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Woodworking Network

Hardwood industry pleads with Washington for trade war relief

By Robert Dalheim November 12, 2019 | 1:51 pm EST



Photo by Northwest Hardwoods

WASHINGTON - Made up of 28 U.S. trade and hardwood associations, the Hardwood Federation says the industry has seen a dramatic impact since the start of the trade war, and it plans to amp up pressure on lawmakers.

Nathan Jeppson, CEO of Northwest Hardwoods, will meet this week with the Office of the U.S. Trade Representative to push for relief, [reports The Hill](#). The Washington-based company - and one of the country's largest hardwood suppliers - said it was [forced to shut down both a Virginia and Washington sawmill this month](#) because of China's retaliatory tariffs. Northwest says it has laid off 225 employees since 2018.

“Across our industry, the trade dispute has drastically decreased demand for U.S. produced hardwood,” Northwest Hardwoods said in a statement. “As China looks to other countries with less regulated and sustainable hardwood supplies to meet market demand, supply chains may be permanently disrupted.”

The Hardwood Federation has sent a proposal for a relief package to the administration in October but has not heard back.

China responded in to President Trump's Chinese import tariffs with tariffs of their own in July 2018. Those included 25 percent hits on exports of red oak, walnut, and seven other hardwoods.



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“When China slapped a 25 percent tariff rate on red oak logs and lumber, it cratered the price producers can get for red oak. That’s a huge chunk of demand that’s disappeared,” American Hardwood Export Council spokesman Tripp Pryor [told Breitbart](#). “This drop is larger than if all of Europe and all of Southeast Asia just quit buying U.S. hardwoods overnight.”

The industry saw a “dramatic impact,” Hardwood Federation executive director Dana Lee Cole [told The Hill](#).

“We’ve seen about a 43 percent decline in volume being shipped to China,” Cole said. “There’s been domestic impacts, prices have gone down on lumber, there’s a back log. It doesn’t even financially make any sense for a lot of mills now to process the logs they get in because it would cost them more to process them than they can sell them for.”

The Federation says the hardwood industry employs about 2 million people in the U.S. Sawmills tend to be family-owned and located near timberlands in the Northeast, Pacific Northwest, and South.

In an opinion piece, executive director of the West Virginia Forestry Association Frank Stewart wrote that tariffs have hit like a “buzzsaw” in his region.

“There is no other market to absorb 32,025 shipping containers of American red oak that sold to China in 2017. The tariffs have taken all profits from U.S. hardwood exports to China,” he wrote. “It will drive mills out of business this year, losing jobs and outlets for landowners to sell their timber.”

The export council says the value of U.S. hardwood lumber exports have dropped 57 percent since the start of the trade war to \$54 million as of August.

Some members of the House are in support. A bipartisan group of 38 representatives wrote a letter to the Trump Administration urging the hardwood industry to be included in an assistance package.

The tariffs are polarizing. Jeppson and other executives believe they’ve been disastrous for the U.S. economy. Others acknowledge they’re hurting right now, but believe they’re necessary long-term. 67 percent of recently-pollled Wisconsin manufacturing executives said [they support the tariffs even though tariffs are hurting their businesses](#). Others acknowledge they relied too much on China.

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