

May 20, 2019

The Honorable Sonny Perdue
Secretary, US Department of Agriculture
1400 Independence Avenue, SW
Washington, D.C. 20250

Dear Secretary Perdue,

The U.S. Hardwood Lumber industry is being devastated by the ongoing trade dispute with China. Domestic mills have suffered sharp sales declines of export sales, lost jobs and shuttered operations. The impacts the industry is suffering are outside the control of our significant agriculture market and is devastating to the communities reliant on good paying hardwood jobs. The Hardwood Federation represents 27 hardwood focused trade associations, state forestry organizations and lumbermen's clubs from around the country. As members of the Federation Board of Directors, we ask that the hardwood producers significantly affected by the retaliatory tariffs imposed on U.S. lumber by China be included in the proposed \$15 billion relief program for commodity producers.

The hardwood products industry in the U.S. is an important contributor to the U.S. economy. Hardwood producers and manufacturers, including sawmills, lumberyards, flooring companies, kitchen cabinet manufacturers and railway ties, directly support more than 685,000 jobs in 25,000 facilities generating \$36 billion in annual income. Related industries, including transportation, retail, forest ownership and logging support more than 1.1 million jobs and add \$212 billion to the economy. For every \$1 million in output of hardwood products, 5.3 jobs are created.

Hardwood is an important sub-sector of the wood products industry and has a heavy reliance on export markets, particularly in China, for its survival. In 2018, U.S. hardwood producers shipped \$3.9 billion worth of U.S. products to global markets; \$1.9 billion to Greater China, including Hong Kong and Macau. In 2018, the U.S. had a trade surplus of \$1.293 billion in hardwood lumber, down from \$1.475 billion in 2017 as a result of the impacts of tariffs imposed in the fall of 2018. The most recent round of retaliatory tariffs will hit much harder forcing many sawmills to close permanently.

It is vital that markets remain open for these businesses and the men and women they employ. The ongoing trade dispute with China and the declared tariffs on U.S. hardwood products are serious threats to the viability of the industry and the people it employs. The hardwood industry is a fully integrated industry from logging to manufacturing finished consumer goods including flooring, cabinets, mouldings, railway ties and many other products. **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.**

We look forward to continuing to work closely with the USDA to promote U.S. agricultural products and commodities, including hardwood products, around the world. Thank you for your consideration.

Sincerely,

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Derr Flooring Co.
Willow Grove, PA

Hardwood Federation Vice Chair

Matthew Smith, Managing Partner & COO
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Borden, IN

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