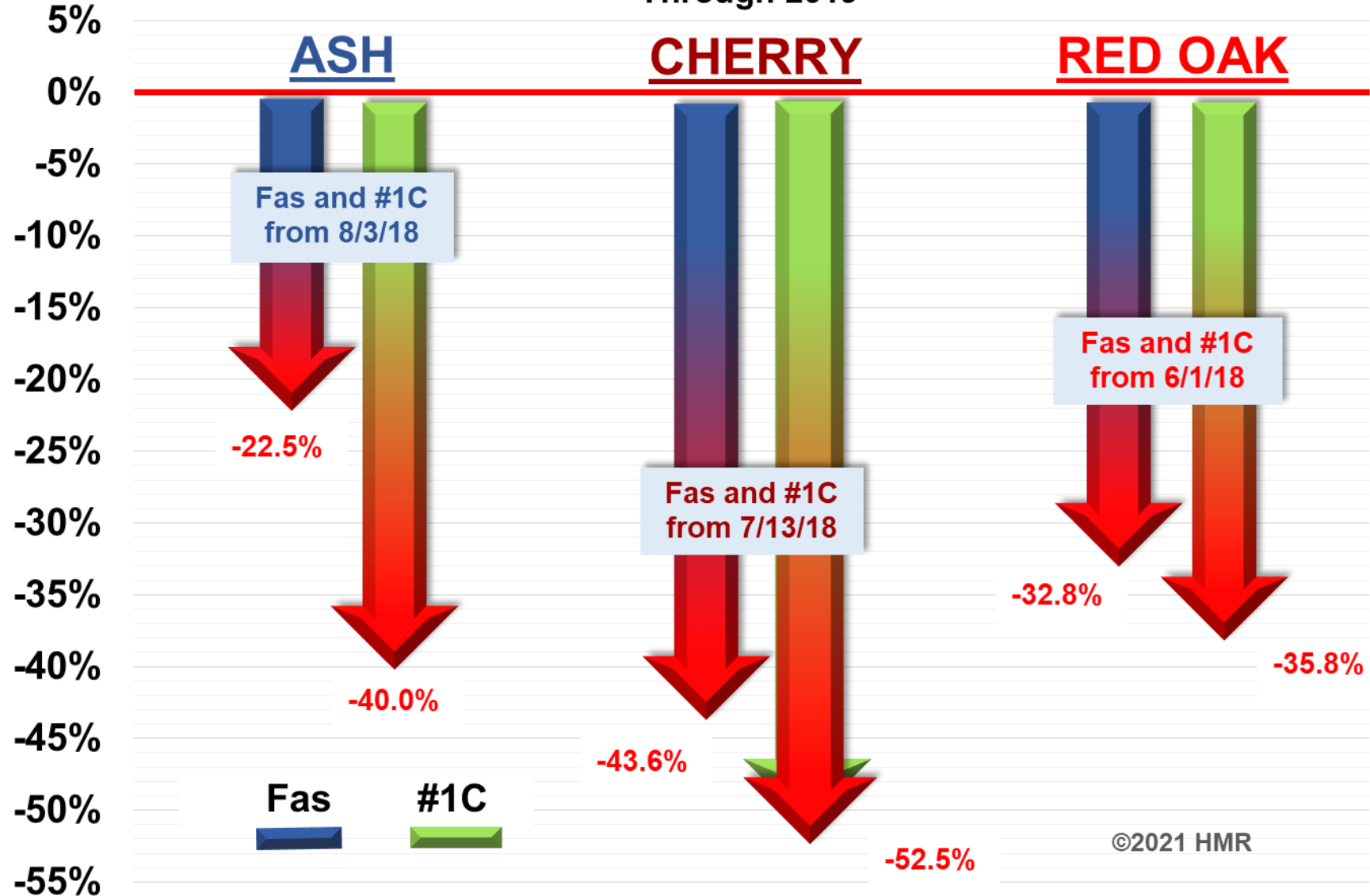
## Eastern US Hardwood Sawmill Production



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# Percent Change in Price for 4/4 Fas and #1C Through 2019



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# Crisis Management

- ❑ **Decreasing prices for grade lumber when sold into traditional markets**
- ❑ **Higher grade lumber unsellable to traditional market sectors was relegated to markets that consume lower grade quality lumber.**
- ❑ **Sawmills altered their production mix to make less grade lumber of China-centric species - such as Red Oak, Ash, and Cherry**
  - By producing more industrial products from those logs.
  - By replacing Red Oak, Ash, and Cherry production to the extent possible with other, high production and/or fast-drying species, such as Poplar, Basswood, and Maple.
- ❑ **Concentration yards also shifted to salable, fast processing species.**

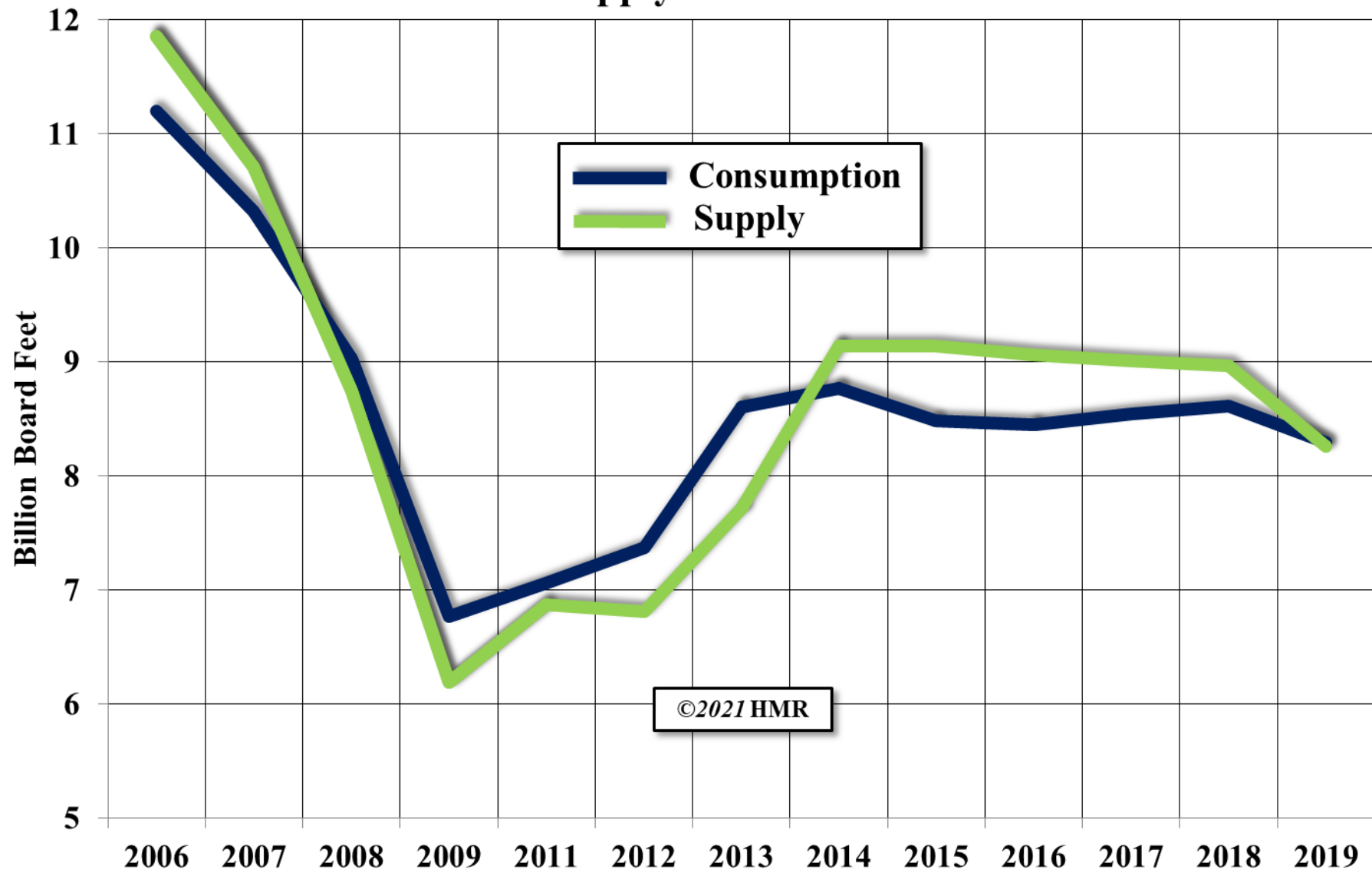
# **Substantial Loss of Wealth by Sawmills and Concentration Yards**

# Supply Begins to Correct

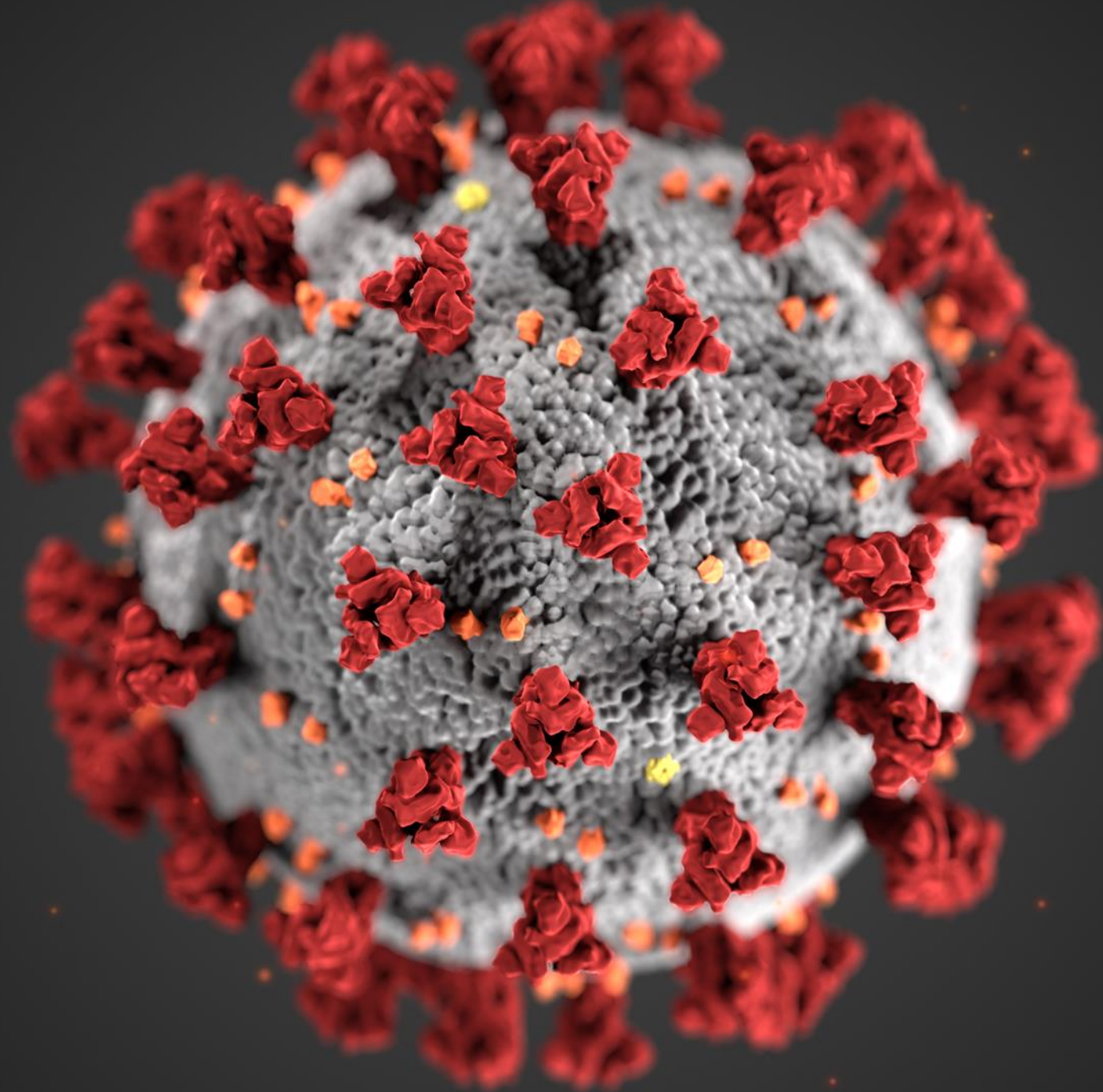
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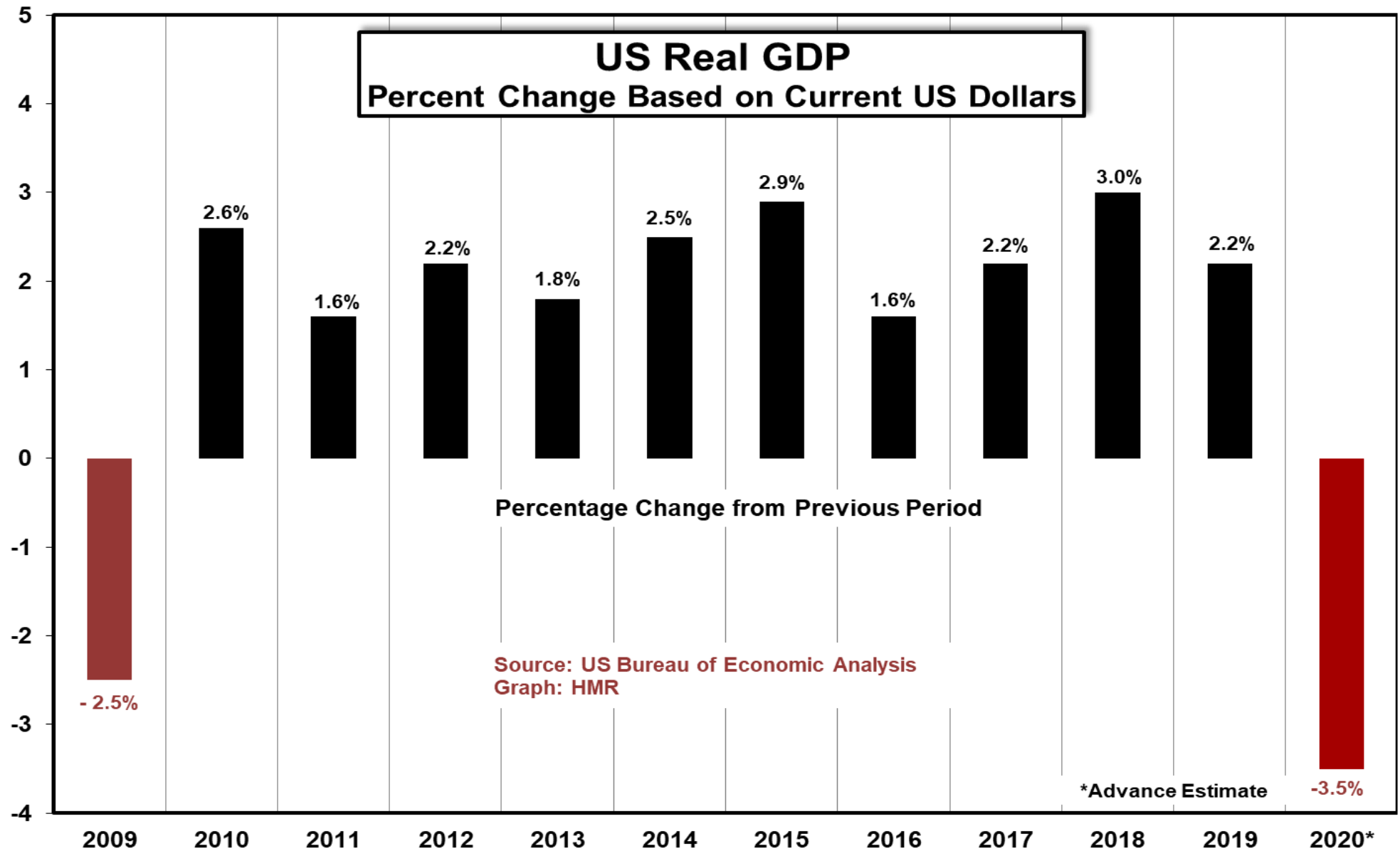


## Consumption of Hardwood Lumber by Major US Markets and Total Supply of Hardwood Lumber

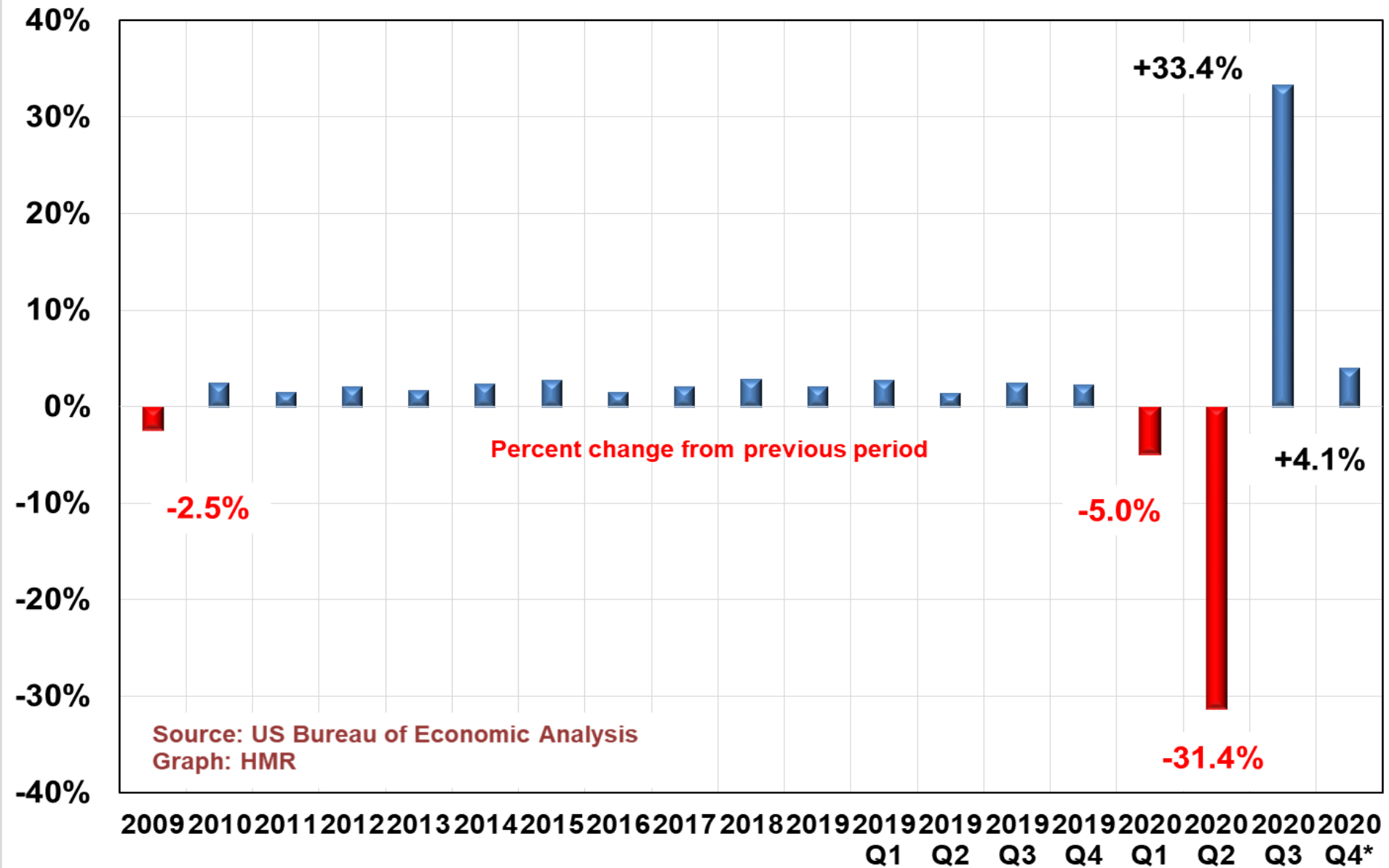


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# US GDP



## IMF World Economic Outlook, January 2021 *Update*

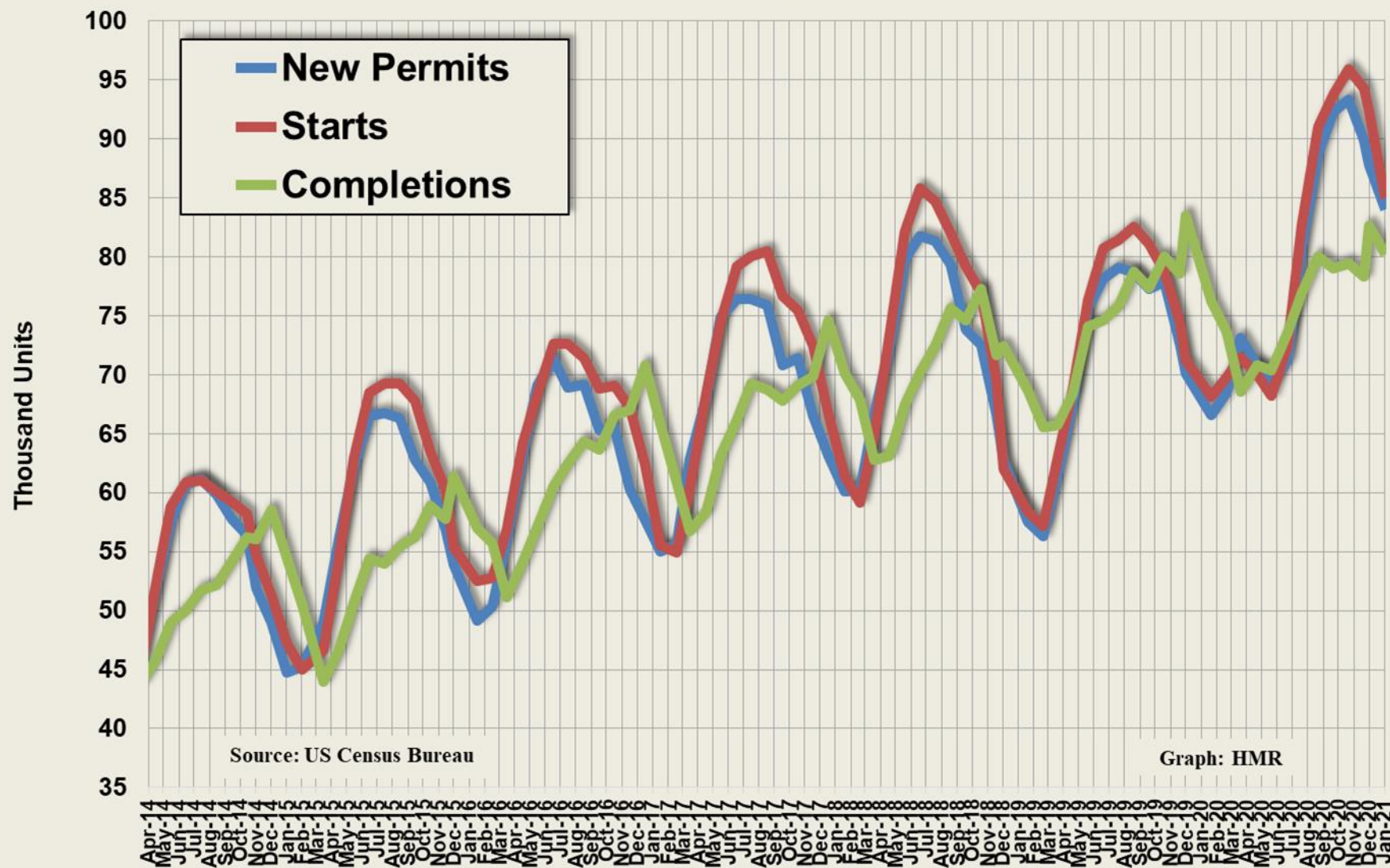
		Year-Over-Year Projections					Year-Over-Year Projections			
		Estimate					Estimate			
		2020	2021	2022				2020	2021	2022
World Output		−3.5	5.5	4.2		Emerging and Developing Asia		−1.1	8.3	5.9
Advanced Economies		−4.9	4.3	3.1		China		2.3	8.1	5.6
United States		−3.4	5.1	2.5		India 4/		−8.0	11.5	6.8
Euro Area		−7.2	4.2	3.6		ASEAN-5 5/		−3.7	5.2	6.0
Germany		−5.4	3.5	3.1		Emerging and Developing Europe		−2.8	4.0	3.9
France		−9.0	5.5	4.1		Russia		−3.6	3.0	3.9
Italy		−9.2	3.0	3.6		Latin America and the Caribbean		−7.4	4.1	2.9
Spain		−11.1	5.9	4.7		Brazil		−4.5	3.6	2.6
Japan		−5.1	3.1	2.4		Mexico		−8.5	4.3	2.5
United Kingdom		−10.0	4.5	5.0		Middle East and Central Asia		−3.2	3.0	4.2
Canada		−5.5	3.6	4.1		Saudi Arabia		−3.9	2.6	4.0
Other Advanced Economies 3/		−2.5	3.6	3.1		Sub-Saharan Africa		−2.6	3.2	3.9
						Nigeria		−3.2	1.5	2.5
Emerging Market and Developing Economies		−2.4	6.3	5.0		South Africa		−7.5	2.8	1.4

Source: International Monetary Fund

Chart: HMR



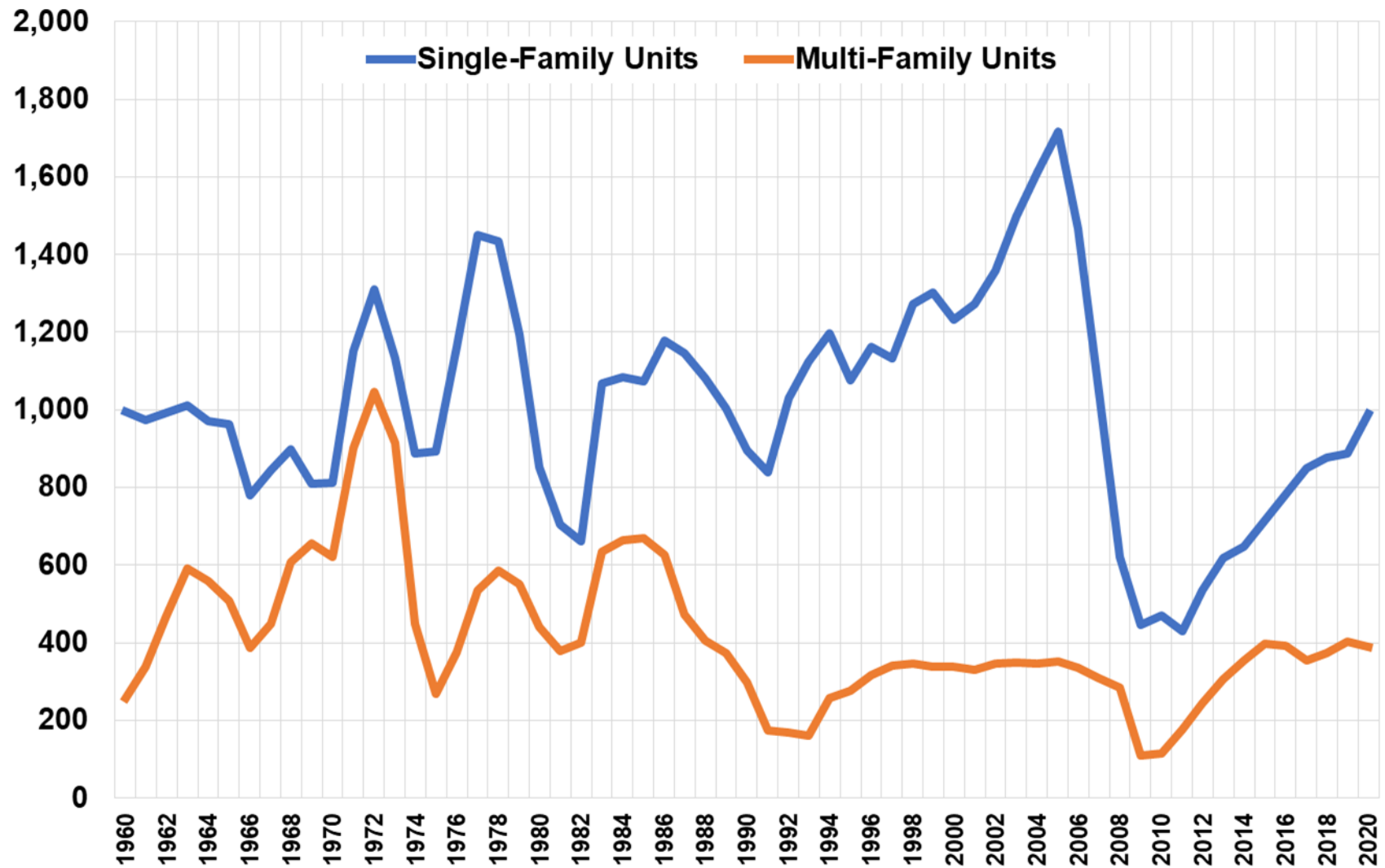
# New Single Family Housing Permits, Starts, and Completions Three-Month Moving Average Not Seasonally Adjusted



Source: US Census Bureau

Graph: HMR

## US Housing Starts (Thousand Units)



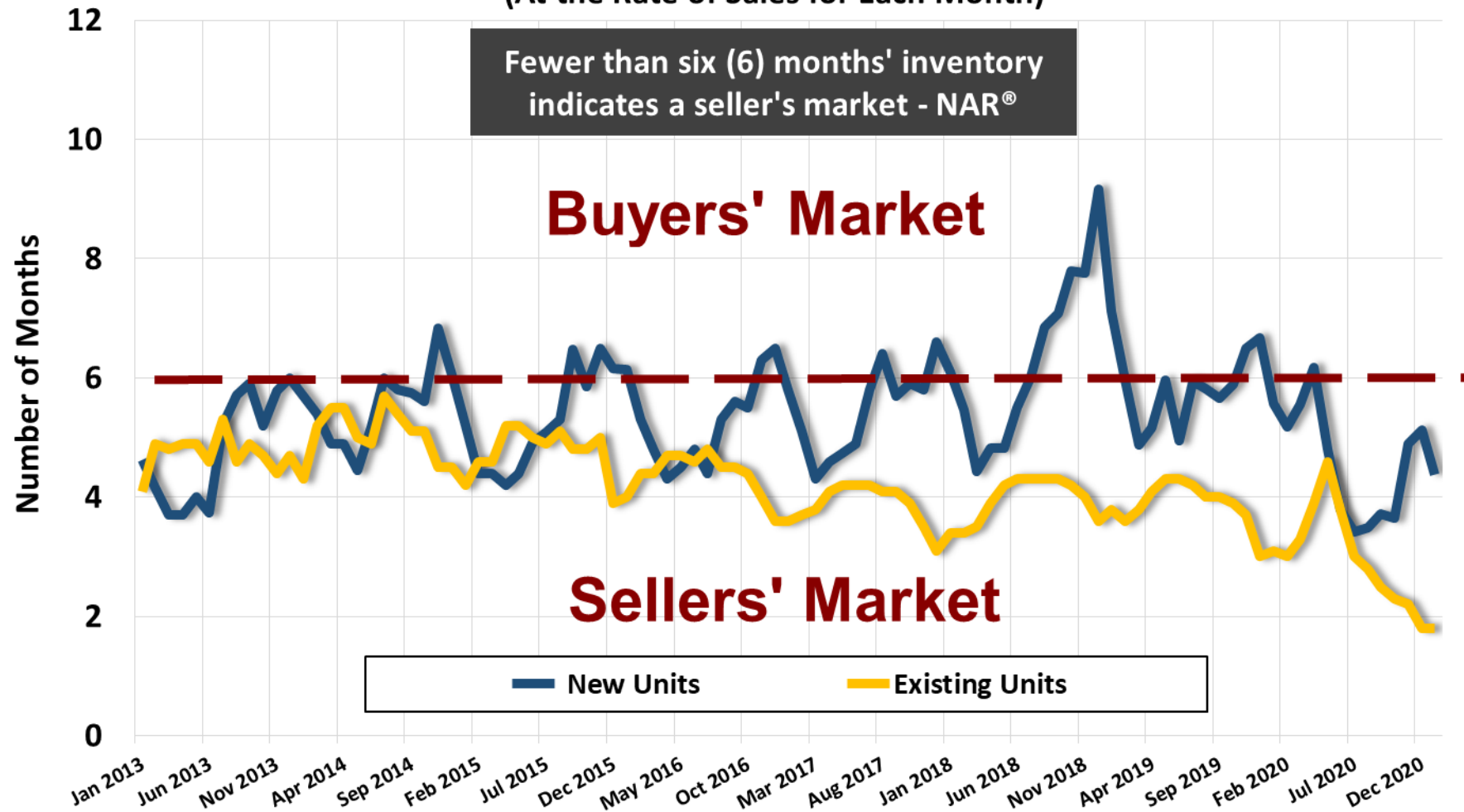
Source: US Census Bureau

Graph: HMR



# Months Supply of Inventory

(At the Rate of Sales for Each Month)



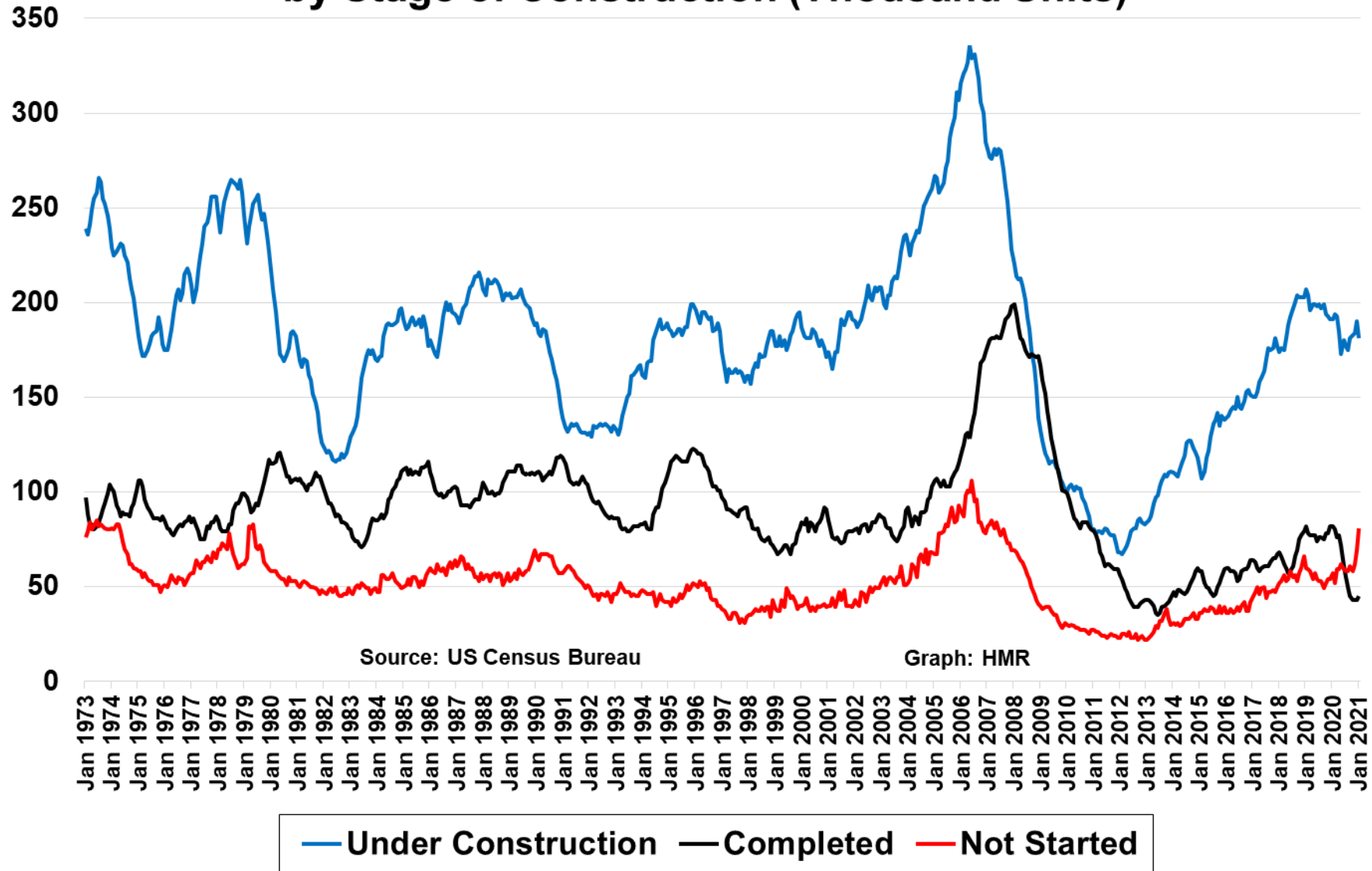
Sources: US Census Bureau and NAR®

Graph: HMR

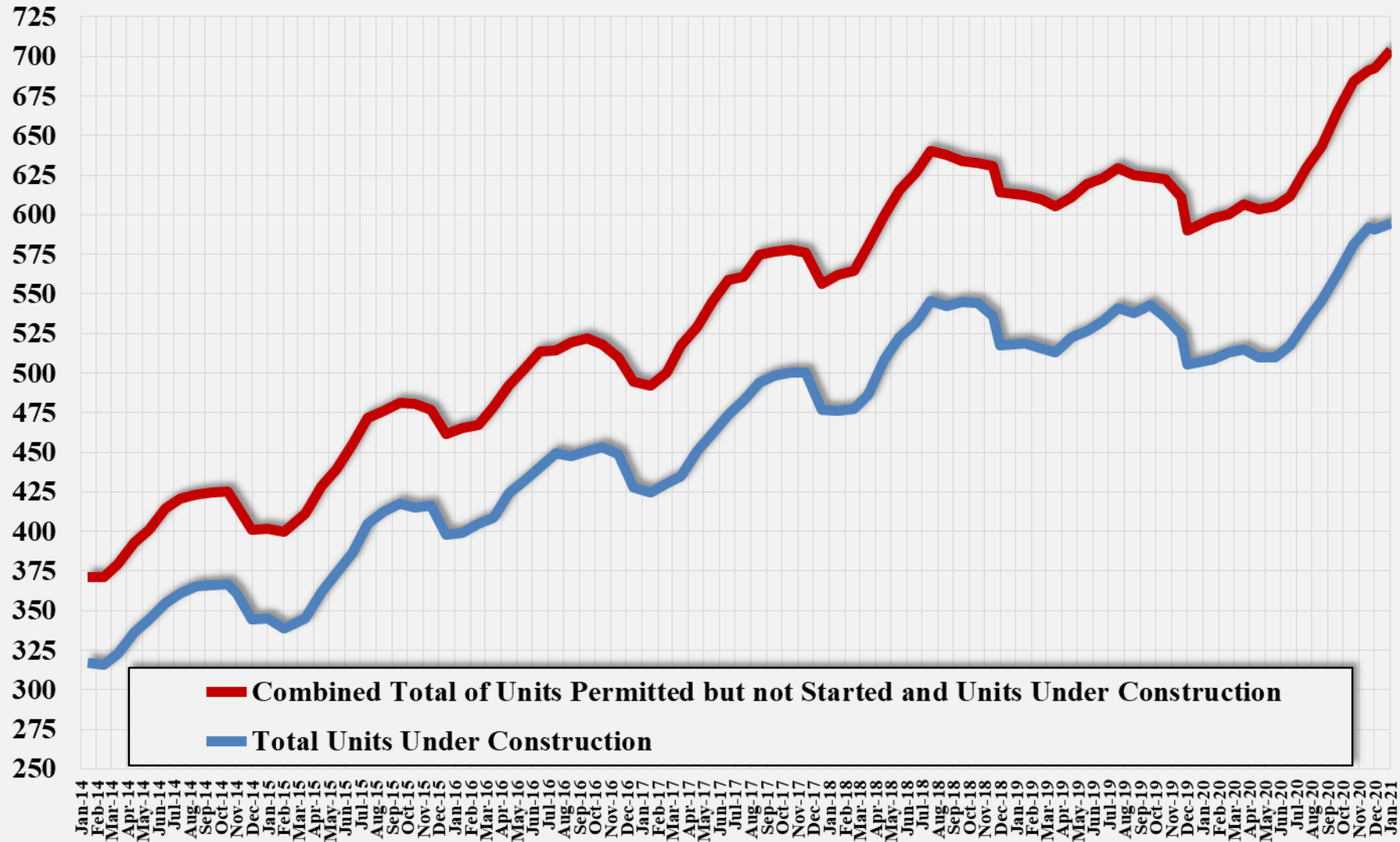




## New Single Family Housing Inventory in the US by Stage of Construction (Thousand Units)



## Permitted and In-process Construction of New Single Family Housing (Thousand Units - Unadjusted)



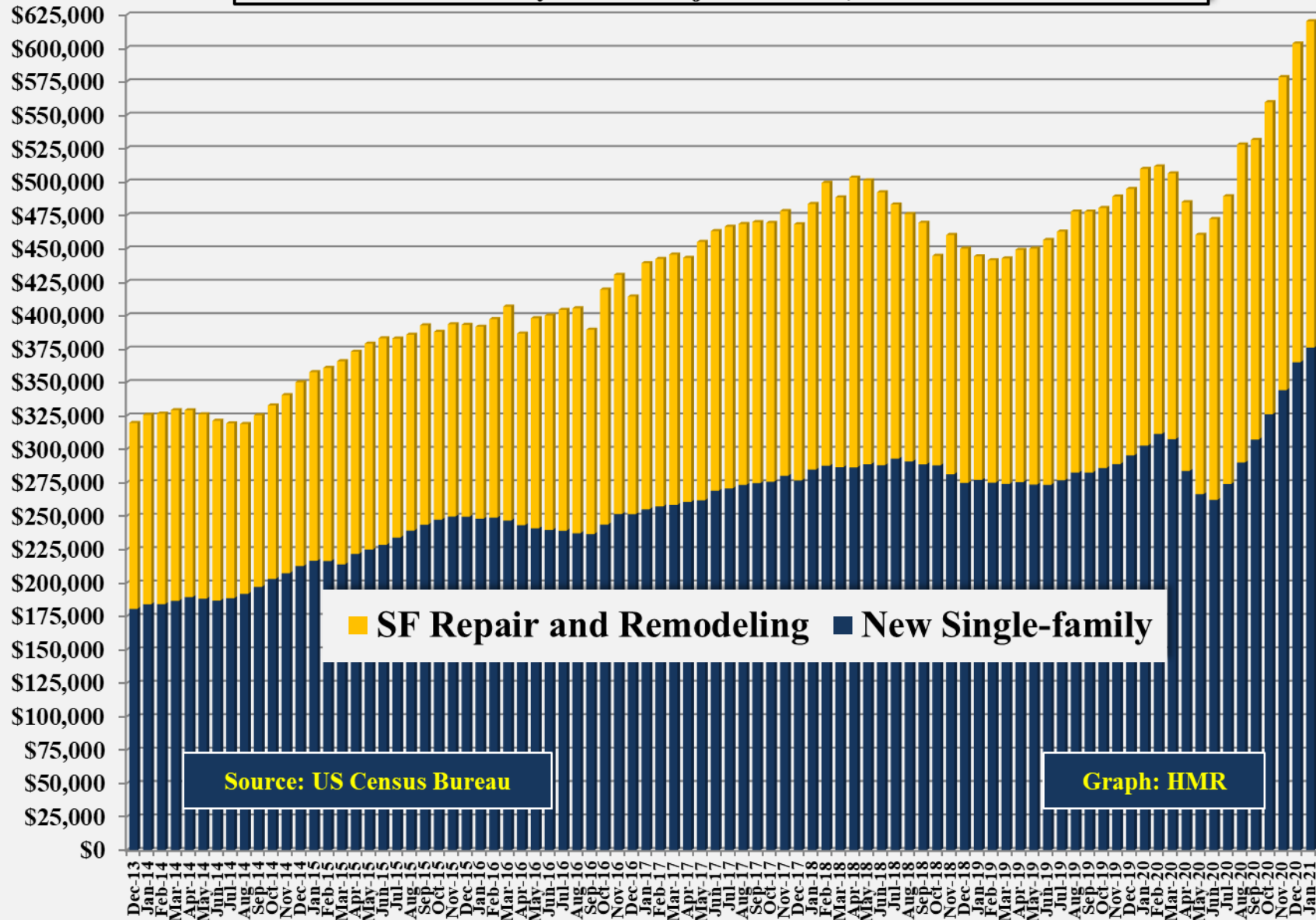
Source: US Census Bureau

Graph: HMR

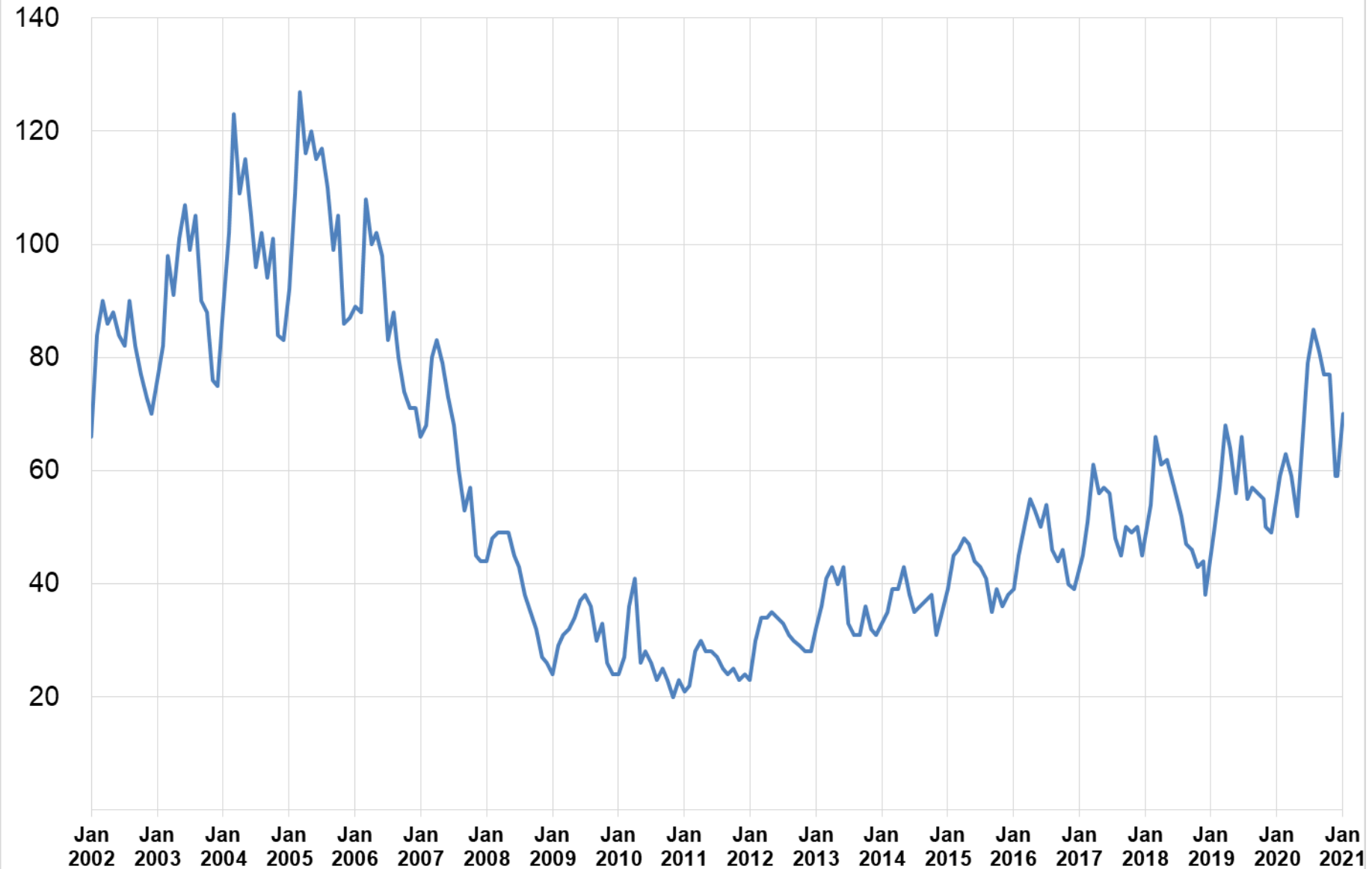


# Private Expenditures on US Single-Family Residential Construction

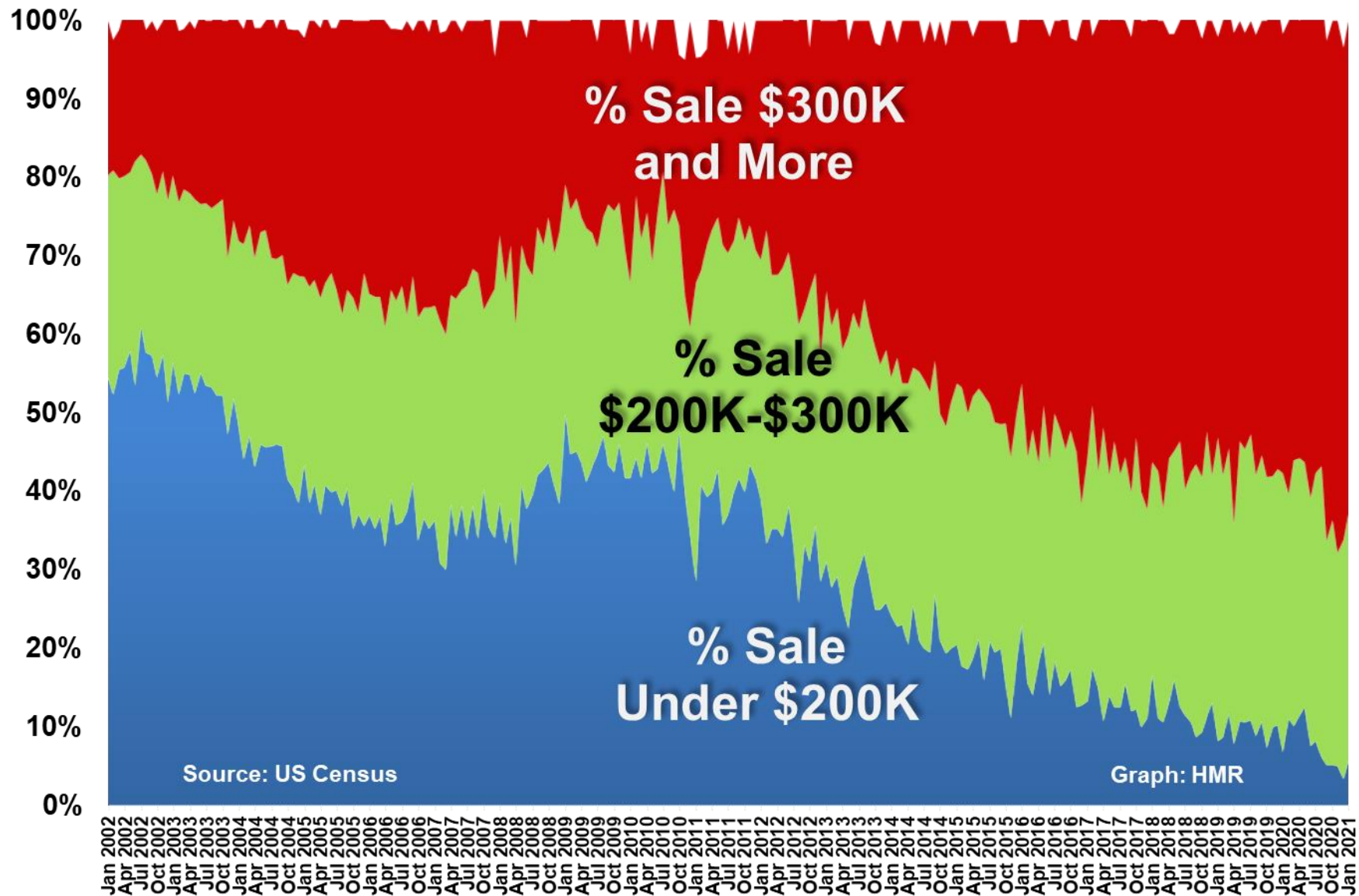
Seasonally Annual Adjusted Rates, Million US \$



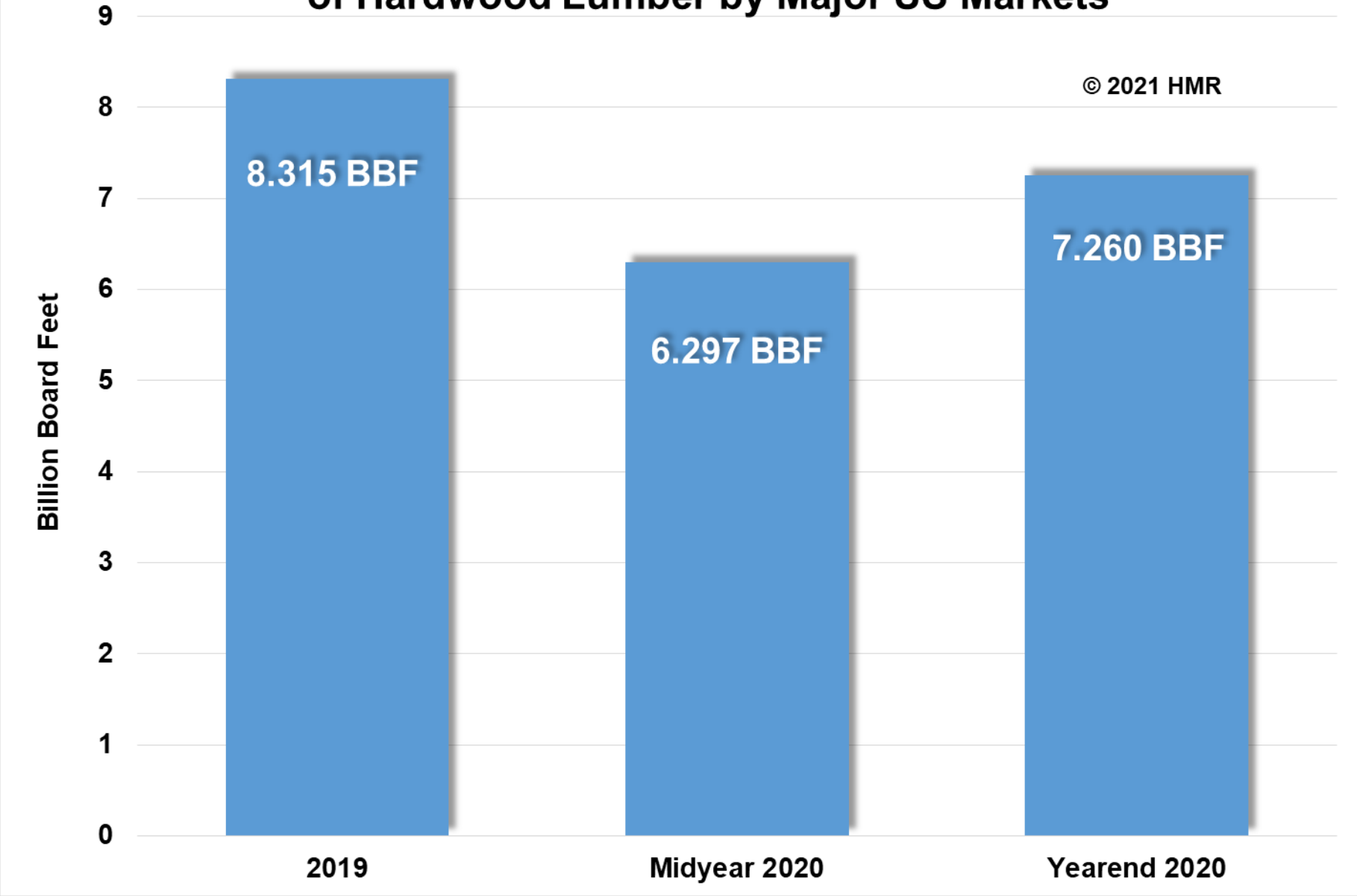
## Monthly Sales of New Single-Family Houses (Thousand Units)



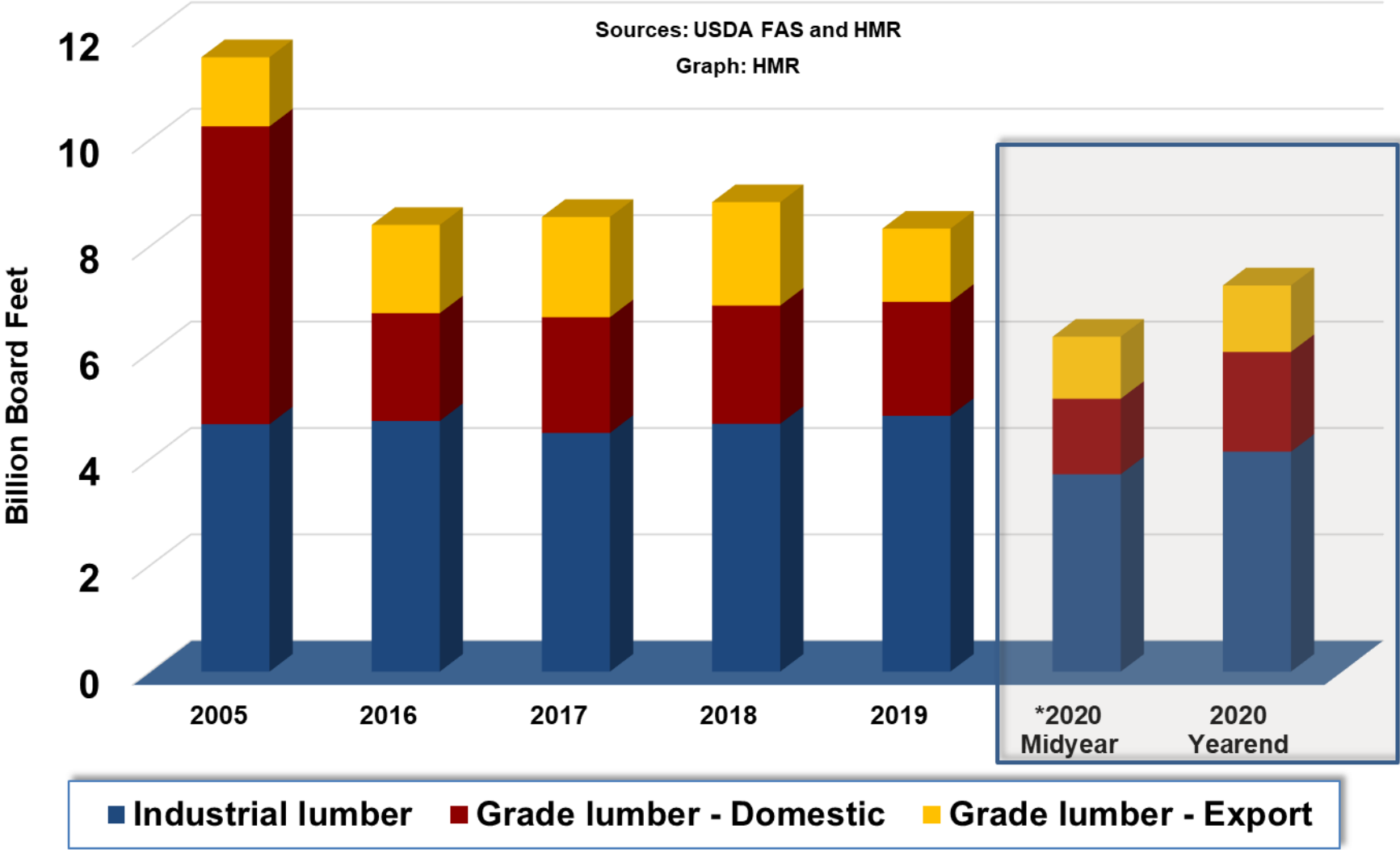
## Sales Prices of New Single-Family Houses



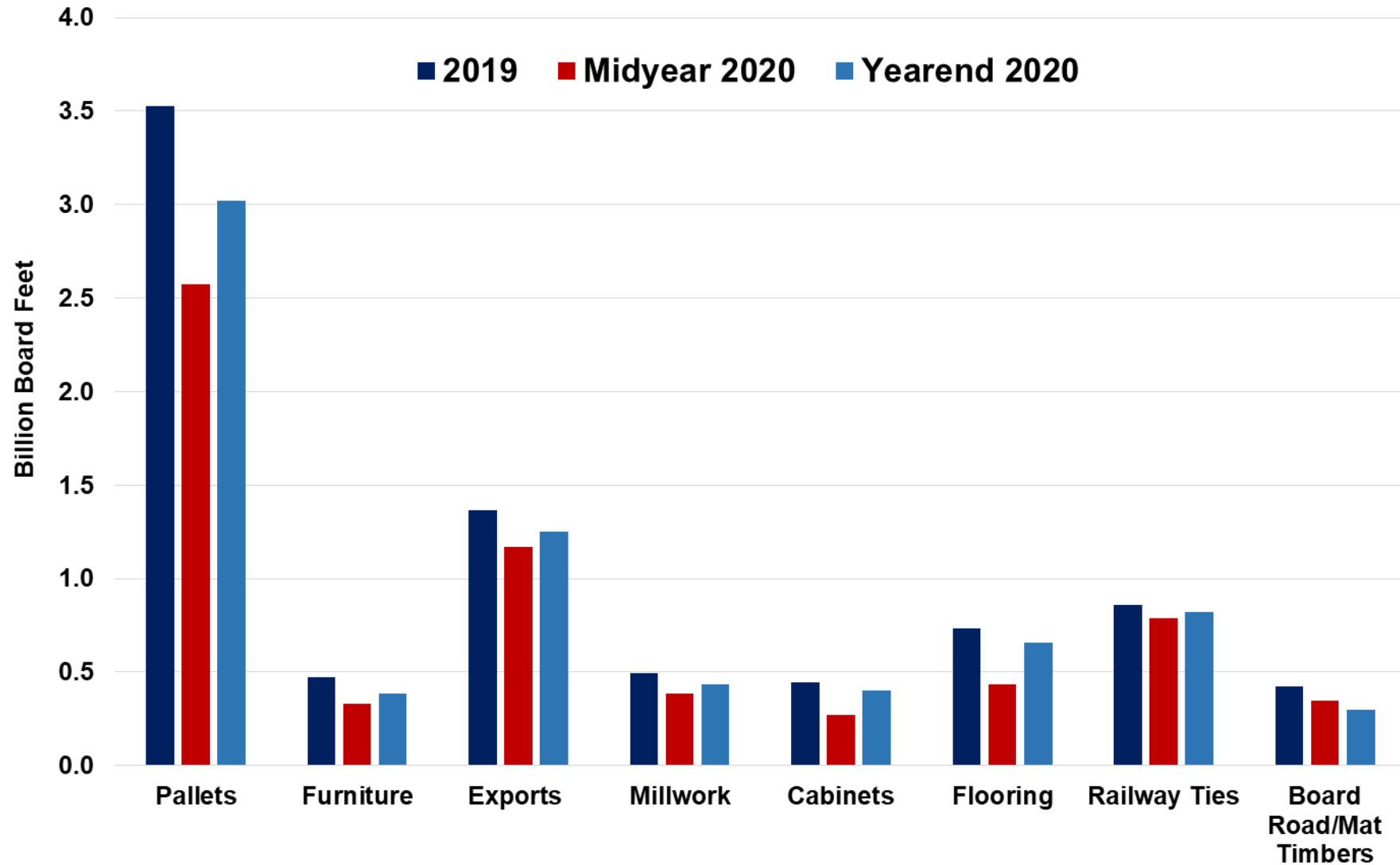
# Total Estimated Consumption of Hardwood Lumber by Major US Markets



# Hardwood Consumption by US Industrial and Grade Lumber Markets

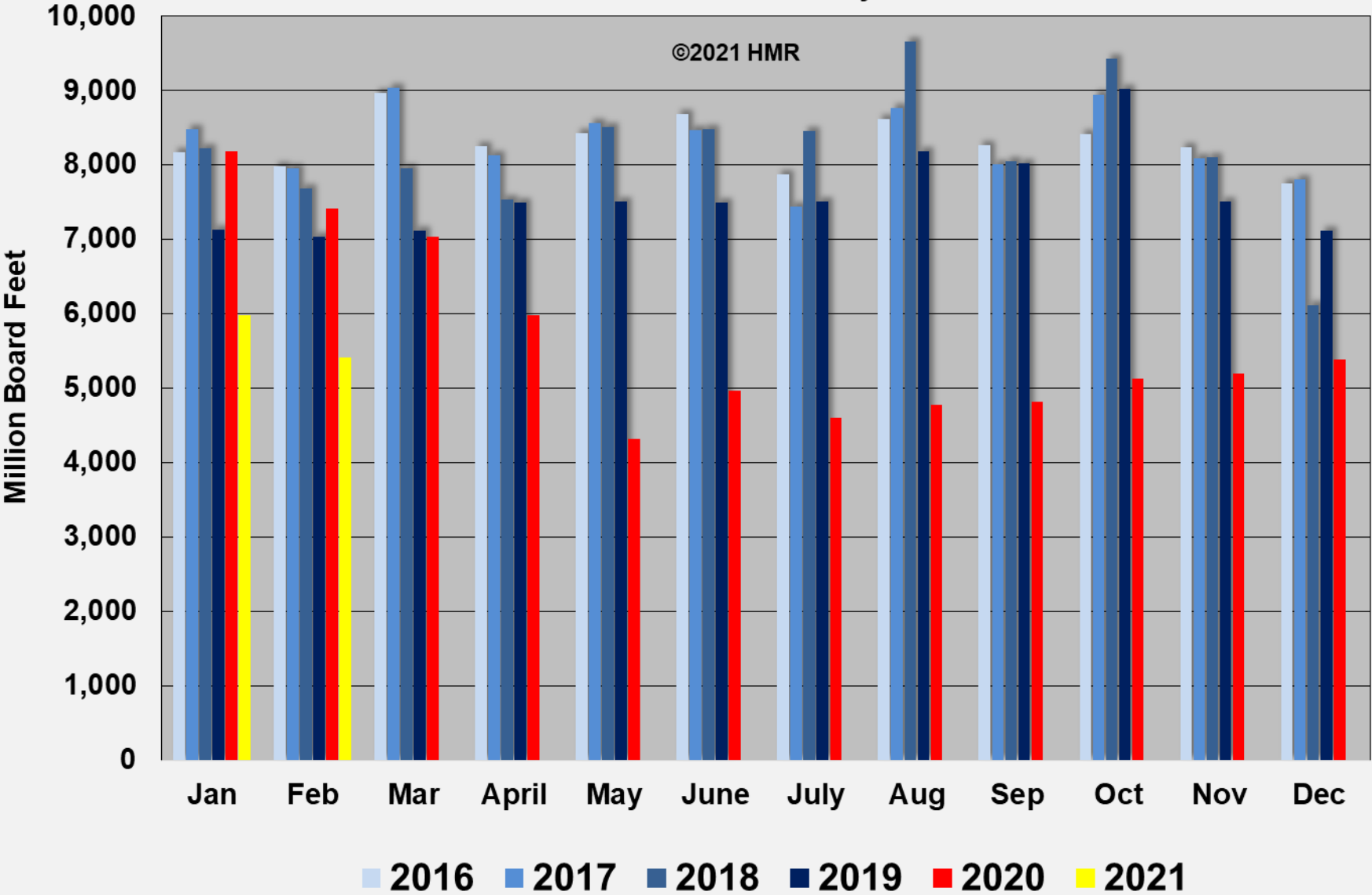


# Hardwood Lumber Consumption by Major US Market Sectors



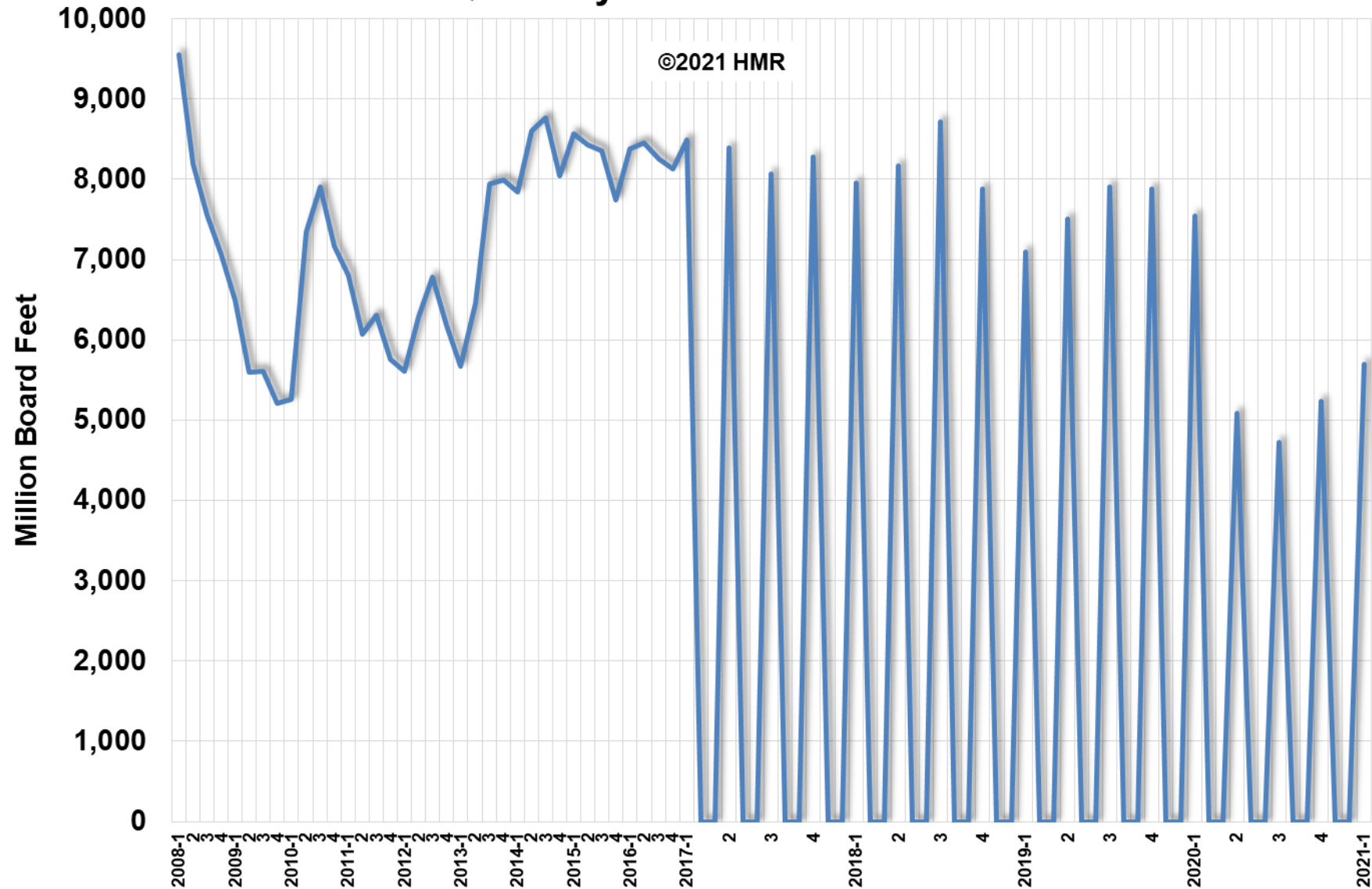


**Eastern US Hardwood Sawmill Production**  
Annualized on a Monthly Basis

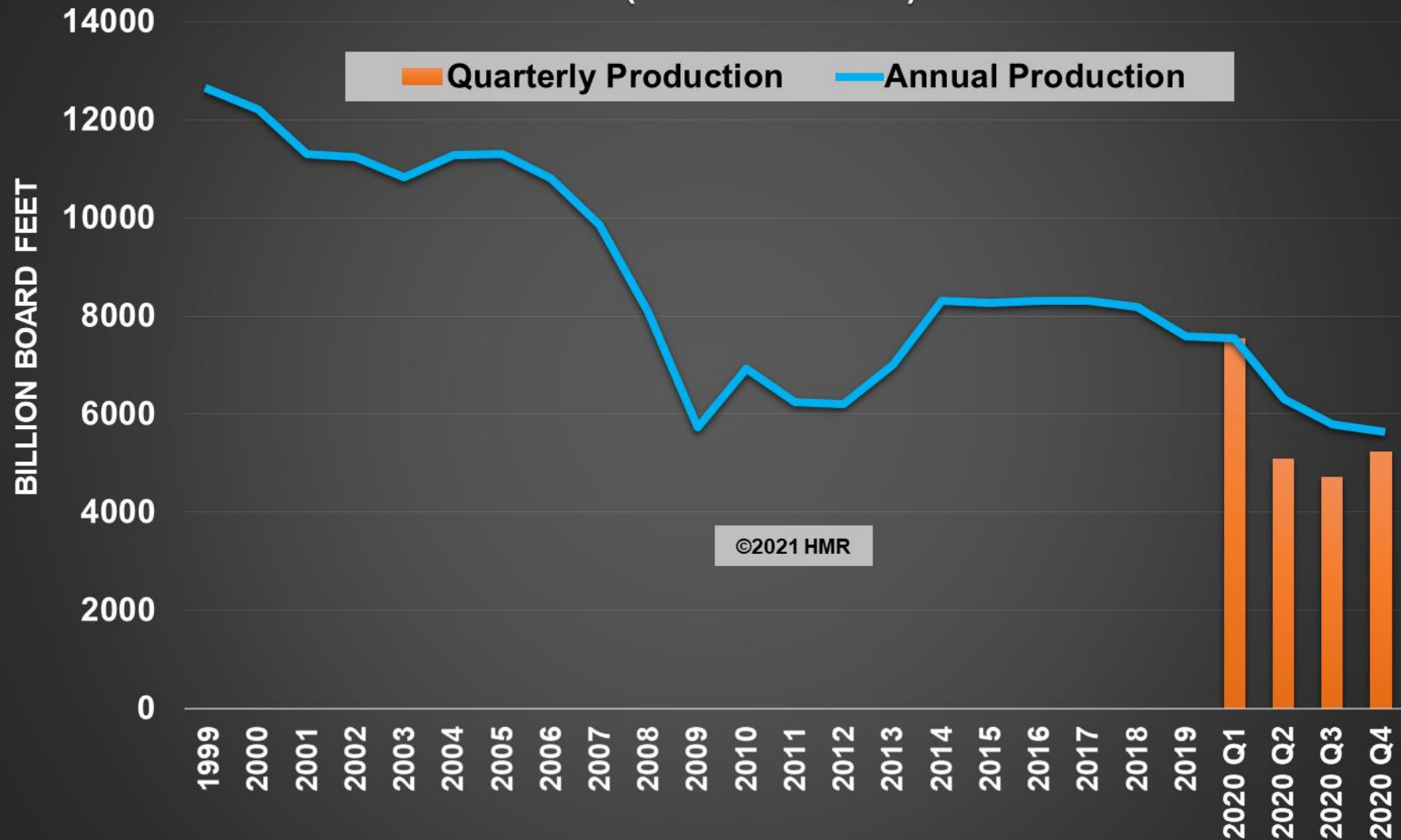


# Eastern US Hardwood Sawmill Production

## Quarterly on an Annualized Basis

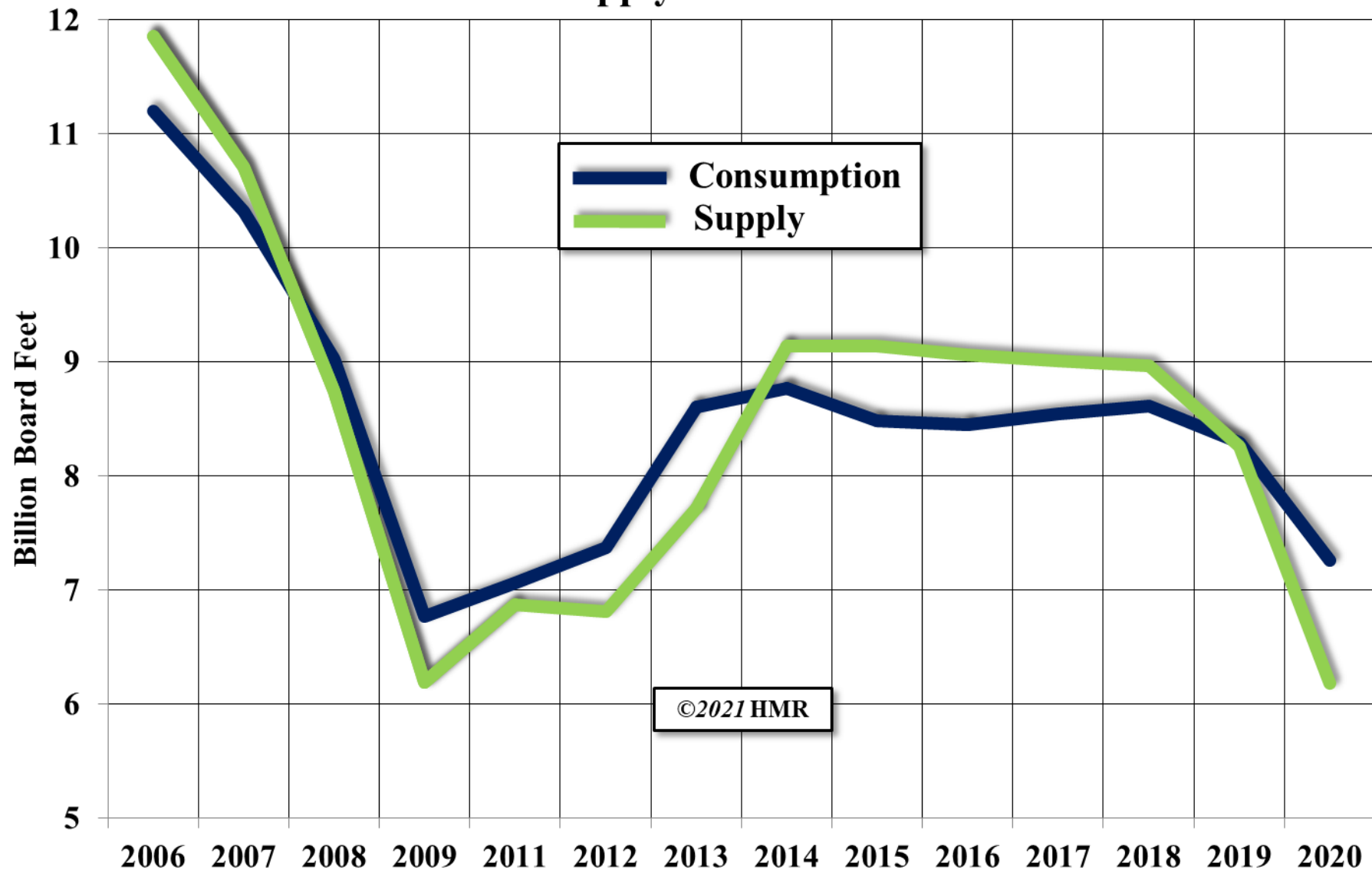


# Eastern US Hardwood Sawmill Production (Annual Rates)



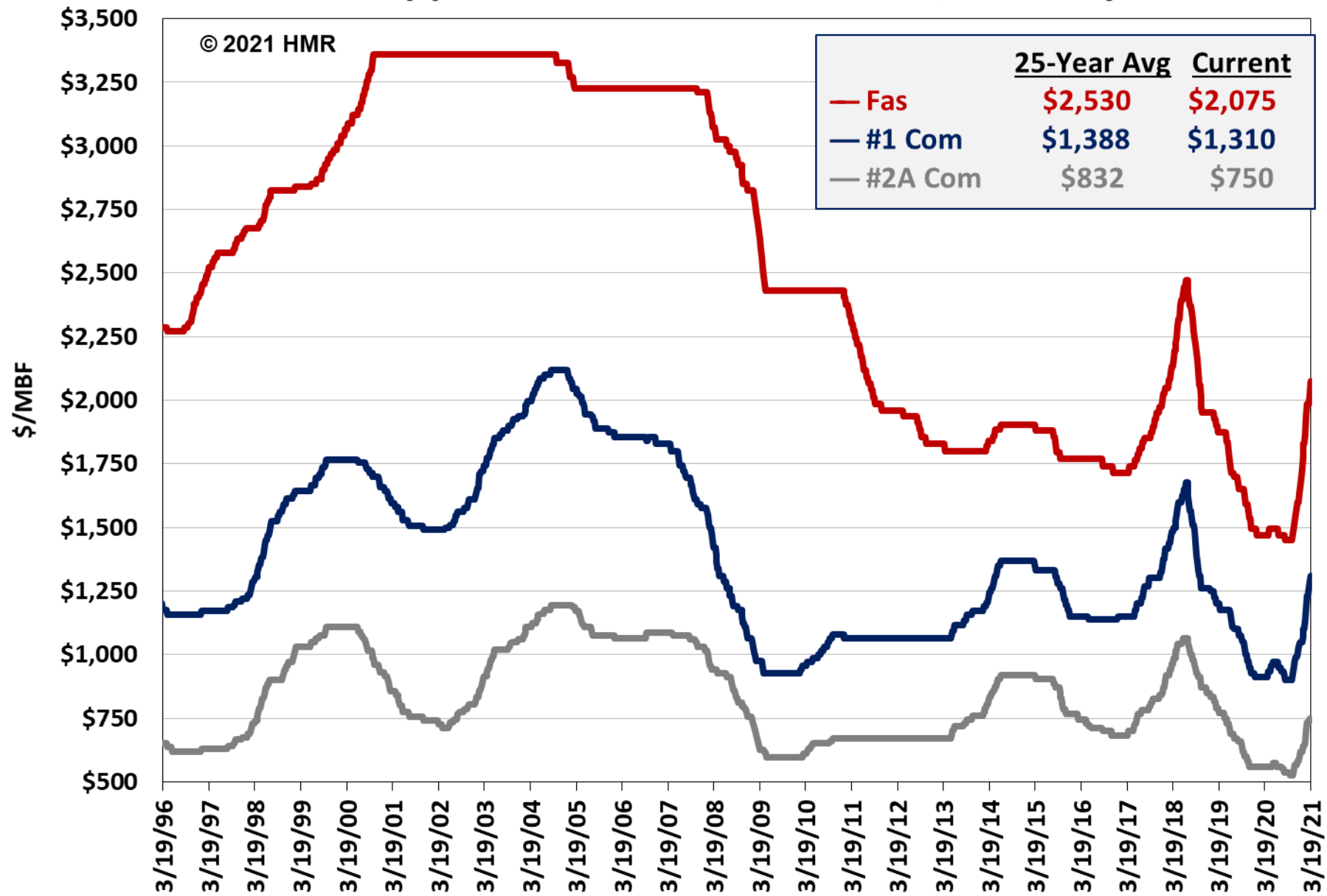
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## Consumption of Hardwood Lumber by Major US Markets and Total Supply of Hardwood Lumber

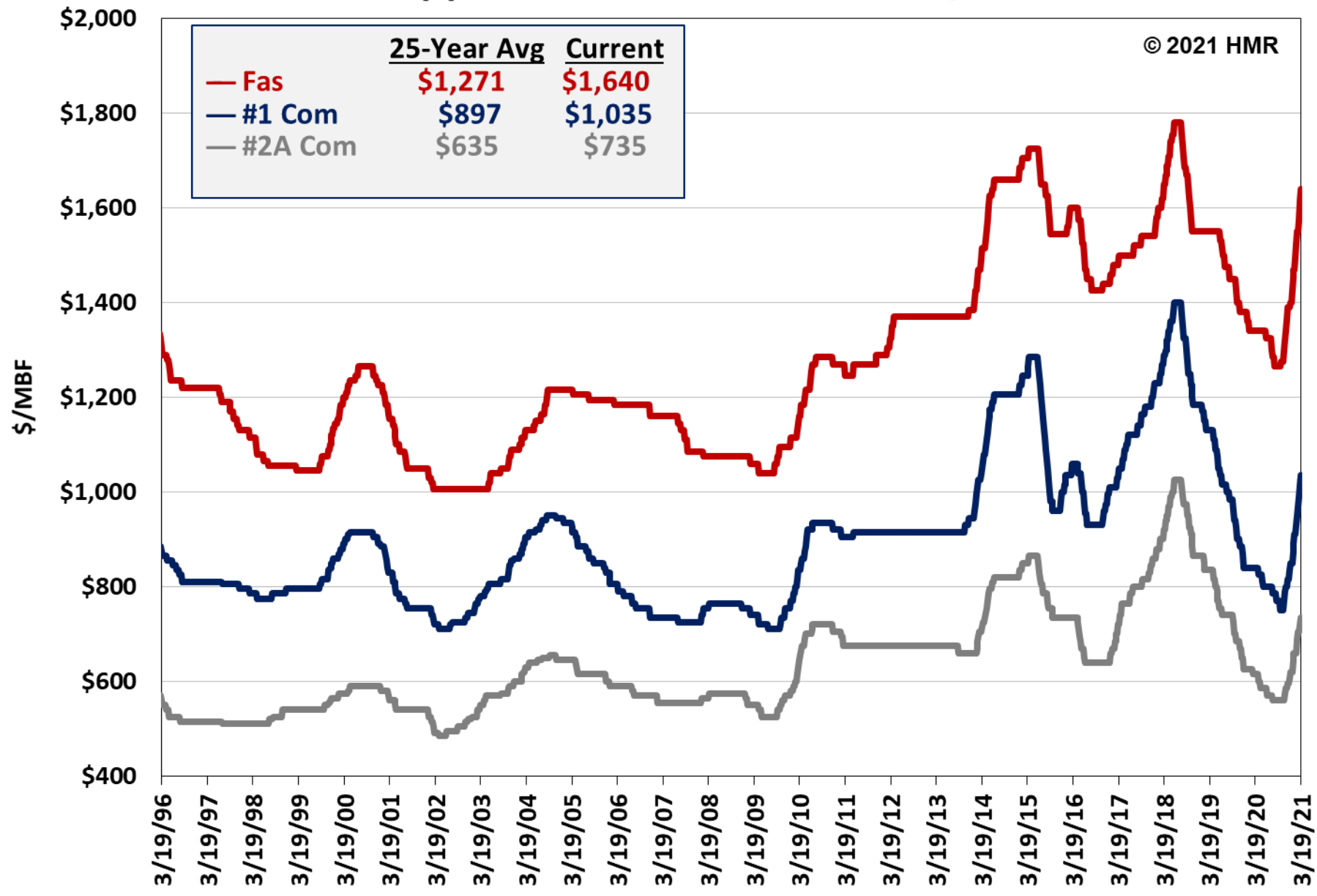


©2021 HMR

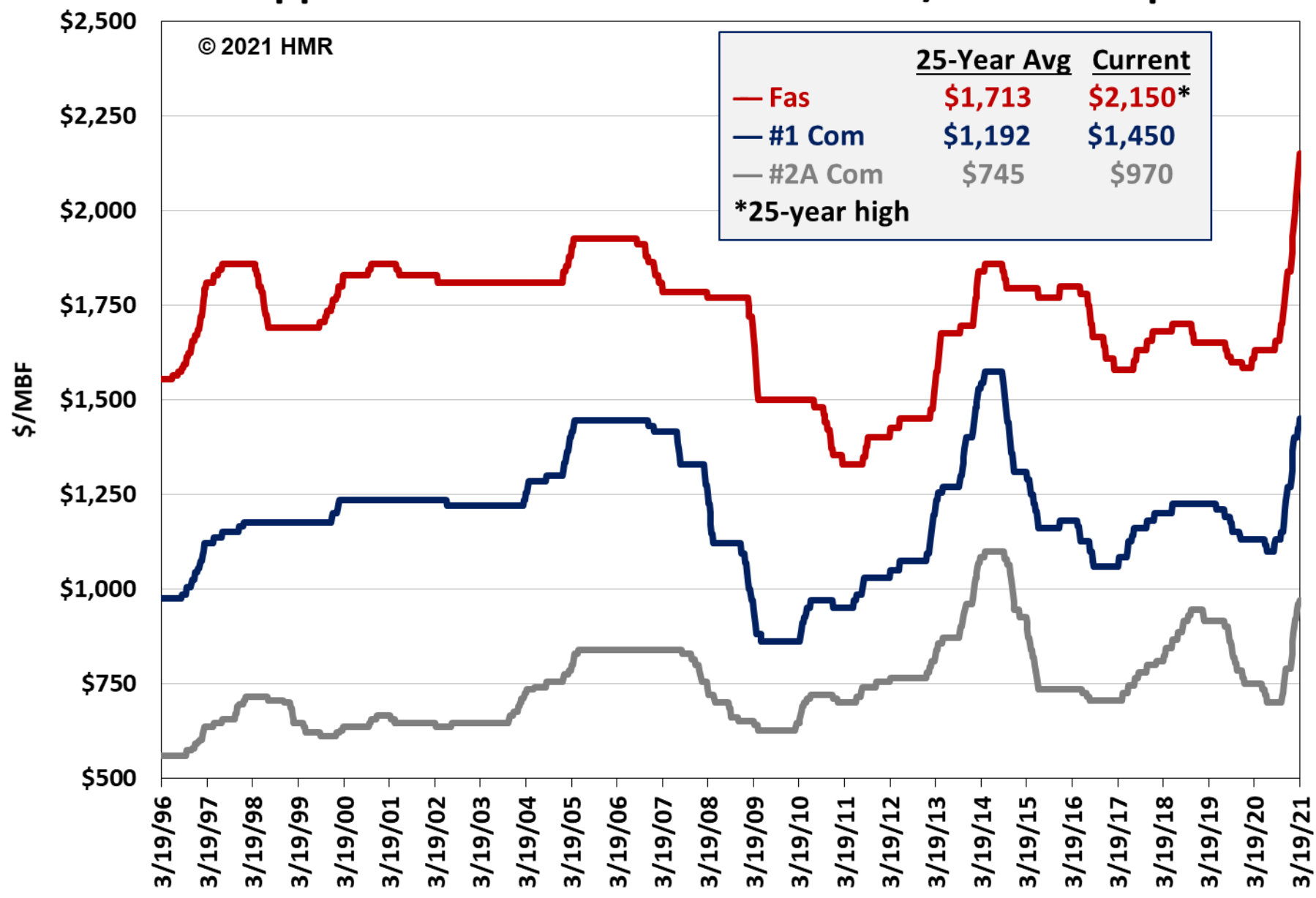
## Appalachian Kiln Dried Net 4/4 Cherry



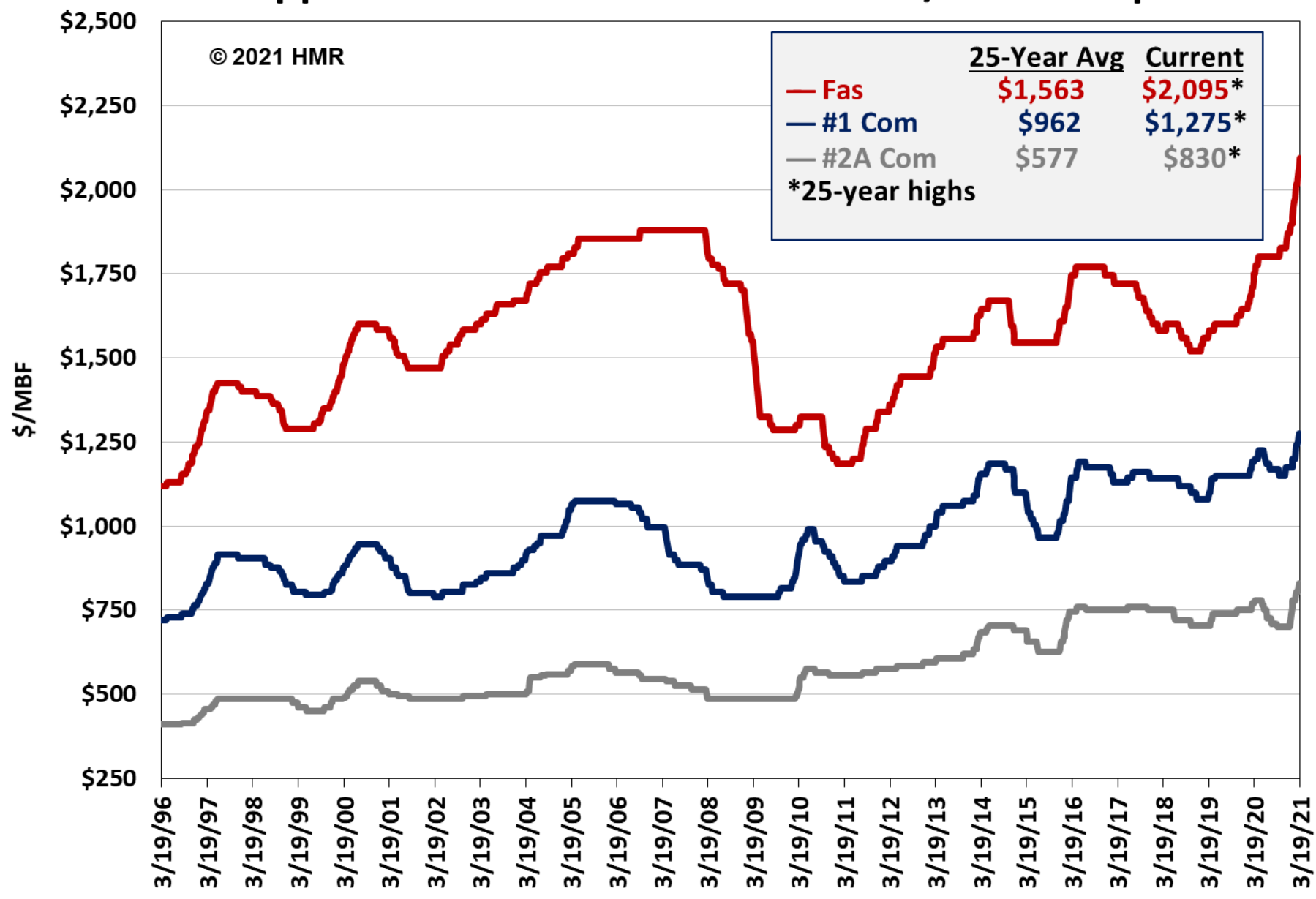
# Appalachian Kiln Dried Net 4/4 Ash



# Appalachian Kiln Dried Net Unsel 4/4 Hard Maple

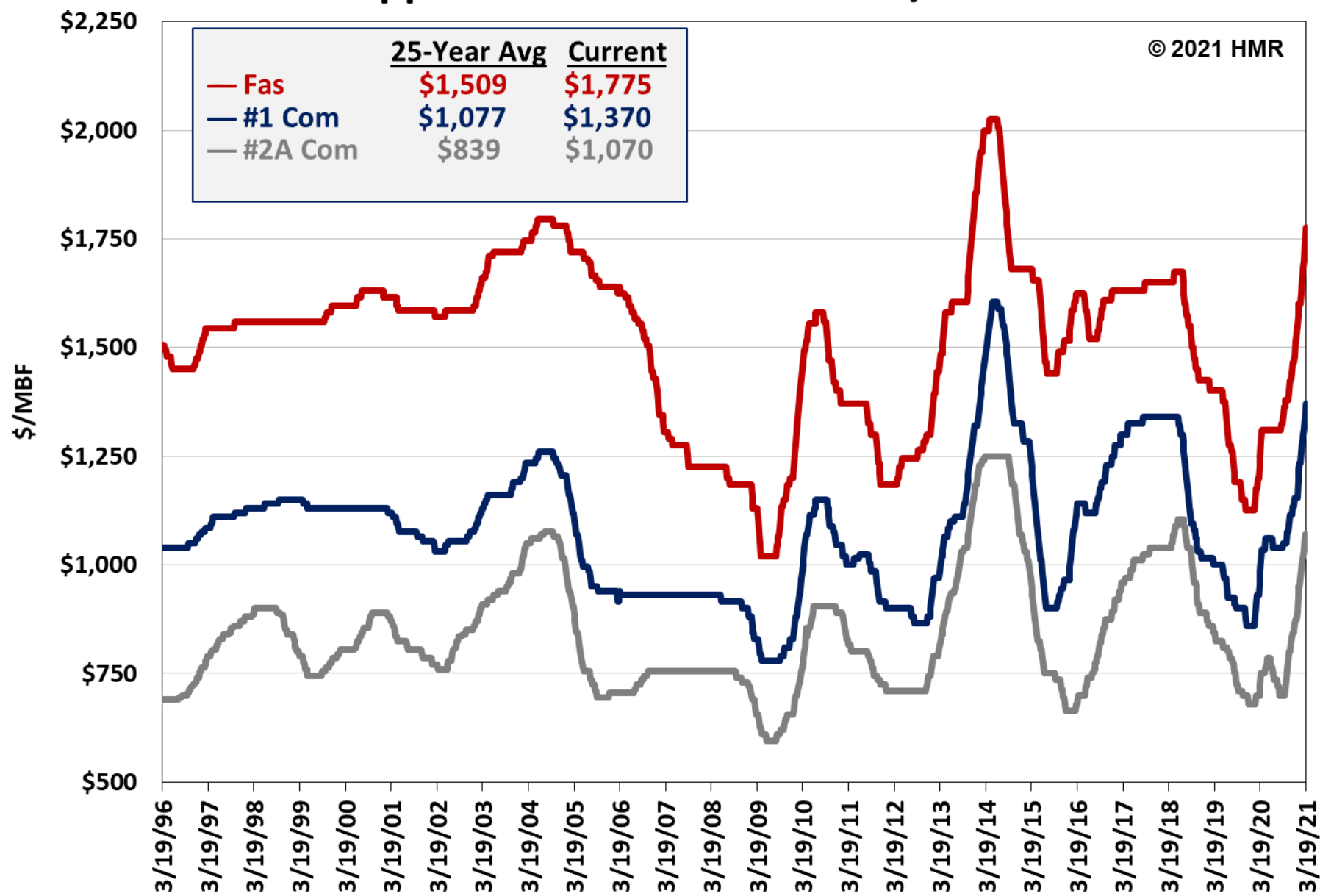


# Appalachian Kiln Dried Net Unsel 4/4 Soft Maple

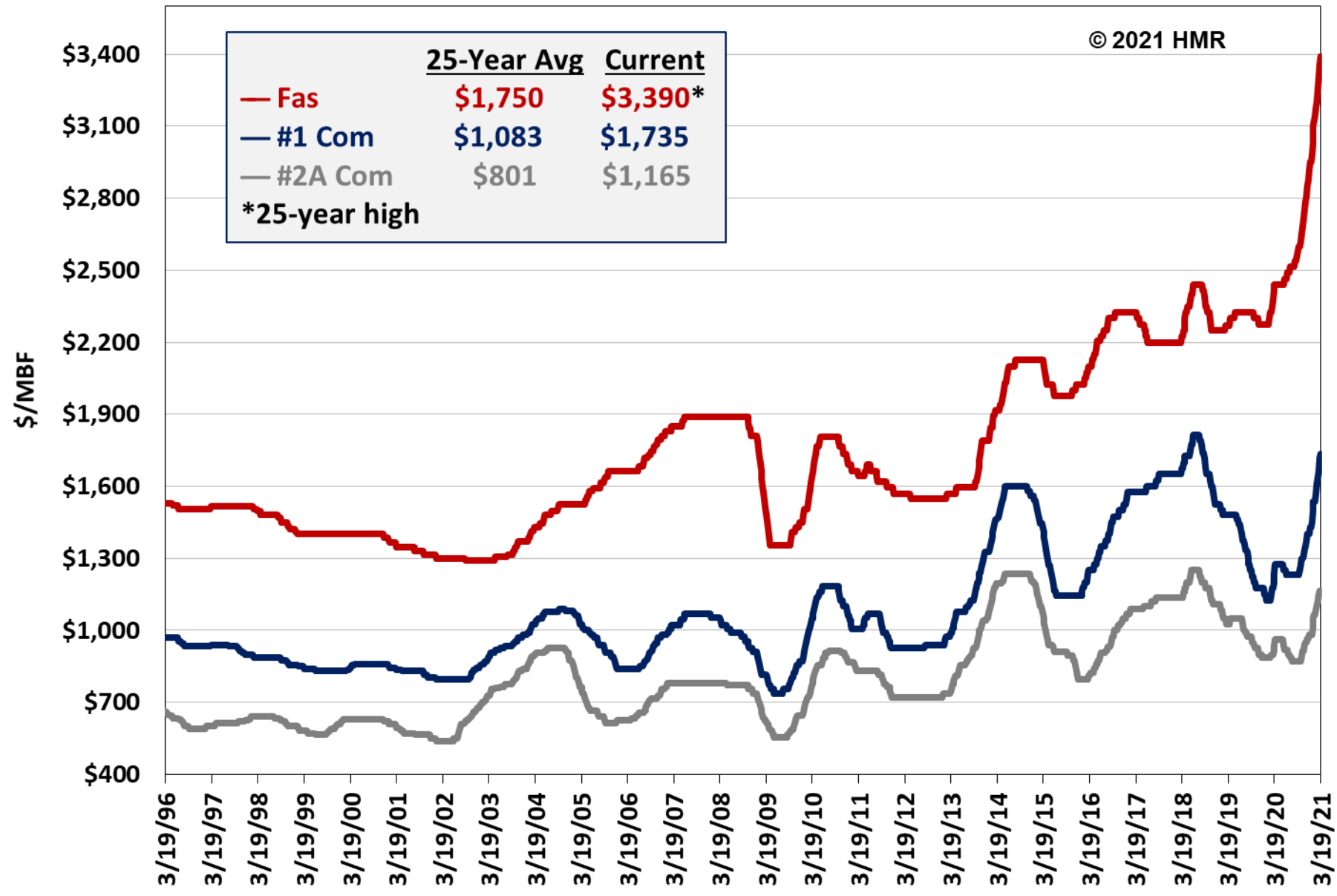




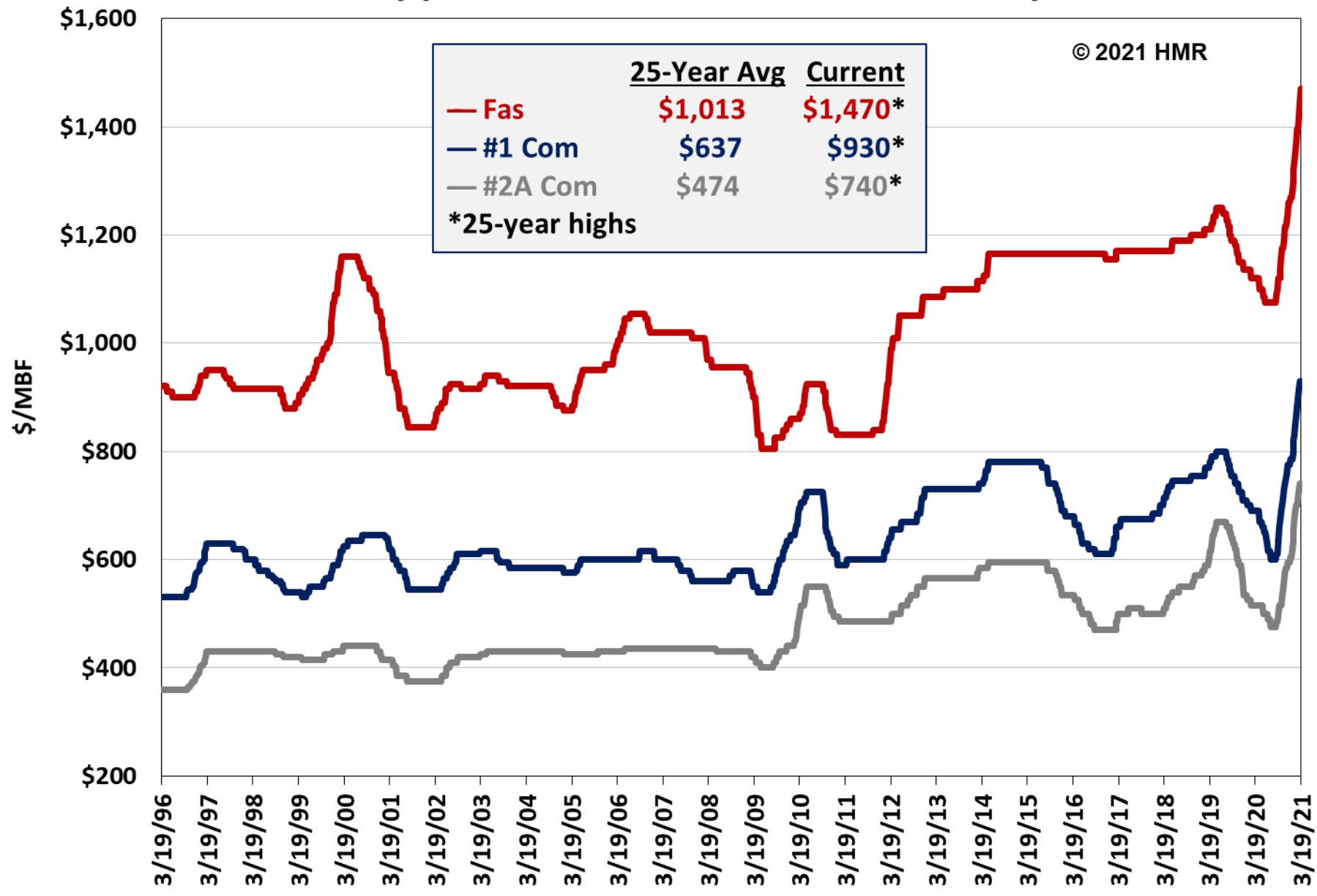
## Appalachian Kiln Dried Net 4/4 Red Oak



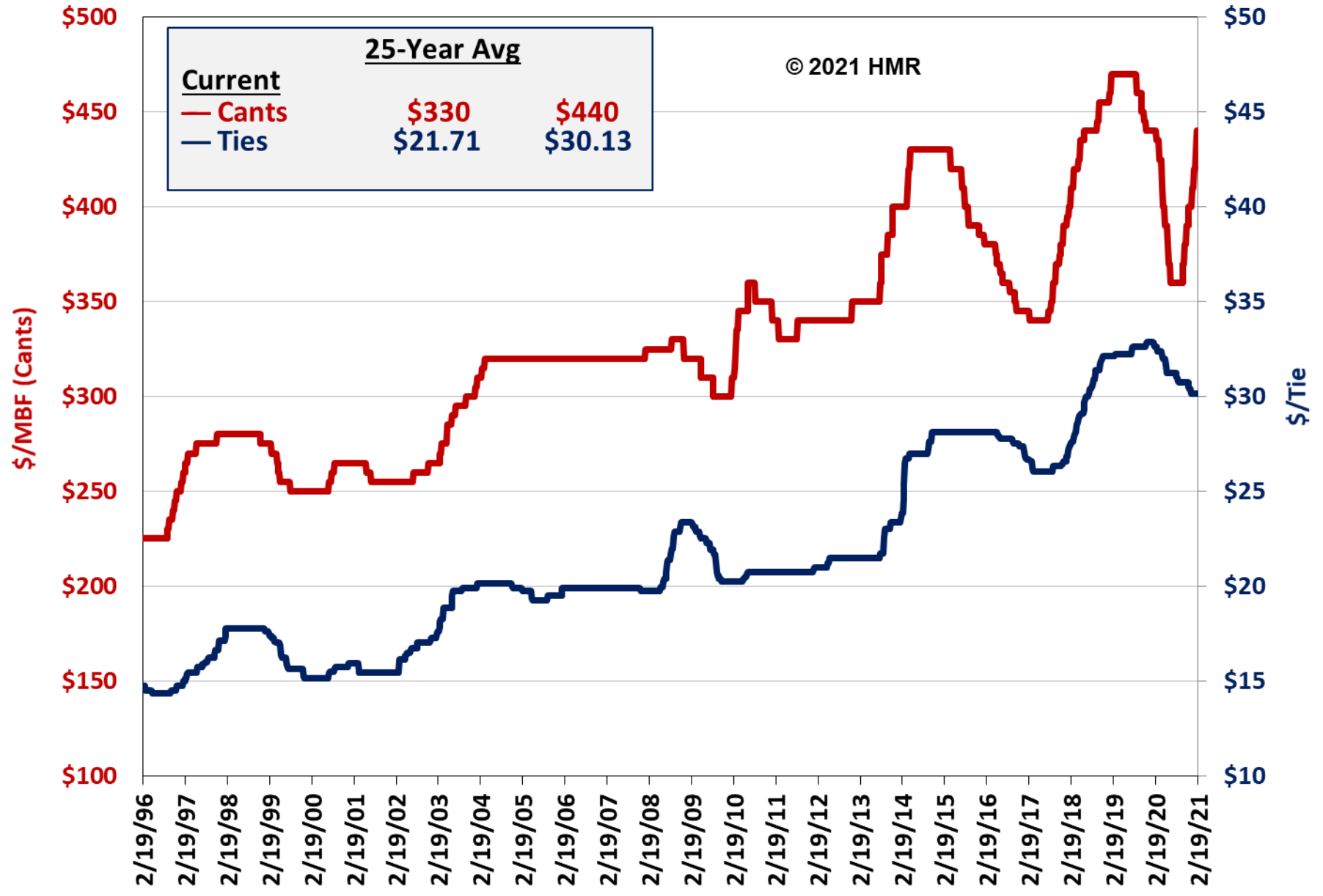
# Appalachian Kiln Dried Net 4/4 White Oak



# Appalachian Kiln Dried Net 4/4 Poplar

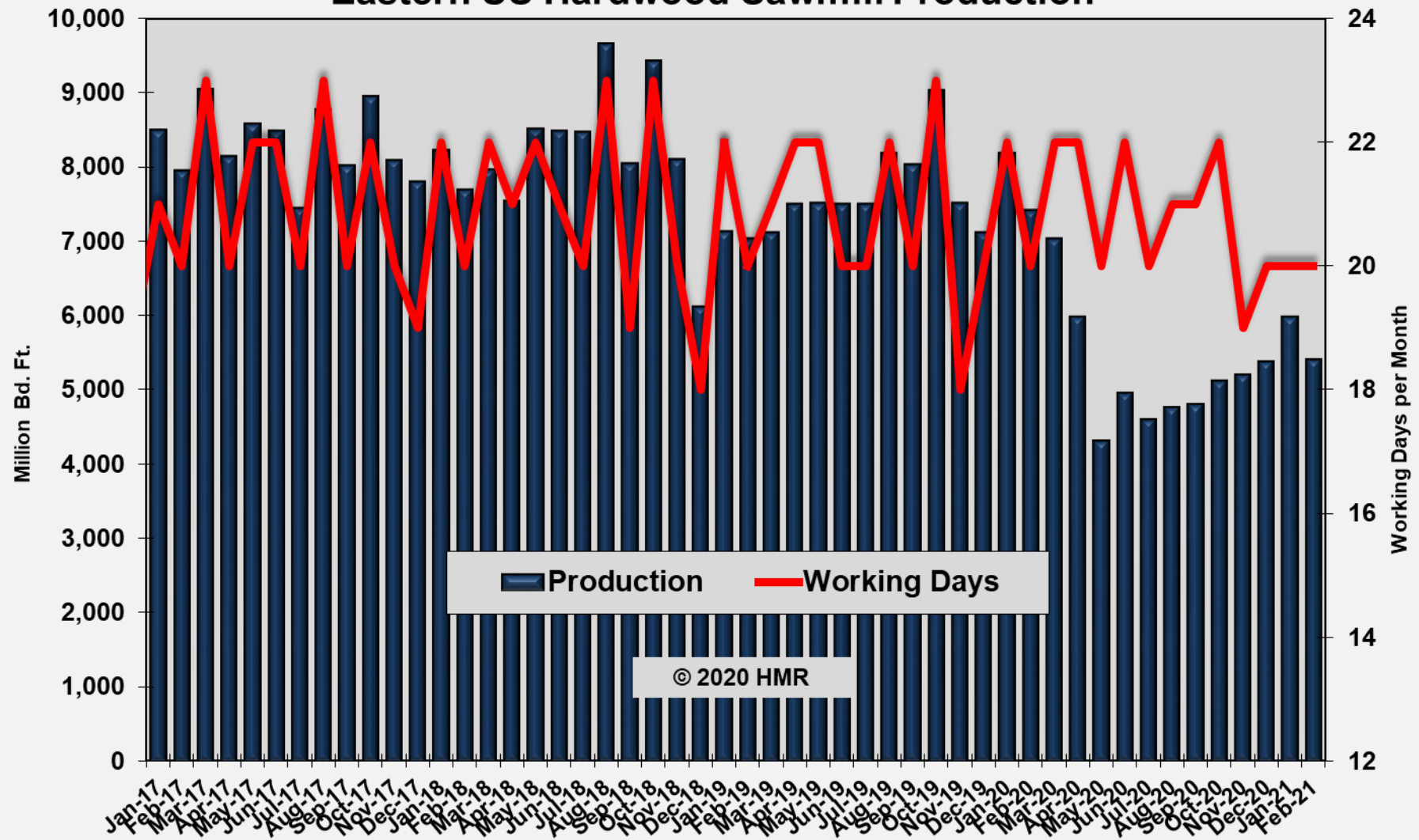


# Appalachian Green Pallet Cants & 7x9 Crossties

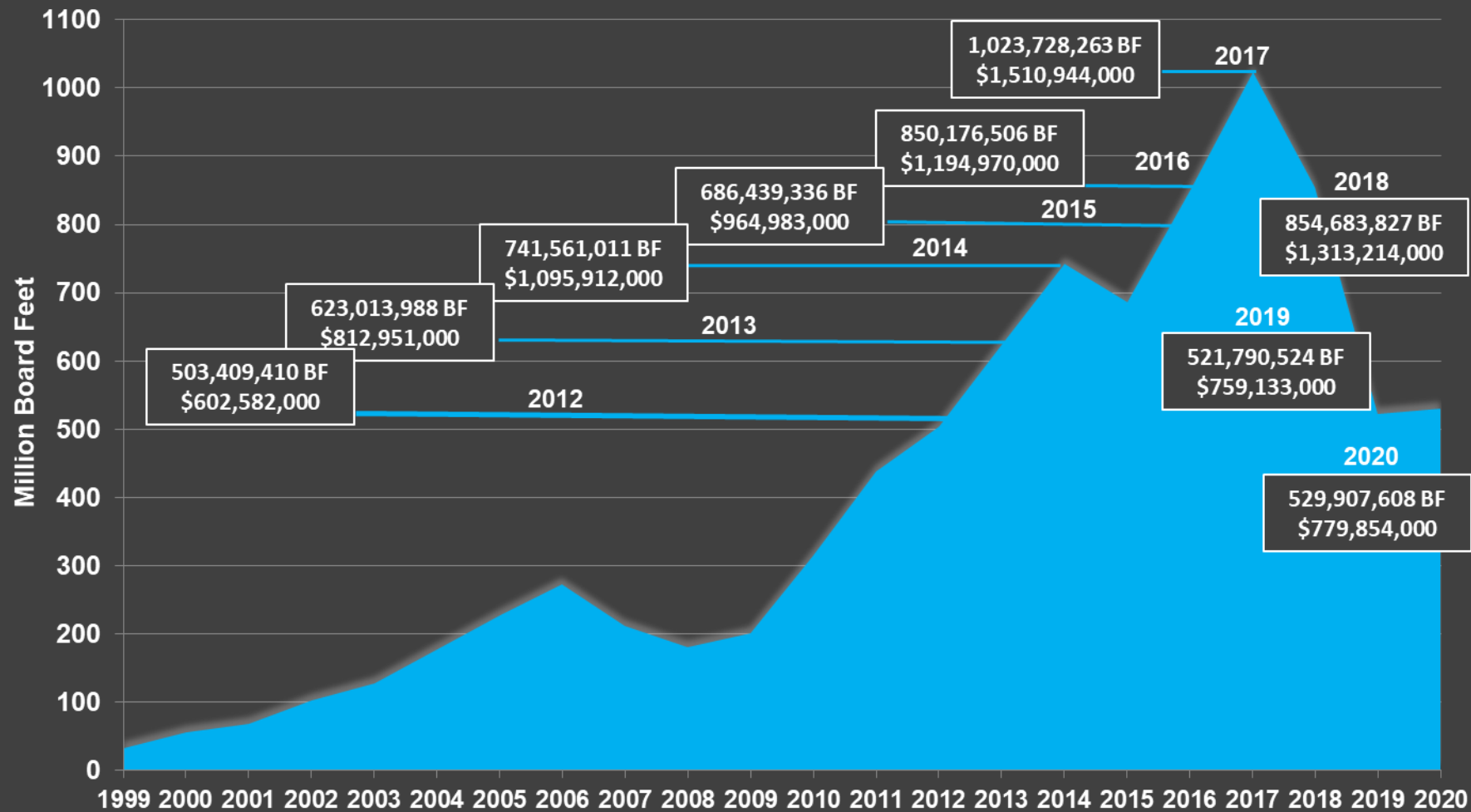


# What's Next?

## Estimated Annual Rates of Eastern US Hardwood Sawmill Production



# US Exports of Hardwood Lumber to China

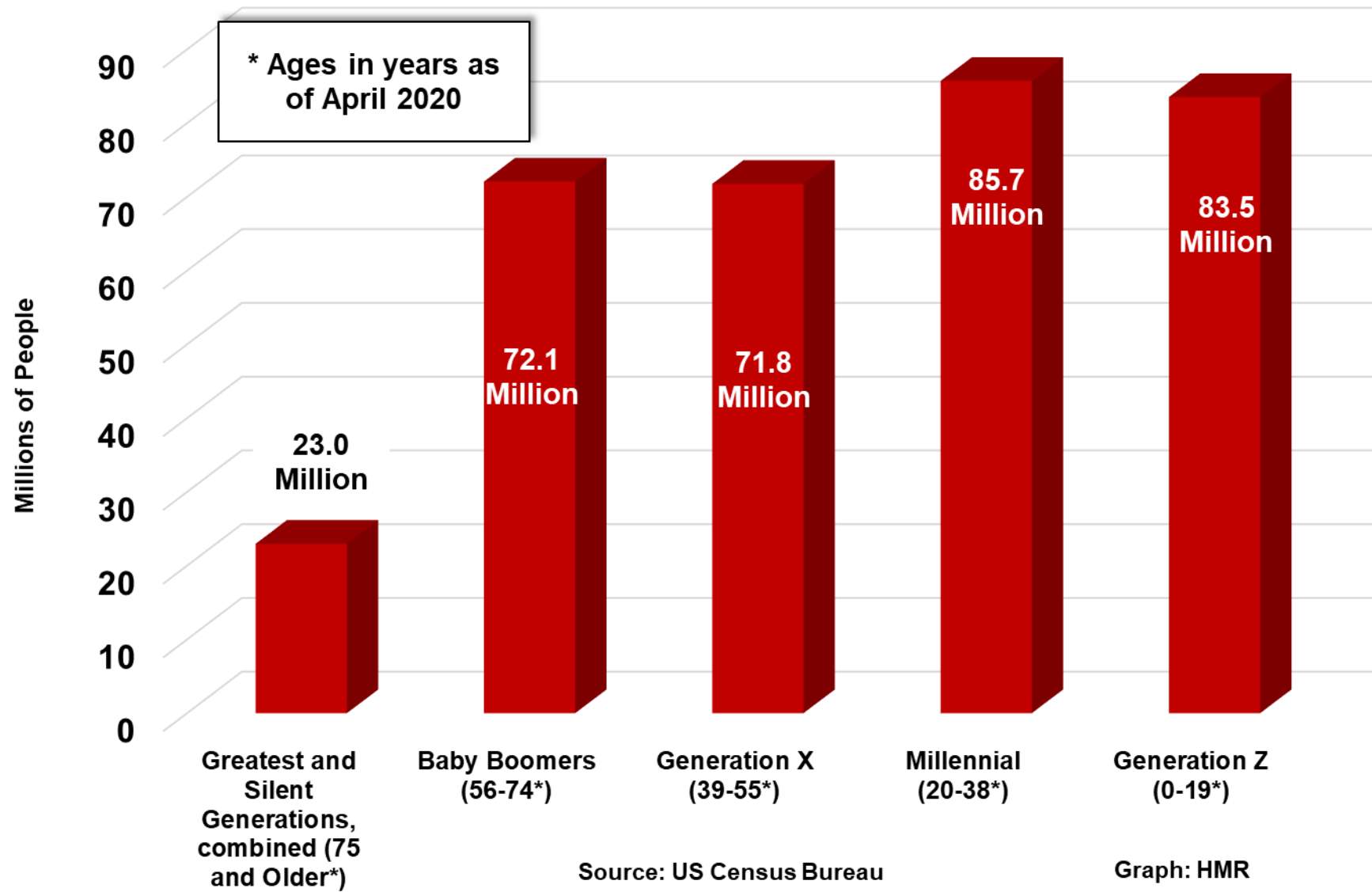


Source: USDA Foreign Agricultural Service

Graph: HMR

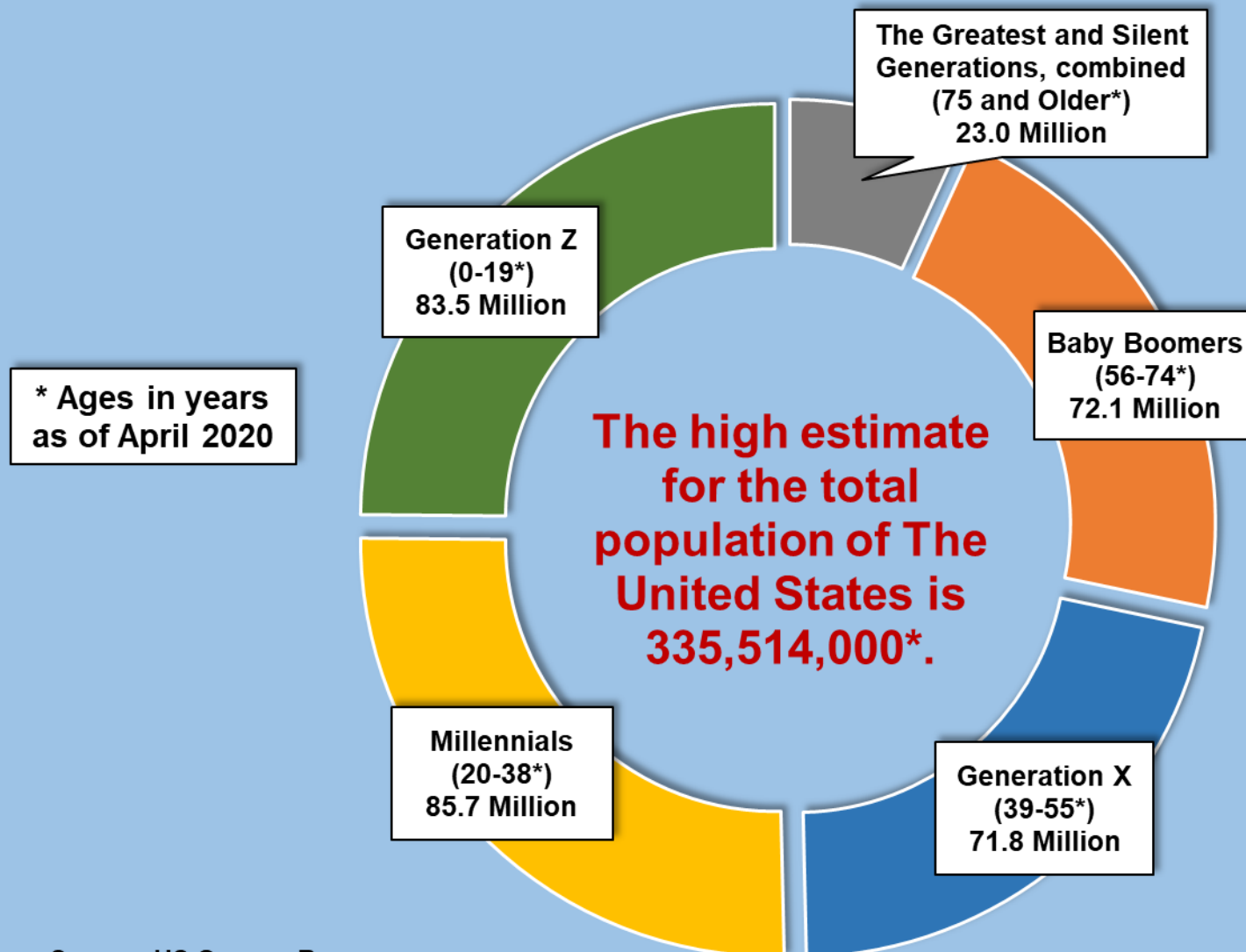


## Population of The United States by Generation





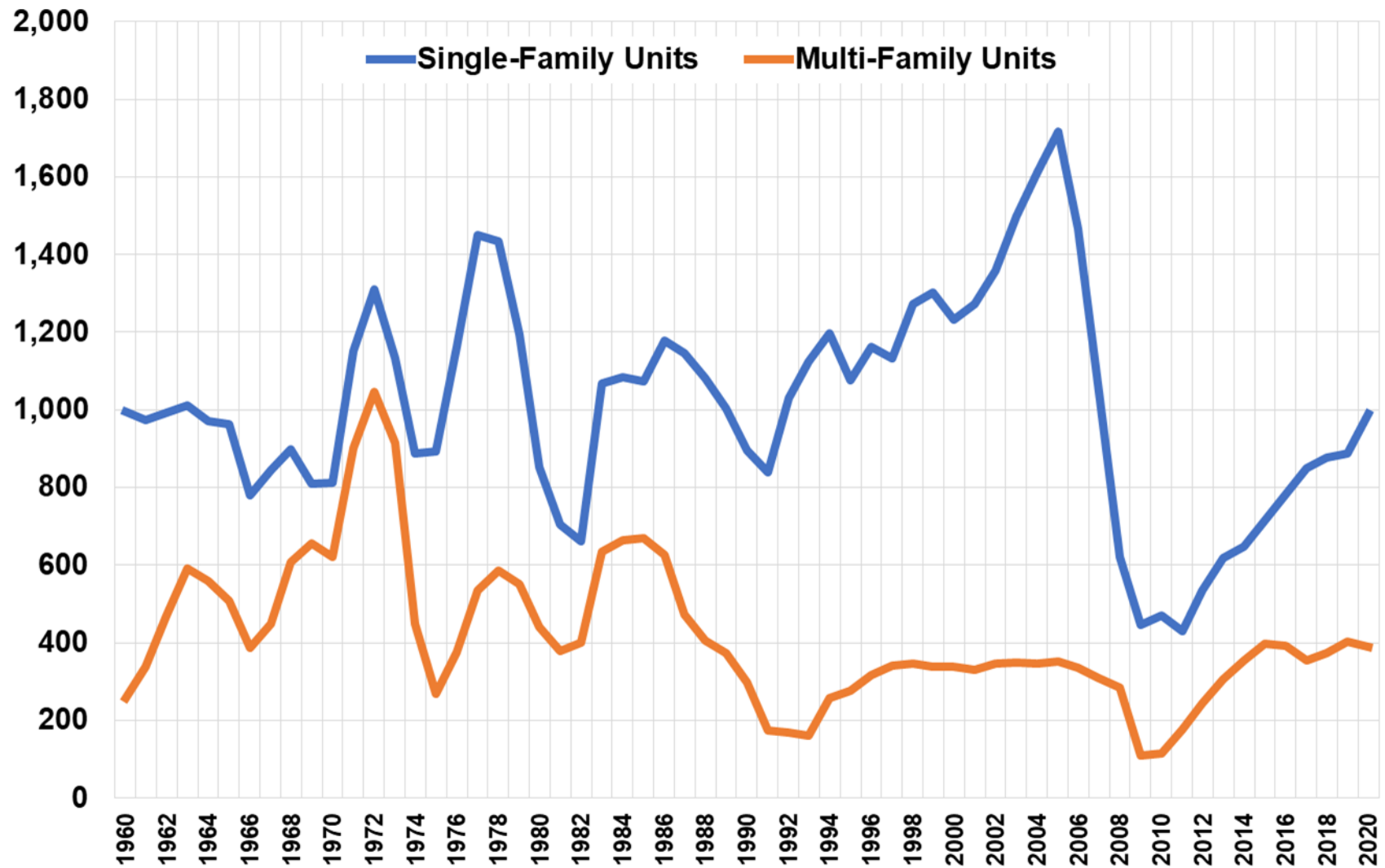
# US Population by Generation



Source: US Census Bureau

Graph: HMR

## US Housing Starts (Thousand Units)

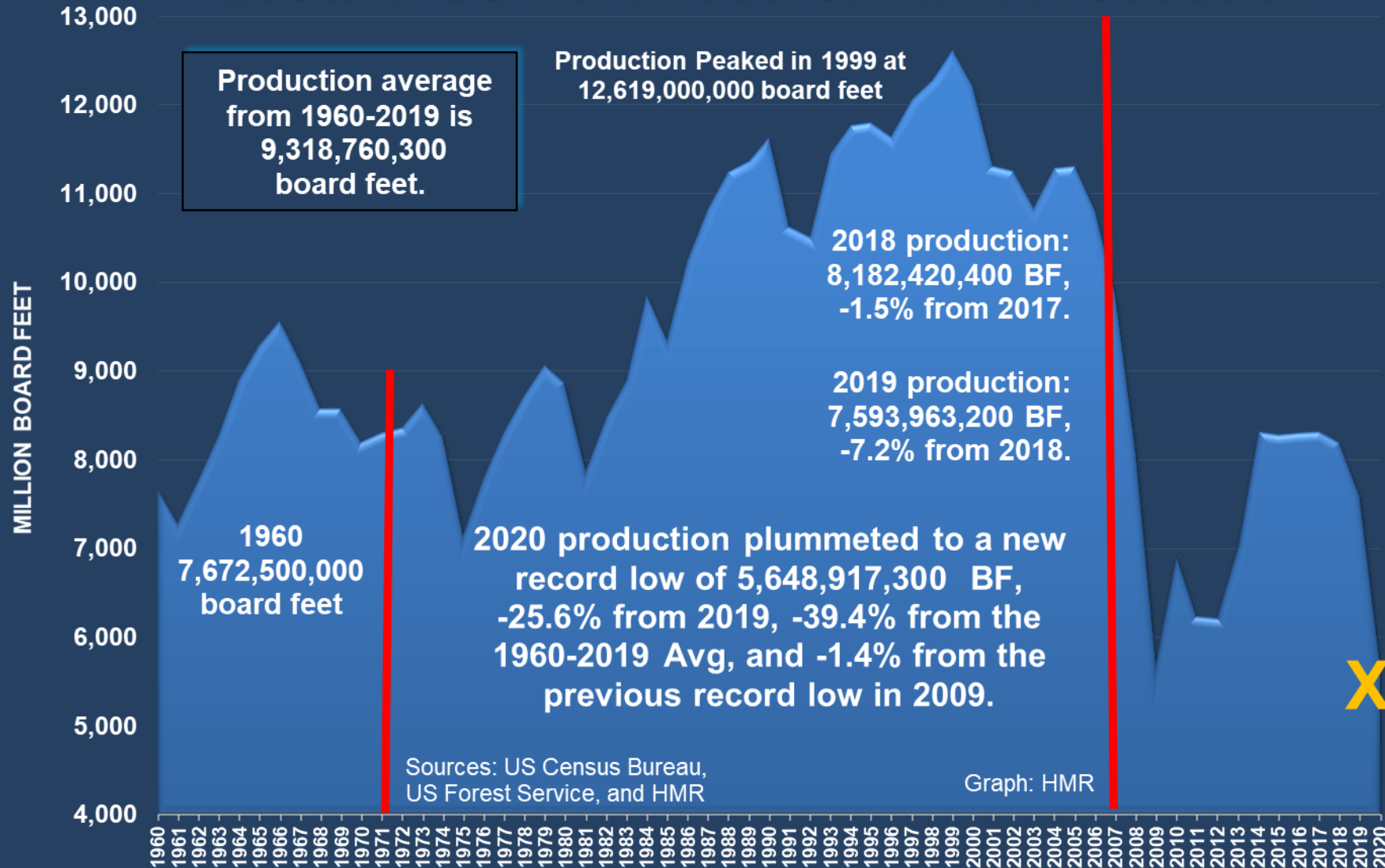


Source: US Census Bureau

Graph: HMR



# Eastern US Hardwood Sawmill Production



# Consider this:

- ❖ **The Millennial Generation has a population of 85.7 million people. It is 19% larger than the Baby Boom Generation.**

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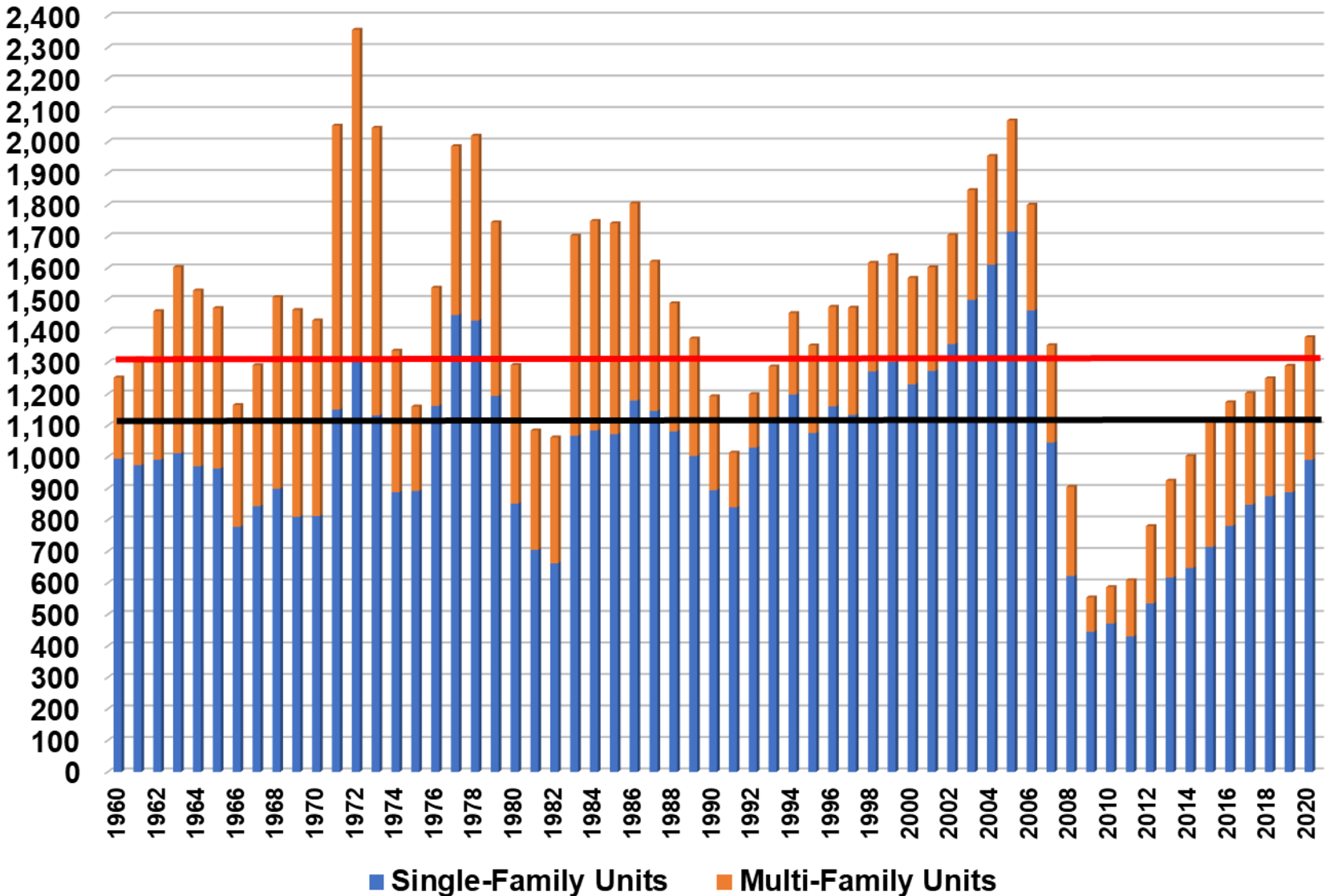
- ❖ The Millennial Generation has a population of 85.7 million people. It is 19% larger than the Baby Boom Generation.
- ❖ **Generation Z has, based on current Census data, 83.5 million people, which is a population 16% larger than the Boomer Generation.**

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- ❖ The Millennial Generation has a population of 85.7 million people. It is 19% larger than the Baby Boom Generation.
- ❖ Generation Z has, based on current Census data, 83.5 million people, which is a population 16% larger than the Boomer Generation.
- ❖ **In 10 years, the oldest Millennials will be 49. The oldest people in Generation Z will be 30. This is a prime age range for home buying.**

# US Residential Construction

## New Single-Family and Multi-Family Housing Unit



# What's Next?



# **Real American Hardwood Promotion**





# Hardwood Market Report

Lumber News Since 1922

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