

SOUTHPIC

**Southern Forest Products
International Trade Center**

Working Paper #26

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Abstract

The Southern Forest Products International Trade Center (SOUTHPIIC) is designed to enhance development of Southern rural wood based economies and increase employment opportunities without creating additional demand on harvesting forest resources. This will be done by enhancing the competitiveness of rural forest products firms in international markets with respect to value added products produced from log and lumber currently being exported. Programs in research, extension and education will collect and disseminate current and new information on international trade in forest products. This will include foreign markets and issues in adding value to wood products during manufacturing and distribution. A Center for the South will increase the number and availability of exports in this field as well as provide a focus on issues pertaining to Southern species, manufacturing producers and potentially viable markets. A total of \$3,998,464 over four years is being requested. This will be used to fund projects with collaborators across the South and across disciplines. Included initially are industry representatives from the Wood Components Manufacturing Association, National Oak flooring Manufacturers Association, Southern Forest Products Association, and Louisiana Furnishings Industry Association. Researchers, extension personnel and educators are involved from the LSU Agricultural Center, Tuskegee University, Mississippi State University, Auburn University, Texas A&M University, Virginia Tech University, Cooperative Extension Service, USDA Forest service Southern Research Station, USDA Forest Service Northeastern Forest Sciences Laboratory, and the U.S. Foreign Agricultural Service.

Southern Forest Products International Trade Center (SOUTHPIIC)

Introduction and Rationale

Introduction

Rural economies of the South need employment opportunities and economic development activities to be competitive in the current environment. On the positive side, they have the raw materials that will help them achieve these goals without placing additional demand on their forest resources. With assistance they can better utilize resources already being harvested by adding value to the logs and lumber currently being exported from their communities. This would create jobs and boost their economies without creating additional demand on this natural renewable resource. Manufacturing value added wood products for foreign markets is a key, but also a complex issue.

Targeting the forest products industry for rural development activities is a natural. The forest products industry is a major employer and contributor to rural economies. The majority is, however, composed of small businesses. This is especially true for secondary processing firms that add the most value to primary products. For example, in Louisiana this industry sector is comprised of approximately 650 firms, 75% of which employ 10 people or less and 50% employ 4 people or less (Vlosky et al, 1994). On the positive side, it has been shown that firms with 4 employees or less in the U.S. created 95% of all new jobs or a total of 2.6 million in 1996 (Wilfong & Seger, 1997). The large number of small forest products firms across the South, therefore, provide an excellent base for developing rural economies.

Working to develop value added exports for these firms has promise. Exports have accounted for 70% of the growth in the US economy since 1989 (Wilfong & Seger, 1997). This is being enhanced with current and readily available advancements in communication technology which allows much greater participation in global markets than ever before, especially for the smaller producer. Enhancing the abilities of secondary forest products firms in the rural South to compete in the global market, therefore, has great potential.

Exports in forest products have also been increasing. Solid wood exports increased more than 28% over the last five years to \$16.9 billion in 1996. This is 12.6% of the world's solid wood exports in 1996 (FAO, 1998). However, these wood exports consist primarily of raw materials. These include logs (36.8%), lumber (42.1%) and chips (9.5%) by value or 88.4% of the total. This indicates that wood produced in this country is in high demand around the world and by exporting our raw materials without adding value we are losing jobs and valuable raw material to other countries. These jobs are paramount to the economic viability of our rural communities.

The increasing demand for forest products will continue to place pressure on our resources. It is extremely important, therefore, that we develop knowledge of the products consuming our raw materials and encourage their manufacture in companies located near the resource base. More importantly, by

concentrating on materials already harvested from our forests and processing them further, additional jobs and economic worth will be created in these rural communities without expense to our resource which provides an important environmental service as well.

Other benefits can be realized from developing a strong international effort in forest products. Foreign markets will greatly increase opportunities for product development and create more efficient utilization of our resources. With increased knowledge of other product areas, new products can be developed to more efficiently use the material we have. In addition, this can lead to combining wood with other materials such as plastics, agricultural residues and recycled materials furthering our sustainability objectives.

The value of our forests will also increase with expanded markets for value added products and encourage forest resource investment. One potential is wood from trees grown on marginal agricultural lands. This is currently being examined in the Mississippi River Delta Reforestation Project (Anon, 1997). As market development increases and timber values increase, the economic feasibility of using this land for trees also increases. As better information is collected on these values, transition decisions on land use can be better made as farm subsidies are eliminated.

Most smaller companies or businesses which may have the manufacturing ability to compete in international markets do not, however, have an awareness of these markets that will allow them the opportunity to consider market expansion in these areas. They also, for the most part, do not have knowledge of trade opportunities, the cash flow or additional capital to develop research, or funds to acquire market data, pursue networking, develop promotion or develop their distribution channels.

Assistance is needed to increase the capabilities of these firms to reallocate raw material currently being exported to value added exports. Exporting of value added products will require better understanding of the complexities involved. These include foreign market requirements, product requirements and foreign market opportunities and dangers. In addition, industrial firms need to learn how to develop market presence with increased tariffs on value added products. They also need to understand which markets should be entered to take advantage of the specific and unique qualities each firm offers. Entering new markets may also require new product development.

The ability of these firms to compete will be greatly enhanced by providing information and knowledge on foreign markets and exporting procedures. Increasing exports will cause an increase in employment and result in greater monetary flow to the rural communities. Federal and state funds spent in this endeavor will be returned many fold. For an example, the Appalachian Export Center for Hardwoods (Smith, 1993) found that in two and a half years of providing exporting information and international market data, eastern hardwood firms using this data increased their exports by over \$328 million dollars and employment by 3200 people. Assuming only a 20% tax bracket, the \$1.4 million federal funds invested in this endeavor returned \$68 million in business taxes or a return of 4857%. This does not include individual income taxes and sales

taxes from the increased employment. This also does not take into account the reduction it caused in our foreign trade deficit that has a tremendous rippling effect throughout our economy.

To achieve similar results in the South, a Center is needed. A Southern Center can bring together and disseminate information on international trade in forest products directed to focus on issues for Southern rural producers. A Center will also facilitate the networking required to develop the multi-disciplinary approach necessary to accomplish these goals. This includes a combination of research, extension and educational activities spread across wood processing, marketing, exporting, transportation and economic disciplines. The South does not have such a Center. Currently, the Center for International Trade in Forest Products (CINTRAFOR) at the University of Washington serves the Pacific Northwest and the Northern New England Product Development and Marketing Center (NEPEX) at the University of Maine serves the Northeast. Since each region is somewhat unique in its species, products produced and hence markets served, a Center for the South would provide guidance to this increasing industry sector and complement other work underway.

A Center for the South or the Southern Forest Products International Trade Center (SOUTHPICT) will greatly help provide opportunities for Southern rural areas. Efforts from such a Center can help Southern rural communities increase employment, become more competitive in global markets and better utilize their natural renewable raw materials without increasing demand on their forest resource.

Need for Research, Education and Extension

The general process for a rural forest products firm to become competitive in a foreign market is to:

- 1) become aware of the opportunities,
- 2) collect and understand available information on exporting and export markets,
- 3) identify gaps in the current information and develop it through research efforts,
- 4) begin exporting and continue collecting information or developing it first hand, and
- 5) prepare for the long term by training young professionals to carry on and do it better.

Essentially, this is the same process a Center in international trade must follow to best serve its clients and stakeholders. Its clients need to become aware of the opportunities and be provided available information. This is done through extension activities. As gaps in information are identified, these must be filled through research activities. This assures that appropriate information is being developed. This new information needs to be transferred to clients in formats they can use, through cooperative efforts between extension and research personnel. To maintain and enhance exporting for the long term

education of our young professionals both in universities and those new in their careers is necessary.

SOUTHPIIC will therefore have programs in research, extension and education. Initial work will consist of assembling current information on markets and trade activities and begin providing these to interested persons while developing a strong network with rural industry. This network will be used to increase the awareness of exporting potential to these companies. In addition, domestic studies will determine current capabilities and needs of forest products producers in rural areas for exporting. Foreign studies will investigate various world markets to identify and match appropriate markets with attributes of Southern producers. As this proceeds, gaps in current information will be identified and used to determine additional research needed. In conjunction with these activities, knowledge of trade procedures and issues will be gained and brought to the classroom in the form of course content. As information and interest increases, courses and curriculums can be developed.

Mission and Major Objectives

The overall mission of SOUTHPIIC, therefore, is to enhance development of southern rural wood based economies and increase employment opportunities by enhancing the competitiveness of forest products firms in international markets, as well as help extend natural resources through adding value to raw material exports.

Major Objectives

- I. Obtain fundamental and applied knowledge which will enhance the ability for smaller southern forest products industries become more competitive and increase exports of value added wood products.
- II. Disseminate information and provide technical support to increase awareness of exporting techniques, technologies and opportunities as they relate to value added Southern wood products producers and encourage their participation in exporting value added products.
- III. Provide support for the education of future professionals in international trade in forest products which will help solidify the long term commitment of enhancing value added southern wood exports.
- IV. Provide a mechanism to help track progress provide a base for developing future quality programs and projects.

CENTER RATIONALE

A single project can not accomplish the mission and goals. International trade in forest products is a complex issue that requires many disciplines to perform effectively. Knowledge is required in each of these disciplines and of efforts need to be coordinated to produce efficient results. Effective communication is also required between extension activities and research to assure the information required by the industry is being developed without being duplicated and is reaching individuals in a format they can understand and use. A Center structure will serve as a clearinghouse for quality information, and a

single resource for initial contact by various clientele including industry, government agencies, policymakers, and individuals. This structure also promotes collaborative efforts and sharing of information and ideas across geographical boundaries and disciplines. It makes available all the information developed by many disciplines to others who can use it.

By having a Center serve the South in lieu of one or two states, a regional focus will allow access to more exporting and processing expertise. This includes expertise in research and extension, plus more resources for information dissemination. A coordinated effort will also enhance the quality and quantity of value added forest products trade information for the U.S. in general. The Southern region envisioned is comprised of the nine states covering parts from Virginia to Texas and the two interior states Tennessee and Arkansas.

Involvement of Collaborators

SOUTHPIIC will be housed at the LSU Agricultural Center's Louisiana Forest Products Laboratory, Louisiana State University to provide a solid foundation and single point of responsibility for funding purposes. However, for this Center to be successful, it must work with and encourage collaboration with a number of universities, state and federal agencies, and industry associations.

SOUTHPIIC will therefore have a central organizational structure with its' collaborators providing the strength of the organization. They will be involved in developing direction and strategies for performing projects and activities to further its goals and objectives. By working together they will also strengthen their current activities that are consistent with the goals of SOUTHPIIC. Collaborators also provide the continuity of effort across the South and between disciplines.

An Advisory Board of collaborators from industry, universities and government will be established to provide guidance to the operation of the Center. They will also have input to the extension and research projects developed to accomplish the defined goals and objectives as well as the choosing of the recipients of the awards to perform those projects or activities.

Collaborators will also enhance the activities of the Center by carrying out approved projects under subcontracts and supplement funding where possible, by providing matching funds such as salaries and/or overhead or use of their facilities and equipment on projects they undertake. These collaborators will perform the majority of extension and research projects and activities.

Clients and Stakeholders

Clients are considered to be those interested in knowing more about the aspects of international trade in forest products. These include the rural forest products industries, and industry associations. These industrial client's interests are essentially to increase their market opportunities and market competitiveness. To do this they have to increase their understanding of the product requirements, exporting procedures and effects on domestic sales. Once they are aware of the potential, they will contribute their time and funds in

the form of registration fees for workshops and seminars and in some cases support research efforts.

Stakeholders have expertise and contacts to supplement the efforts of SOUTHPIC and many will be collaborators. These include policymakers needing information on foreign market issues and government agencies such as state international trade agencies, the USDA Forest Service and USDA Foreign Agricultural Service. Their interest will be in using information obtained by SOUTHPIC researchers, and using SOUTHPIC personnel and collaborators for enhancing their projects, activities and dissemination techniques. One example is working with the Foreign Agricultural Service to disseminate information on exporting fundamentals and market potential, providing information on Southern forest resource and product characteristics and giving presentations to foreign groups or doing foreign market studies for targeted markets. Funds may be shared or will originate from their budgets for collaboration. Collaborators, stakeholders and SOUTHPIC Staff will jointly develop proposals for additional outside funding.

Linkage

SOUTHPIC directly relates to the purposes identified in the enabling legislation for a Center grant under the Fund for Rural America Program. The mission, goals and activities of the proposed Center are designed to: (1) enhance the competitiveness of the rural forest products companies in international markets; (2) increase the long-term productivity and enhance the natural resource base by developing additional jobs through adding value to resources already in the processing stream; (3) enhance the development of new uses and new products by developing wood products for foreign markets not now being served; (4) promote economic opportunities in the rural wood based economies by combining extension activities and research to provide knowledge required to export value added products successfully; (5) improve the knowledge base in this industry so risk management can be improved; (6) increase the safe production of value added forest products on resources already harvested which enhances the balance between yield and environmental soundness; (7) support higher education in international trade in forest products so our future professionals have the knowledge and technology to continue enhancing the competitiveness of these industries in foreign markets; and (8) increase the efficiencies of processing for foreign markets and help increase the value of our resource which will enhance the abundance and availability of forest resources for the future, such as trees grown on marginal farm land.

The mission of SOUTHPIC directly reflects the three objectives contained in the Fund Core Initiative. In essence, rural community enhancement will occur through additional employment created by these are becoming more competitive internationally by further processing of logs and lumber prior to exportation.

This also provides an advantage to current exporters. Through identifying markets and products where logs and lumber are being consumed and entering these markets, new markets are, therefore, developed for U.S. producers. This

increases the size of the market for U.S. producers, not just dividing it into smaller parts. The advantage to current log and lumber exporters is that these firms, who are primarily rural based, can also benefit by developing the processing capabilities to add this value themselves also increasing employment opportunities. Since these markets will be supplied with existing material without an increased demand on our forest resource, environmental stewardship is enhanced. Therefore the use of this resource will be extended providing jobs at no additional "environmental expense".

Summary of Planning Grant Activities

The planning grant was developed by Dr. W. Ramsay Smith, Louisiana State University, Dr. Darrel D. Nicholas, Mississippi State University and Dr. Kenneth J. Muehlenfeld, Auburn University. Dr. James E. Granskog, USDA Forest Service, New Orleans was instrumental in grant activities and accomplishments. During accomplishing grant objectives, other major participants became involved from industry, industry associations, state and federal agencies and universities. Many of these are shown as collaborators for the Center.

Significant accomplishments included developing a network of US experts currently working in various aspects of international trade in forest products. At an initial organizational meeting 25 organizations were involved in developing current information on their activities and either sent or brought this information to a meeting in New Orleans at their own expense. This work has been compiled as a reference for this Center Planning Grant. In addition, numerous contacts have been made on issues and needs as well as feedback from clients and stakeholders on proposed activities.

A trade database including exports and imports of all forest products has been developed. This large database identifies the numerous data sources, ties in appropriate links to important sites on the internet and contains a listing of current and potential experts in this field. This database will provide an excellent foundation to continue developing a user friendly source for information available to anyone connected to the internet. A homepage and site development has not been completed at this time.

The Planning Grant award was spent primarily on and bringing collaborators and client groups together. The greatest component was travel consuming 54%, followed by material and supplies at 24%, one graduate student at 12%, overhead at 8% and publication costs at 2%.

Approach

Methodology

SOUTHPIIC is designed to be an integrative unit that provides a structure and base to facilitate information flow between clients, collaborators and stakeholders and promote collaboration and exchange of information and resources. In essence it is a clearinghouse for information collected and assembled by a wide array of people in various disciplines and across the

Southern region. It will also provide a structure through which coordination of activities can take place. This will be done by setting up program areas for Research, Extension, Education and Program Tracking, each with a specific objective and stated goals. Each program area will have a chair and committee. The goals and activities for each program area will be developed and prioritized by that committee and provided to an Advisory Board. The Advisory Board will then take all projects into consideration, develop overall priorities across program areas and allocate available funds to as many projects as possible. Awards in the form of subcontracts can then be made either to candidates suggested by the program committees or through an RFP developed for general distribution. The SOUTHPIC Director and the LSU Agricultural Center Office of Grants and Contracts must sign off on all funds committed to assure compliance with Federal and State regulations.

Limitations to these endeavors will be the ability to involve the number of professionals required to accomplish all activities that are proposed. This will require prioritizing with respect to importance and availability of personnel resources. In addition, due to the great number and current expertise of the secondary wood processing sector being targeted, it will take longer to realize a large change in exporting of value added products. This will also be confounded by the greater amount of effort which must be expended to realize market share in value added products since these markets are riskier and more difficult to enter due to foreign government regulations and industry protection. They can be realized, however, with a good foundation and strategic approach to these markets. As successes are realized by some of the more aggressive firms, others will follow.

Partnerships and Collaborators

Partners have expertise in one or more of the Program Areas and are willing to work to develop and maintain one of the project areas outlined above. Even though FRA funding will not be provided directly, FRA funds will be received by partners through subcontracts. Partners are also willing to serve on the Advisory Board and will chair a committee. They will also use their expertise to help guide SOUTHPIC activities. They comprise the key personnel.

Collaborators are researchers and extension personnel that work with SOUTHPIC to carry out specific activities designed to accomplish goals established. Collaborators may provide matching funds, for example, salaries and benefits, workshop assistance through membership contacts, seminar and conference co-sponsorship, use of their equipment, or use of their facilities. SOUTHPIC funding will normally be provided to collaborators for student salaries, materials and supplies, domestic and foreign travel, and journal or publication charges.

Partners, collaborators and SOUTHPIC staff will work in cooperation to obtain additional outside funding. These sources include FRA Standard Grants, State funding, other Federal funding, and industry sponsored funds. Funds received will not necessarily go through SOUTHPIC but to the unit or university responsible for initiating the proposal process. All will benefit from this process

since resources from all will be available, expertise will be available, and experience from working together will provide a stronger foundation to work from and address the same goals and objectives. It will also be in cooperation with the partners and collaborators that future funds for SOUTHPIIC will be developed to continue activities after the FRA funding period.

Clients and stakeholders are the benefactors of the work and efforts of the SOUTHPIIC organizational structure. Clients are primarily the small or rural forest products firms manufacturing value added products for global markets and individuals needing information. Stakeholders are government agencies, industry associations and policymakers looking for information on forest products issues in international markets or help in achieving their goals and activities in this domain.

Origin of Center

The idea of a Center involving international trade in forest products is not new. During the latter 1980's funds were available to develop International Trade Development Centers (ITDC's). These funds, primarily in the form of special grants, helped fund the Center for International Trade in Forest Products (CINTRAFOR) for the Pacific Northwest, and the Appalachian Export Center for Hardwoods (APEX) for Appalachian hardwoods. APEX is no longer in existence. NEPEX was created in 1992 to serve the needs for the Northeast industry. In 1989, LSU, Mississippi State, Auburn and the University of Alabama worked on a proposal termed GULFPIC that was not fulfilled. Since a Center to serve the increasing forest products industry in the South has never been existence it was decided to revive the GULFPIC proposal and use it as the basis for obtaining the current FRA Planning Grant. Changes were made by incorporating the successful components from APEX and CINTRAFOR and the forest products labs at LSU, Mississippi State and Auburn have been incorporated.

Dissemination of Center Results

Center results will be disseminated through a series of methods as outlined in the Extension Program Section. Briefly, results and information obtained by SOUTHPIIC will be disseminated through journal articles, reports, trade journals, newsletters, statistical quarterlies and other major media such as newspaper articles, popular magazines, videos, etc. The proposed web site will also contain as much information as feasible. Each report or major article will also have the requirement of developing a research brief which is a one page (two sided) summary of the objectives, methods and findings and a contact for further information. The entire report will be sent upon request. This will expedite getting information to the user and provide them with the essence of the work in an easy-to-read publication as well as save on publication costs for those who do not need the full report. In addition, articles containing general information, or information such as a list of experts or state trade offices will be developed in a one page Fact Sheet, accomplishing the same as the Research Brief. All information and publications will be made available to Extension personnel throughout the South and will be sent automatically when desired.

Researchers, extension specialists with experience and other persons knowledgeable in international trade will be contacted to help provide initial workshops for clients. These will include "how to" exporting workshops by the Department of Commerce and Small Business Administration. Extension field agents will be targeted for attendance. As this extension/research/industry network expands, better communication between all groups will be enhanced and information on available information, current research and remaining gaps can be developed. As more research and information is developed, a mixture of researchers, extension personnel, educators and other experts will be called on to provide and disseminate information.

Targeted end users of this information can benefit in a number of ways. Depending on current level of exporting expertise SOUTHPIC can initially help them decide if exporting or importing is right for them and at what level they should enter. For the more sophisticated exporter, details on the specific markets they are interested in will be available. This type of information will save large amounts of capital for those firms that are not suited or set up for exporting. It will also provide important information for those firms that are capable of entering the global markets, information that would cost them thousands of dollars to obtain themselves. The greatest impact will come from the increase in activities as these firms become more competitive in both domestic and international markets.

Center Mission and Objectives

Mission and Major Objectives

The overall mission of SOUTHPIC is to enhance development of southern rural wood based economies and increase employment opportunities by enhancing the competitiveness of forest products firms in international markets, as well as extend natural resources through adding value to raw material exports.

Major Objectives

- I. Obtain fundamental and applied knowledge which will enhance the ability for smaller southern forest products industries become more competitive and increase exports of value added wood products.
- II. Disseminate information and provide technical support to increase awareness of exporting techniques, technologies and opportunities as they relate to value added Southern wood products producers and encourage their participation in exporting value added products.
- III. Provide support for the education of future professionals in international trade in forest products that will help solidify the long term commitment of enhancing value added southern wood exports.
- IV. Provide a mechanism to help track progress provide a base for developing future quality programs and projects.

Center goals have been segregated in four primary Program Areas: Research, Extension, Education and Program Tracking. Each of these areas contain a specific objective, goals, measures, activities, timelines including reporting of results and responsibility or duty. Each Program Area will be headed by a partner and coordinated through the SOUTHPIIC Center Administration. In this way, efforts can be coordinated and missions kept in focus.

Research Program

Objective

Obtain fundamental and applied knowledge which will enhance the ability for smaller southern forest products industries become more competitive and increase exports of value added wood products.

Table 1. Research Program Goals and Measures

Goals	Measures
I. Develop information needed by southern producers to successfully manufacture and market value added products for export	1. Number and type of information developed 2. Number of studies completed 3. Quantification of information use by firms
II. Develop information needed to improve competitiveness of southern value added producers in foreign markets	1. Number and type of information developed 2. Number of studies completed 3. Quantification of information use by firms
III. Develop and maintain database of information on international markets, trade flows and service providers in international trade.	1. Amount and type of data maintained 2. Number of "hits" or products resulting from its contents

Table 2. Research Activities and Timeline

Goal	Measures	Activities	Timeline	Duty*
I	1,2 & 3	Assess capabilities of current industry Processing capabilities Exporting capabilities	1 st year	R
		Assess needs and actual or perceived barriers for entering international markets for manufacturers	1 st year	R
		Track, quantify and assess imported value added products by product and originating country	1 st year	R
		Develop and quantify monetary and opportunity costs associated with exporting	2 nd year	R
		Develop and quantify real value of exporting and other benefits to rural communities	2 nd -3 rd year	R
		Develop information on effects of exporting on US resources and supplies Environmental issues and concerns i.e. chip and log exports Potential value of using marginal farmland to grow future material for use in exports markets Export potential of using lower grades and lesser used species in value added products for export	2 nd year 3 rd year 3 rd year	R
		II	1,2 & 3	Analyze foreign markets with respect to current flow of southern species, products and potential for success in exporting value added products

		Develop information on product specifications, consumer preferences and government regulations for highest potential markets identified	2 nd year	R
		Match foreign market with capabilities of Southern producers	2 nd – 3 rd year	R
		Analyze and better understand foreign competitive producers	3 rd year	R
		Asses how Southern producers can become more competitive by determining most important competitive factors and effects of explicit and implicit trade barriers	3 rd year	R
III	1&2	Develop listing and access to current data banks for statistics and information on forest products imports and exports	1 st year	S
		Develop lists of trade services and sources of information such as list of experts, sources of trade leads, etc.	1 st year	S
		Set up home page and begin developing network of users, user needs and methods of interacting with all or parts of database	1 st – 2 nd year	S
		Develop, initiate methods for and participate in long distance learning	3 rd year	S,ES

*Note: S-SOUTHPIIC Staff, R-Researcher, ES-Ext. Specialist, EA-Ext. Agent, E-Educator, ER-Educator/Researcher

Extension Program

Objective

Disseminate information and provide technical support to increase awareness of exporting techniques, technologies and opportunities as they relate to value added Southern wood products producers and encourage their participation in exporting value added products.

Table 3. Extension Program Goals and Measures

Goals	Measures
I. Develop a strong program to assist current and potential Southern rural wood products exporters in achieving their goals	1. Number of contacts 2. Success stories 3. Value and quantity of exports resulting from technical assistance
II. Develop a strong program in trade promotion for the Southern rural wood products exporters	1. Number of contacts 2. Quality and quantity of materials produced 3. Success stories 4. Increase in Southern exports
III. Develop a series of workshops, seminars and conferences to help Southern rural wood products firms increase value added exports	1. Number of events 2. Number of participants
IV. Develop a strong public relations program	1. Number of media events, publications and articles 2. Number of contacts 3. Number of responses
V. Develop a series of publications which will provide information in formats best usable by clients and stakeholders	1. Number of publications 2. Number of contacts 3. Number of responses
VI. Develop teams of experts around the Southern region to help address major issues in a detailed and timely manner	1. Number of occurrences or contacts 2. Success of recipients

Table 4. Extension Activities and Timelines

Goal	Measures	Activities	Timeline	Duty*
I	1,2&3	One-on-one trade assistance and answering direct inquires	1 st – 5 th years	R, ES, EA, S
		Web site to facilitate information retrieval and inquires	1 st year	S
		Develop procedures for first time or new to export firms	1 st year	R, ES
		Aid in linking exporter with appropriate customers through providing procedural information and sources of trade leads, etc.	1 st – 5 th years	S, ES, R
II	1,2,3&4	Develop information and media presentations to help create awareness among Southern wood products value added producers on opportunities in foreign markets	1 st year	ES, S, R
		Help promote quality of Southern manufacturers in appropriate foreign markets	2 nd year	S, R, ES
		Develop and coordinate trade missions for Southern producers to specified markets	2 nd year	ES, S
		Host foreign buyers who want to tour Southern production facilities (reverse trade mission)	2 nd year	ES, S
III	1&2	Develop a series of workshops to disseminate information on a more efficient basis and develop direct interaction between researchers, extension personnel, clients and stakeholders	1 st – 5 th years	S, ES, EA, R
		Exporting value added wood products	1 st year	
		Specific markets with high potential for Southern wood products	2 nd – 5 th years	
		"Introduction" of producers and financing institutions to facilitate expansion and trade	1 st year	
		"Introduction" of producers and customers to facilitate trade	2 nd year	
		Develop focus and working groups to assure issues being worked on are relevant	2 nd – 5 th years	S, R, ES, EA
		Annual meeting of SOUTHPIIC associated researchers, extension personnel, educators, stakeholders and other associated persons to exchange information, ideas and network	2 nd -5 th year	S
IV	1,2&3	Develop and disseminate information on importance and worth of exporting value added wood products for the general public	1 st – 5 th year	R, ES, S
		Develop an annual report for the general public, clients and stakeholders on the current and future activities of SOUTHPIIC	2 nd – 5 th years	S
		Develop information on wood products trade for presentations to interest groups, civic groups and other general audiences	1 st – 5 th years	S, R, ES
V	1,2&3	Develop and disseminate quarterly newsletter	1 st – 5 th years	S
		Develop and disseminate statistical quarterly's for trade flows of Southern forest products	1 st – 5 th years	S
		Develop series of Fact Sheets for commonly requested information, Market Profiles, and Research Briefs and reports for each research project and extension activity	1 st – 5 th years	S, ES, R
VI	1&2	Coordinate system of qualified individuals or "Export Expert Teams" throughout region in wood processing, exporting procedures, export transportation, marketing and financing to provide technical assistance to exporters or who can be quickly assembled to provide expert advice on critical issues	2 nd year	S, ES

*Note: S-SOUTHPIIC Staff, R-Researcher, ES-Ext. Specialist, EA-Ext. Agent, E-Educator, ER-Educator/Researcher

Education Program

Objective

Provide support for the education of future professionals in international trade in forest products that will help solidify the long term commitment to enhancing value added southern wood exports.

Table 5. Education Goals and Measures

Goals	Measures
I. Develop educational materials for university faculty and graduate and undergraduate students to facilitate incorporation of international trade in forest products materials in graduate and undergraduate courses	<ol style="list-style-type: none"> 1. Number of courses changed 2. Number of students exposed to information 3. Increase in graduate level interest through increases in international trade theses and dissertations
II. Provide continuing education opportunities for forest products professionals	<ol style="list-style-type: none"> 1. Number of courses offered 2. Number of Continuing Education Units developed and received 3. Number of participants
III Facilitate international exchange of scholars	<ol style="list-style-type: none"> 1. Number of exchanges domestic and international, faculty and students 2. Qualitative information on type of exchange, length of exchange and accomplishments

Table 6. Education Activities and Timeline

Goal	Measures	Activities	Timeline	Duty
I	1,2&3	Identify educational resource needs	1 st year	R,E
		Develop a needs assessment of businesses and public and private sector organizations involved in hardwood export to determine demand for various areas of expertise for personnel working in the export area	1 st year	R,E
		Determine what courses are currently available at Southern Universities	1 st year	R,E
		Establish educational program pathways	2 nd year	R,E
		Develop course outlines for international trade in forest products	2 nd year	R,E
II	1,2&3	Determine needs in international trade for practicing professionals	1 st year	R
		Implement an international trade seminar series for universities and local businesses and present at universities, community colleges and trade schools	2 nd -5 th years	R, ES
		Develop a continuing education course series for practicing professionals	2 nd year	ES
		Implement international trade courses at appropriate universities in the South	3 rd – 5 th years	E,R
		Develop intern program for university students at firms, businesses, or service organizations involved in international trade in forest products	3 rd – 5 th year	E,R, S
III	1&2	Identify scholars involved in international trade and maintain a listing for contacts and reference	1 st year	S,E
		Develop international exchange opportunities for faculty	2 nd –5 th year	S

		Develop international exchange and internship opportunities for students	2 nd -5 th year	S
		Maintain listing of exchanges for information and reference	1 st - 5 th year	S

*Note: S-SOUTHPIIC Staff, R-Researcher, ES-Ext. Specialist, EA-Ext. Agent, E-Educator, ER-Educator/Researcher

Program Tracking

Objective

Program Tracking will provide a mechanism to help track progress of established Center activities and provide a base for developing future quality programs and projects.

Table 7. Program Tracking Goals and Measures

Goals	Measures
I. Develop efficient and comprehensive procedures for tracking activities in the Research Program Area	1. Quantity and completeness of data collected 2. Timeline for reporting 3. Efficiency of collection procedures
II. Develop efficient and comprehensive procedures for tracking progress in the Extension Program Area	1. Quantity and completeness of data collected 2. Timeline for reporting 3. Efficiency of collection procedures
II. Develop efficient and comprehensive procedures for tracking progress in the Education Program Area	1. Quantity and completeness of data collected 2. Timeline for reporting 3. Efficiency of collection procedures

Table 8. Program Tracking Activities and Timeline

Goal	Measures	Activities	Timeline	Duty*
I	1,2&3	Collect data and maintain records of Projects Budgets Reports distribution numbers	6 mos updates	S, R, ES
		Develop listing of how research projects were used, companies incorporating results and technical papers given	6 mos updates	S, R, ES
		Survey users of information contained on mailing list on quality of information and changes in business	annually	S, R
II	1,2&3	Survey of rural communities to determine number of jobs created and other economic measures for development	2nd - 5th years	S, R
III	1,2&3	Develop listing of courses, students and location which can be identified with SOUTHPIIC activities	2nd - 5th years	

Tracking Progress of Projects

Each of the Program Areas will have projects identified and awarded on a merit basis as discussed. Project timelines will be required with specific funding dates. For each funded activity a detailed record of project, project objectives and deliverables will be maintained and can be easily tracked for progress as shown above. If issues develop on projects not being completed or show lack of sufficient progress, those funded parties will be dropped from the collaborator's

list. In addition, the list of all types of publications, clients served, and contacts made will be recorded. Records will be required for all partners and collaborators and will be summarized every six months by the Program Tracking Committee. This will be an on-going process for SOUTHPIIC.

Major Deliverables

Research Program

1. Reports on US clientele to include strengths and weaknesses of region, important issues, and how qualified exporters can be identified.
2. Reports detailing of foreign markets and product characteristics.
3. Detailed market opportunities which are matched with region strengths
4. Information on raw material demands include long term impacts to US interests and resources, southern chip exports, resource availability and sustainability, and potential on use of lower value and lower quality wood species .
5. Information on certification issues.
6. A baseline to determine program success and future opportunities.
7. A continuous updating and ranking of primary issues including those important for industry and the political arena.
8. Consortiums or cooperatives with RC&D's and other federal and state extension units to benefit from group activities and create export networking groups through export management companies (EMC)

Outreach Deliverables

1. Direct assistance program.
2. Web site to facilitate information dissemination.
3. A list of available presentations on exporting and importing forest products.
4. An established network for getting information out to the media in numerous forms.
5. Publications including journal articles, books, fact sheets, market profiles, research briefs, and detailed reports.
6. Workshops, Conferences & Seminars
7. A database containing list of data sources, sources for trade leads, export and import data, and list of exports.
8. Established mechanisms to assure follow-up on trade assistance provided. Included is a tracking program to determine effectiveness.

Education Deliverables

1. Curriculum materials for MS and Ph.D. programs
2. Information for undergraduate classes
3. Better educated educators
4. Better prepared current and future professionals

Outreach Activities

Outreach activities have been described in the previous section which include reaching the general public as well as those not initially interested. In addition, other institutions will have access to all publications, techniques used, or information in the database. It is an objective of SOUTHPIC to facilitate networking and national cooperation among the various associations and agencies so duplicate efforts expended by the Center will not occur. Publication lists and information will be sent regularly to extension groups and industry associations. A mailing list for regular newsletters, statistical quarterly's, and list of publications will be established and open to anyone interested. These will be enhanced through newspaper articles and video where feasible. Information to community colleges, trade schools or high schools will be provided on request, with all inquires welcome. As expertise is identified and facilities become available, long distance learning will be explored and used. Information which sits on the shelf is not useful.

Center Management Plan

Administration

SOUTHPIC will be located and managed through the LSU Agricultural Center's Louisiana Forest Products Laboratory in the School of Forestry, Wildlife and Fisheries. This will allow responsibility for accomplishment of all goals and objectives to rest with one central organization. This central organization will consist of the Director of SOUTHPIC, an information systems manager, a communications manager, one postdoctoral Research Associate and one secretarial/clerical person. The Director will have management responsibilities for all Program Areas but will be guided by an Advisory Board made up of no more than 15 partners and collaborators divided between industry, government and universities. Both research and extension personnel will be represented in the government and university sectors.

The Director and staff will maintain coordination of grant activities. These include keeping track of projects and activities, maintaining budgets, maintaining publication streams, newsletters, statistical quarterly's, Fact Sheet and Research Brief dissemination, database management, networking among collaborators and coordinating all reporting of progress and achievements to CSREES and other agencies as required.

The Advisory Board will be an integral part of the decision process. It will be responsible for reviewing issues and project suggestions developed by Program Area Committees, prioritizing them with respect to all activities proposed for the Center and in awarding funds to the various activities in each of the Program Areas. Advisory Board members are provided in Table 9.

Each Program area will be developed through a committee structure. Each committee will be responsible for obtaining a list of current issues, ranking those issues and submitting a prioritized list of projects for funding. The current issues list will take into account new events which occur and progress made in previous endeavors, SOUTHPIC or elsewhere. Each committee will have no

less than 5 members and no more than 10. A concerted effort will be made to maintain a diverse mix of industry, government and university persons on each. The Chairs, responsible for committee selection are also SOUTHPIC partners. They are listed in Table 10.

Center Activity Evaluation

The Program Tracking Committee will provide a mechanism to help track the progress of the established Center and help provide a base for developing future quality programs and projects. Each Program Area will maintain current records of endeavors and accomplishments with special attention given to client and stakeholder benefits. The minimum records maintained for each Program Area will be as follows.

Table 9. SOUTHPIC Advisory Board

NAME	ADDRESS	AFFILIATION
Stan Elberg	Executive Director, National Oak Flooring Manufacturers Association	Industry
James Granskog	Project Leader, USDA Forest Service, Southern Research Station-Forest Resources Law & Economics	Government
Walter A. Hill	Dean, College of Agricultural Environmental and Natural Sciences, Tuskegee University	University
Gerard Hingle	Director, International Markets Southern Forest Products Association	Industry
Bill Hubbard	Cooperative Extension Service, Southern Region Extension Forester, University of Georgia	University
Steve V. Lawser	Executive Director, Wood Components Manufacturing Association	Industry
Judd H. Michael	Assistant Professor, Forest Products Marketing, Extension Specialist, Texas A&M University	University
Kenneth J. Muehlenfeld	Director, Forest Products Development Center School of Forestry, Auburn University	University
Darrel D. Nicholas	Professor of Forest Products, Forest Products Laboratory, Mississippi State University	University
Jack Siekkinen	Executive Director, Louisiana Furnishings Industry Association	Industry
W. Ramsay Smith	Program Leader, La. Forest Products Laboratory, LSU Agricultural Center	University
Cynthia D. West	USDA Forest Service, Forestry Sciences Laboratory West Virginia	Government
Thomas R. Westcot	Deputy Director, Marketing Forest and Fisheries Products – Foreign Agricultural Service	Government
CSREES Representative		Ex-officio

Table 10. SOUTHPIC Program Area Committee Chairs

Name	Affiliation	Chair
James Granskog	USDA Forest Service	Research
Judd Michael	Texas A&M University	Extension
Ken Muehlenfeld	Auburn State University	Program Tracking
Darrel Nicholas	Miss. State University	Education

In the Mission Oriented Research Program, records will be maintained on projects, budgets, reports, publication distribution, and deadline adherence. In the Outreach/Technology Transfer Program, records will be maintained on workshops and number of participants, talks and number of participants, literature mailings such as newsletters, statistical quarterlies, briefs, etc. and number of one-on-one contacts and mailings for each. Education Program tracking will include maintaining records for educational program development activities, scholarly exchanges, student development activities and increased enrollment in international graduate programs. These are provided in greater detail in the Program Tracking activity list.

Third party evaluation will be instrumental in obtaining quality information on the clients being served. This will be done on an annual basis through working with Business School Marketing Professors in selected states. They will be asked to develop and carry out a telephone survey of client and stakeholder groups who have received information or services from SOUTHPIC. The survey will be required to determine to what extent information received has helped them: increase sales and exports, increase employment, and helped them in developing new markets/products. In addition, they will be asked to provide a qualitative response in determining their estimation on the quality of information received and if there was a timely response.

In addition, an annual conference will be held to provide results obtained through SOUTHPIC activities during the previous year. Invitees will consist of peer researchers, academicians, extension personnel, client groups and stakeholders. Various methods of evaluation techniques will be used to obtain critiques of the material presented. These will include questionnaires of the participants, follow-up interviews and interviews of those who did not attend to determine why. All results will be shared with CSREES.

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