



Timber industry pressing to be included in Trump trade war assistance for farmers

by [Sean Higgins](#) | September 19, 2019 12:00 AM

The timber industry is pressing the Trump administration and Congress to be included in the China trade retaliation relief currently available to the agricultural industry. The administration has thus far excluded loggers from assistance, but 65 members of the industry are trying to change that with a lobbying blitz this week.

“It’s very much a concern of ours,” said Dana Cole, executive director of the Hardwood Federation, a trade association representing 28 companies. “We’re not being purposefully written out, but there has not been any real effort to get us in. So we’re here asking for consideration.”

The industry argues that it needs the government help because it has been hurt in the trade war as much as any other domestic industry. China was previously the largest purchaser of U.S. timber exports.

As a consequence of the trade war with the Trump administration, Beijing now applies 20% tariffs on U.S. timber. The U.S. still had a trade surplus with China of \$1.3 billion in hardwood lumber in 2018, but that was down \$200 million from the previous year.

“Our next biggest export market after China is Vietnam, which is just 10% of that market,” Cole said.

China was a major purchaser of wood varieties that aren’t in demand in the U.S., such as cherry and red oak, so the industry does not have alternate markets to sell the wood. And unlike growers of crops, the industry cannot switch products from year-to-year, since trees take much longer to grow.

“The industry sold about \$2 billion in products to China each year for the last few years,” said Nathan Jeppson, the chief executive officer of Northwest Hardwoods Inc., the top global producer of hardwood.. “As the trade war heated up, we’ve seen total exports to China fall by 40%. They are by far our largest export market. ... if this trend continues, we are going to have to evaluate whether we will need to lay off additional people and close facilities.”

Although the U.S. Department of Agriculture is associated with food in the public’s mind, the timber industry also falls under its authority. The U.S. Forest Service is a USDA agency.

The Trump administration [said in May](#) that the USDA would make \$14.5 billion in "direct payments" to farmers this year and another \$1.4 billion to purchase surplus agricultural commodities in order to compensate for Chinese trade retaliation. Timber is not on the [list of eligible products](#) for trade relief, however.



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It was the second aid package the Trump administration had given to farmers, having authorized \$12 billion in assistance last year, also to make up for disruptions caused by trade fights with China and other countries. Payments are made to farmers who apply for relief through the USDA's Market Facilitation Program.

The industry has warned the administration it will take a major hit if the trade war continues unabated. "If these tariffs continue in this current application our logging and sawmill production will disappear as an industry sector and the secondary jobs and manufacturing companies depending on loggers and sawmill operations will quickly follow," the Federation said [in a letter](#) to Agriculture Secretary Sonny Perdue in May.

A USDA spokesperson did not respond to a request for comment.

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