

Hardwood Federation Update

By Dana Lee Cole

Hardwood Federation Executive Director

With mid-term elections set for November 6, both chambers of Congress are in recess and legislators are back in their home states until after the ballots are tallied. In the meantime, you can be sure that candidates running for office will be out in full force, holding public forums, participating in community events, and touring various businesses.

This 'last blast before the vote' is an excellent time for you, their constituents, to speak out regarding what concerns you most. And if the Farm Bill and Trade are among those concerns, we're providing the following talking points for when you meet with your elected officials. Tell them ...

The Farm Bill, which authorizes and funds two programs vital to the hardwood industry, **must be passed and signed by the end of the year!** Those programs ...

- **MAP** (Market Access) & **FDM** (Foreign Market Development), both with proven track records, help open markets for U.S. agricultural products overseas and are crucial to the funding of the American Hardwood Export Council (AHEC).
- Tell YOUR story about how AHEC has helped to expand and maintain YOUR business operations! Communicate how the programs have helped you stay in business, hire employees and contribute to your community!

BOTTOM LINE: Both MAP and FMD should be reauthorized in the new Farm Bill and be funded at their current levels of \$200 million for MAP and \$34.5 million for FMD.

Trade

China's retaliatory tariffs on hardwood raw materials and products are having a devastating impact on the domestic hardwood industry, which relies heavily on export markets for its survival. **It is time for meaningful negotiations to take place**, because dependable, long-term export markets are essential to the sustainability of the hardwood industry, an important sub-sector of the wood products industry.

- Approximately 50 percent of hardwood exports go to China - in 2017, U.S. hardwood producers shipped \$4.04 billion worth of U.S. products to global markets; \$2.09 billion to Greater China
- Market uncertainty has rapidly driven hardwood pricing down by 25-30 percent, creating a life-threatening situation for many companies in terms of reduction of lumber, log and timber values.
- Hardwood export businesses are reporting decreased business sales, orders and operations of 30-60 percent, caused by just the threat of tariffs on hardwood and hardwood products.
- If this downward spiral continues, countless jobs will be lost, companies closed, and local economies, dependent on hardwood mill operations, will erode.

BOTTOM LINE: It is time for meaningful negotiations to take place. In the months ahead, we urge the administration to use forums like the G-20 to engage trading partners into discussions on how we can hold trading partners accountable, without hurting American families.

Loud and Clear

Rest assured that the Hardwood Federation will also be discussing these issues with the staff and Administration officials that are still in D.C. And of course, we strongly encourage everyone to make your voice heard by casting your vote on Election Day! Together, we can do much.