

# Travelog Worldwide Destinations for Alabama Forest Products

By **BRIAN DAVIS**, Alabama International Trade Center, The University of Alabama

**I**T'S NOT the kind of story that makes for big headlines. It doesn't involve a ribbon-cutting ceremony with officials breaking ground at Alabama's newest auto manufacturer. Most people don't even see it. But it's growing right in your forest. And it's a big part of this state's economic development scene—the exporting of forest products.

Last year, wood product firms located in Alabama sold just under \$1 billion worth of forest products overseas, all crafted from locally grown trees. That made forest products the leading export industry, behind the state's burgeoning auto sector. Forest product exports accounted for over 15 percent of the state's total exports of \$6.1 billion in 1999. To top it off, forest product exports have grown steadily over the last 10 years, almost doubling from \$485 million in 1990 to \$953 million in 1999 (see Figure 1).

## Exports Create Jobs

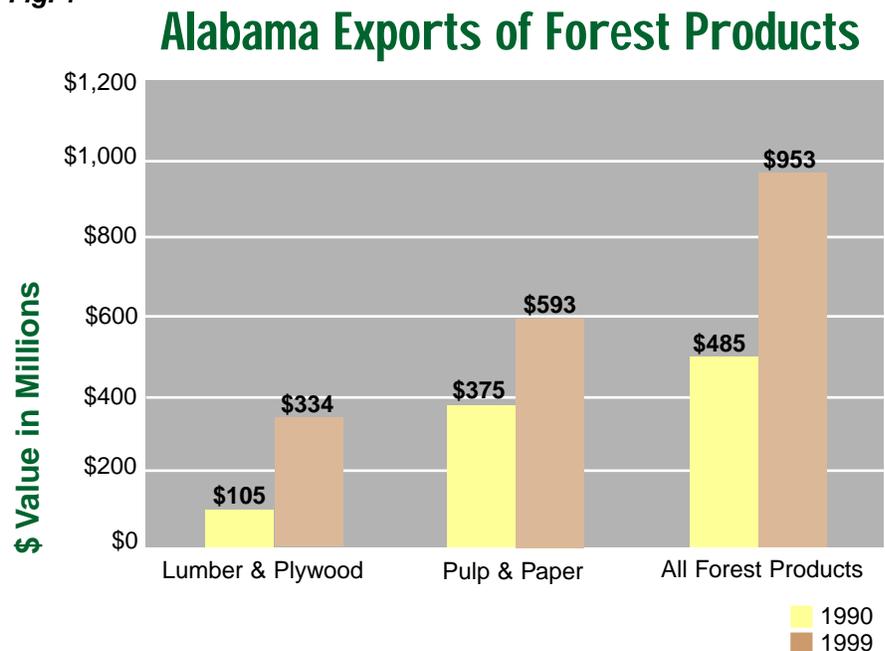
The forest products sector is a true statewide industry. Global demand for Alabama timber touches forest landowners and wood processors in all 67 counties. According to U.S. Department of Commerce estimates, approximately 19,000 jobs in Alabama are dependent on the manufacturing and exporting of forest products. Since Alabama's primary and secondary wood processors are located throughout the state, more often than not in rural areas, the state's rural economic development gets a boost from steady export related jobs and local procurement of logs.

With global demand on the upswing and the depletion of forest resources continuing in other countries, more Alabama wood product companies are getting into the export act—selling wood products overseas, competing, and winning orders.



Brian Davis (right) visits with east-central Alabama landowner Bob Drake, a partner in Prime Pine International, Inc., a producer and exporter of Southern yellow pine lumber located in Weogufka, Alabama.

Fig. 1



This not only secures additional markets for the local forest landowner, but helps to guard against downturns in domestic markets.

All those export sales from individual companies add up. In terms of export performance measured by the dollar value of export shipments in 1999, Alabama's forest industry stacks up great against its competitor suppliers in other states.

In fact, Alabama's forest product exports are higher than reported. Due to the way export statistics are collected by the U.S. government, shipments of "Alabama" lumber, pulp, and paper are understated. For example, shipments that originated from an Alabama mill using locally grown forest resources frequently get tallied as part of another state's export figures. This is particularly true of the larger exporters with production facilities in Alabama, but with an export sales office in another state.

It's also true of a number of smaller mills that sell export grade lumber and finished products to a broker. In this scenario, the shipment is sent to a broker's concentration yard or location near a port of exit for eventual transport abroad. The wholesale broker is the shipper of record and another state gets credit for the export.

From logs to lumber to paper to furniture, and all types of wood products in between, Alabama-made forest products are in high demand by overseas buyers. Thanks to a growing number of hard-working people—the logging operator, the mill owner, the machine operator, and many others—that small seedling on your land may one day end up as a newly transformed product shipped to destinations around the world.

Foreign markets are as diverse as the products themselves. The state's hardwood lumber enjoys a solid worldwide reputation with most sales concentrated in Europe. Europe has long been a traditional white oak market, but buyers are starting to wake up to Alabama's diversity of lesser-known species such as basswood, sycamore, and willow. In 1998, these and other lesser-known species out-sold red oak in Europe by volume in terms of total U.S. hardwood shipments.

Alabama softwood exports account for the lion's share of the market in

Southern Europe, especially in Spain and Italy, where saps and primes make their way into joinery, molding, and other building materials. The Caribbean Islands are also a traditional destination for Alabama Southern yellow pine lumber and plywood, accounting for more than 50 percent of total softwood shipments to customers in the Dominican Republic, Jamaica, Trinidad and Tobago, and Barbados.

Demand for finished paper and intermediate pulp stocks tapered off greatly in 1998 and 1999, due to the financial crisis in Asia. Nevertheless, shipments have picked up in the first quarter of 2000. The major markets for pulp in Asia are Japan and Korea and in the European countries of Italy and the United Kingdom; the major markets for the state's finished paper and paperboard stocks are in Canada and the Netherlands, U.K., France, and Germany in Europe.

Alabama does not usually come to mind as a center for furniture manufacturing. Yet the northwest corner of Alabama is home to over 100 furniture producers, and other major furniture employers are located in central and south Alabama. Many of these firms ship furniture to the duty-free NAFTA countries of Canada and Mexico. And Alabama is a major supplier of hardwood, pine, and upholstered furniture to

### Scorecard 1999 Alabama Forest Products Ranked:

- 5<sup>th</sup> in the U.S. in lumber and plywood exports
- 5<sup>th</sup> in the U.S. in wood pulp exports
- 4<sup>th</sup> in the U.S. Southeast in paper exports
- 8<sup>th</sup> in the U.S. Southeast in furniture exports

Puerto Rico and the Caribbean, where value and quality are prime factors for local consumers.

### Location, Location, Location

The state's export shippers are scattered across the state, employing thousands in rural areas. Located in the wood basket of the South, many of Alabama's best exporters are family owned operations that base their living on a great

## Top Export Destinations for Alabama's Forest Products, 1999 (\$ Value millions)

### Hardwood Lumber

Spain	\$ 15.48
Egypt	\$ 1.28
Netherlands	\$ 1.05
Norway	\$ 1.05
Hong Kong	\$ 1.02
<b>Total all countries</b>	<b>\$ 34.90</b>

### Softwood Lumber

Dominican Republic	\$ 31.03
Spain	\$ 16.54
Jamaica	\$ 13.54
Trinidad and Tobago	\$ 5.11
Barbados	\$ 4.61
<b>Total all countries</b>	<b>\$ 93.35</b>

### Wood Pulp

Japan	\$ 100.95
Italy	\$ 44.05
Korea	\$ 41.89
Mexico	\$ 26.80
United Kingdom	\$ 11.63
<b>Total all countries</b>	<b>\$ 260.00</b>

### Paper and Paperboard

Canada	\$ 95.02
Netherlands	\$ 40.43
United Kingdom	\$ 31.09
France	\$ 28.58
Germany	\$ 27.49
<b>Total all countries</b>	<b>\$ 312.0</b>

### Furniture

Canada	\$ 35.96
Mexico	\$ 1.86
United Kingdom	\$ 1.52
Jamaica	\$ 1.44
Germany	\$ 1.27
<b>Total all countries</b>	<b>\$ 46.93</b>

source of local, raw material close to home. Buchanan, Linden, Miller, Lewis Brothers, Swift, and many others are well-known names in the wood products trade around the globe.

Exports from large corporations with operations in Alabama also account for a large portion of the state's total export figures in lumber, pulp, and paper.

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such as the 'Pond Loblollies,' 'Pond Sunflower Field,' and 'Pond Hardwoods.' Then I went back and entered the details on each stand. For example, I recorded when I planted the pines along the road to the cabin when it was just a path." Placing features on a map is easy with FARMS<sup>®</sup> because users can either approximate the locations of boundaries, groves, roads, etc., or import exact coordinates from a Global Positioning System (GPS).

Dr. Parker doesn't consider himself computer savvy, but he found the FARMS<sup>®</sup> software easy to use and caught on quickly. "With the hectic schedule of a veterinary practice, I don't have a lot of time, and it probably took me a total of three weeks to enter all the basic information on my property."

As the diversity of his TREASURE Forest increased, FARMS<sup>®</sup> enabled him to keep up with everything that was going on. Dr. Parker says, "With all of the little fields to keep up with, it's perfect. I know when, where, and what I planted so that I can track growth rates. For example, this year I planted 300 chestnut trees and intend to plant a California white oak later. Every note is documented. I even used FARMS<sup>®</sup> to locate sandy sites where I planted longleaf pines."

In addition to managing timber, Dr. Parker uses his computer to monitor wildlife on his property. A participant in the Department of Conservation's Deer Management Program, Dr. Parker monitors food plots and harvesting. "I record my tree stands and the animals harvested each season. I've mapped where I've planted Alfa Graze and Alfa Rack feeding plots for deer, chufas for turkey, and les-pedeza for quail." FARMS<sup>®</sup> allows Dr. Parker to see these areas and determine where the deer are feeding. Comparing harvesting information from one season to another shows Dr. Parker how his deer population is prospering in terms of body weight, age class and buck-to-doe ratios.

### Property Used to Educate Others

Dr. Parker's property is such a diverse landscape that it is often used for educational purposes. "Adults and students in grade school should have a place where they can learn about trees, see differences in growth rates and generally enjoy the outdoors," says Dr. Parker. One of his long-term goals for the property is filling the educational needs of future generations.

Alabama TREASURE Forest Association members have toured his

property in the past. Currently, Dr. Parker is preparing to host his largest tour ever, 400 to 500 statewide visitors participating in the October Landowner and TREASURE Forest Conference. The visitors will see first hand the TREASURE Forest Dr. Parker has created. Using FARMS<sup>®</sup>, Dr. Parker plans to provide each visitor with a map of his property that identifies the important features along the tour route.

As a member of the Alabama TREASURE Forest Association and president of the Elmore County chapter, Dr. Parker is among the private forest landowners who own 95 percent of Alabama's forests. "I could sit down and spend my time watching television," recognizes Dr. Parker, "but I would rather spend that time working out here and at the end of the day I will have all this to show for it."

The Elmore County Chapter of the Alabama TREASURE Forest Association can be reached at (334) 567-6301. More information or a free demonstration copy of the FARMS<sup>®</sup> software can be acquired by: calling NRT at (334) 252-0744 or toll free at 888-848-2146; by writing to NRT at P.O. Box 780603, Tallahassee, Alabama 36078-0603; or by visiting the NRT web site at [www.nrtech.com](http://www.nrtech.com). 

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zero-funded SIP. As of publication date, Congress is still deliberating the final numbers.

The NASF represents the directors of the state forestry agencies from all 50 states, eight U.S. territories, and the District of Columbia. The member agencies help deliver the Forest Stewardship Program and provide other management and technical assistance to private landowners as well. Further information about the state foresters and the landowner assistance programs that they support can be found on the web ([www.stateforesters.org](http://www.stateforesters.org)). The Forest Stewardship Program study can also be found in its entirety on the web ([www.rtp.srs.fs.fed.us/econ/pubs/jde001.htm](http://www.rtp.srs.fs.fed.us/econ/pubs/jde001.htm)). 

Forestry Commission Web Page:  
**[www.forestry.state.al.us](http://www.forestry.state.al.us)**

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### Alabama's Seaport

Another leading player in the movement of forest products abroad is the Alabama State Docks. In 1999, this state-owned operation led all other U.S. ports in the shipment of forest products and it handled more forest products than any other type of cargo through its terminals. Significant investments in forest product terminals, warehouse facilities, and the location of key shippers in the U.S. Southeast led to the dominant position of the state docks in this sector.

### Outlook

Expect exports to make an even bigger impact on Alabama's forest product industry and our state docks. The reasons are simple. Over 95 percent of the world's population is outside of the United States. Consumers worldwide pre-

fer products made from natural wood for the home and office. Increasingly, they want to know that the products originate from renewable forests.

There's no better place to shop than Alabama. It's in the middle of one of the great wood baskets of the world, where foreign buyers continue to discover one of our best kept secrets—ownership of Alabama's timberlands is in private hands.

Alabama's forest landowners are a critical, first link to these worldwide consumers. As foreign markets for Alabama-made wood products grow, so will the trees. For the foreign buyer and the Alabama supplier, having a long term, reliable source of supply is the foundation for export success.

The next time a newspaper article touts the volume of autos exported from Alabama, remember that you may have a piece of one of the biggest export industries growing right in your own forest. 