



Exports, Tariffs and Pandemics

Log and lumber exports are a small, but important, component of US markets. The last three years have been difficult for exporters as they have had to deal with a tariff war and--as that tariff war appeared to be winding down--a pandemic. What do the numbers look like?

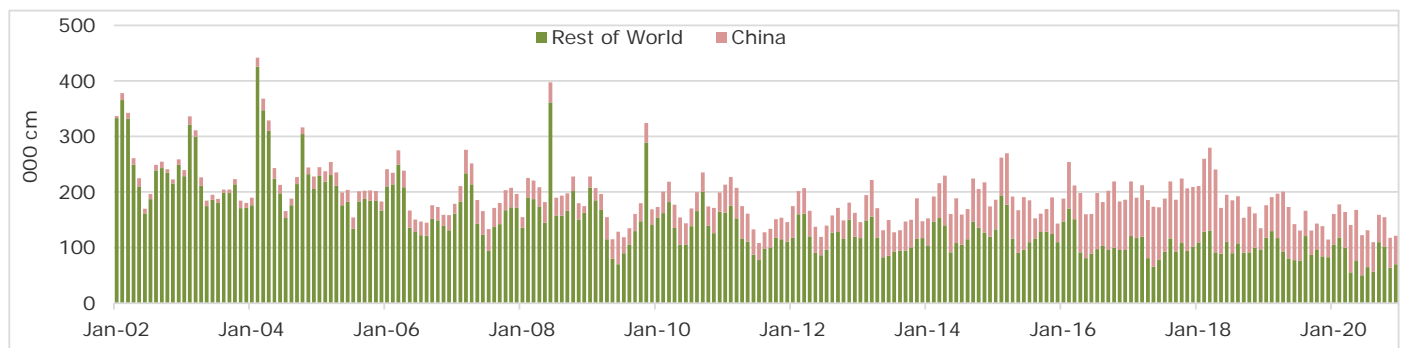
Hardwood Log Exports

Figure 1 shows monthly US hardwood log exports from 2002 through 2020. The chart shows a slow decline through 2009, when exports to China began increasing. Exports to the rest of the world kept up their steady decline through 2020, but

exports to China kept increasing through early 2018. The increased shipments to China were large enough to offset declines in exports to the rest of the world. Exports to China began to decline in 2018 when the tariff war between the US and China began. China lifted its tariffs on logs and lumber in February 2020, but that was about the time the global economy was hit with closures from the coronavirus pandemic.

Figure 2 shows detail on shipments to China. Here, it is clear that shipments increased steadily from 2002 into 2018 and they peaked in April 2018.

Figure 1. Hardwood Log Exports



Source: US Department of Commerce

Figure 2. Hardwood Log Exports to China



Source: US Department of Commerce



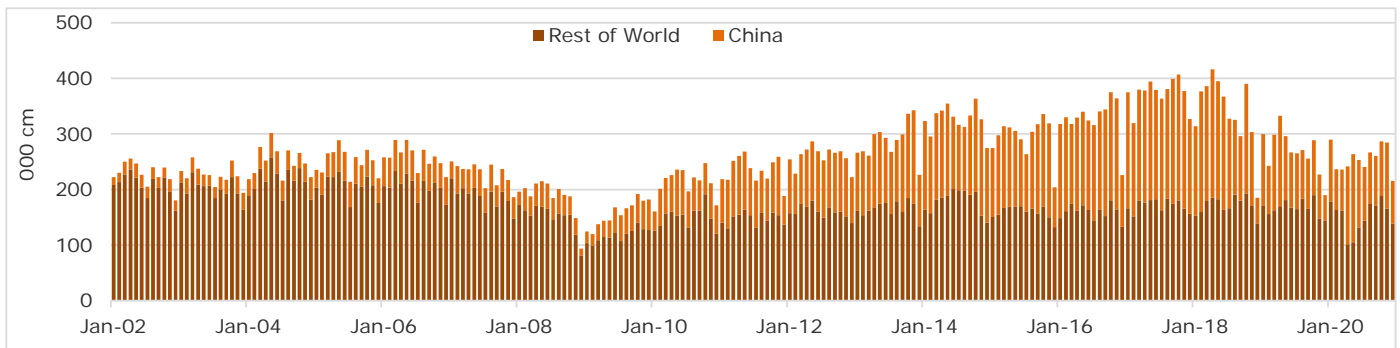
Hardwood Lumber Exports

Hardwood lumber exports more clearly show the impact of the global economic crisis, with a low in 2009—even China reduced imports then (Figure 3). Exports of hardwood lumber to the rest of the world ran at about 200,000 cm/month from 2002 through 2006 and fell sharply to a low during the financial crisis. They touched 200,000 cm again in 2014, fell then fell sharply in early 2020 due to the pandemic.

sharply during the financial crisis, with a low in December 2008. (Some of the low volume in that month would have been due to the up-coming Chinese New Year celebration, which leads to a reduction of shipments to the country in the weeks before that holiday. The low-shipments months that are clearly seen in most years are Decembers.) Exports increased again through April 2018 when the tariffs were imposed. Shipments have remained low since then—though there was a spike in May-July 2020.

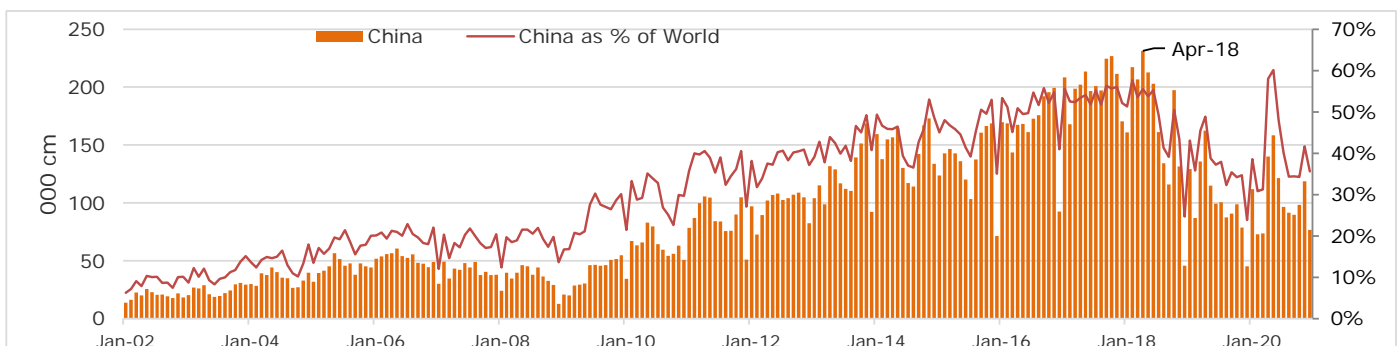
Figure 4 looks at China. Unlike with hardwood logs, hardwood lumber shipments to China fell off

Figure 3. Hardwood Lumber Exports



Source: US Department of Commerce

Figure 4. Hardwood Lumber Exports to China



Source: US Department of Commerce

Softwood Log Exports

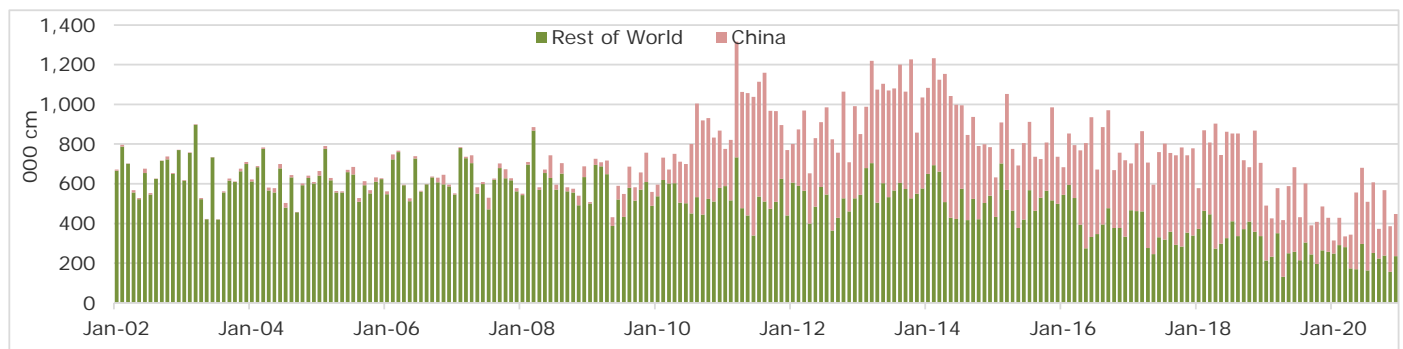
Softwood log exports were fairly steady at near 600,000 cm/month through 2008 (Figure 5). At that point, shipments to China boomed, while shipments to the rest of the world dropped down to roughly 500,000 cm/month through 2014 and have been declining steadily since then. Global shipments to all markets peaked in 2014.

Shipments to China increased sharply in 2010 (Figure 6) with a seasonal pattern of lows in the winter and highs in the summer. They dropped off

a bit in 2014, recovered, and fell sharply after April 2018 (tariffs!). There was bounce in 2020 as tariffs were lifted, but the pandemic has since affected volumes.

It looks like China came from nowhere in 2002, but the country was a big importer of softwood logs and lumber in the 1980s—it just disappeared from markets in the 1990s (see Forest Research Notes Vol 7 No 3: *China Exports in Perspective*).

Figure 5. Softwood Log Exports



Source: US Department of Commerce

Figure 6. Softwood Log Exports to China



Source: US Department of Commerce

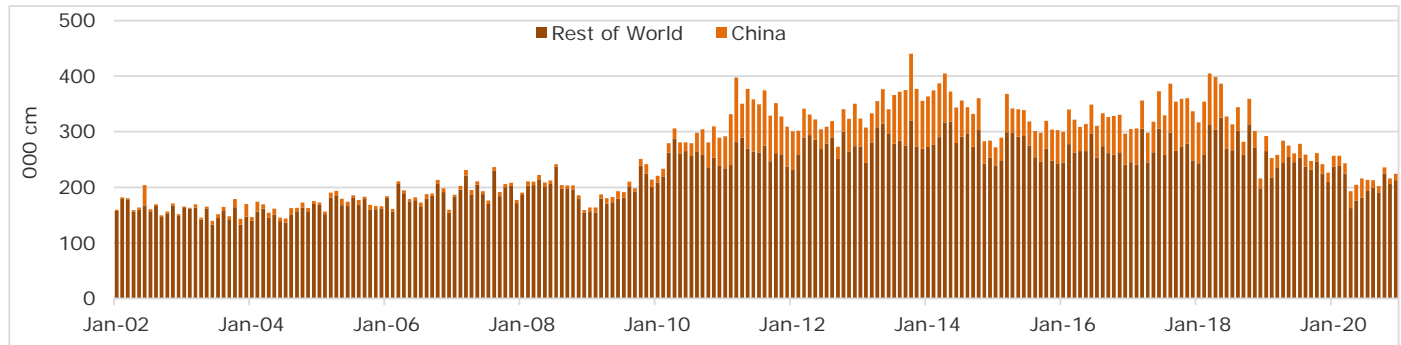
Softwood Lumber Exports



Softwood lumber exports have shown the least volatility of the four products analyzed in this Research Note. There was a small dip in 2009 (Figure 7), but volumes seem to have recovered to the pre-financial crisis trend line at least through 2014. They then leveled off through 2018 and have declined since.

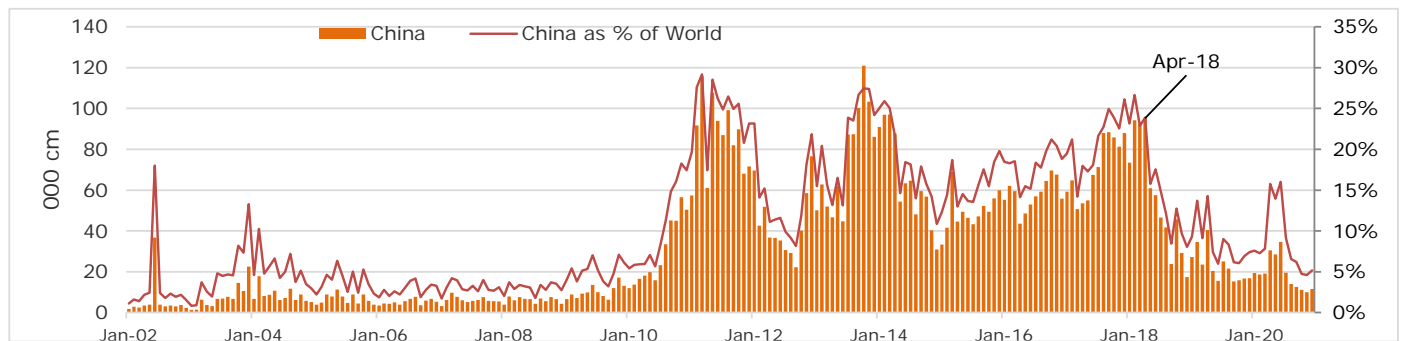
China has been a less-significant destination for softwood lumber than the other products. In recent years China has accounted for 60% of volume in at least one month for each of them (hardwood logs, hardwood lumber, and softwood logs), but it has never reached 30% of softwood lumber exports.

Figure 7. Softwood Lumber Exports



Source: US Department of Commerce

Figure 8. Softwood Lumber Exports to China



Source: US Department of Commerce

Summary

A quick look at charts of log and lumber exports clearly shows market shocks over time. The global financial crisis is clearly shown as is the US/China tariff war that began in 2018. Just as it appeared the tariff war might be going away markets were held down by the coronavirus pandemic of 2020.

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