



NHHLA

STRONG ROOTS. GLOBAL REACH.

Mark Barford, CAE
Executive Director

The Future of North American Hardwood Lumber



Arabic saying:

“Those who claim to know the future are lying
.. Even if by chance they are right!”

Chairman of BP Oil Co.

“I can forecast confidently that it (oil price) will vary”

John Maynard Keynes, Economist

“When the facts change, I change my mind”





STANDING MERCHANTABLE HARDWOOD TIMBER IN THE UNITED STATES

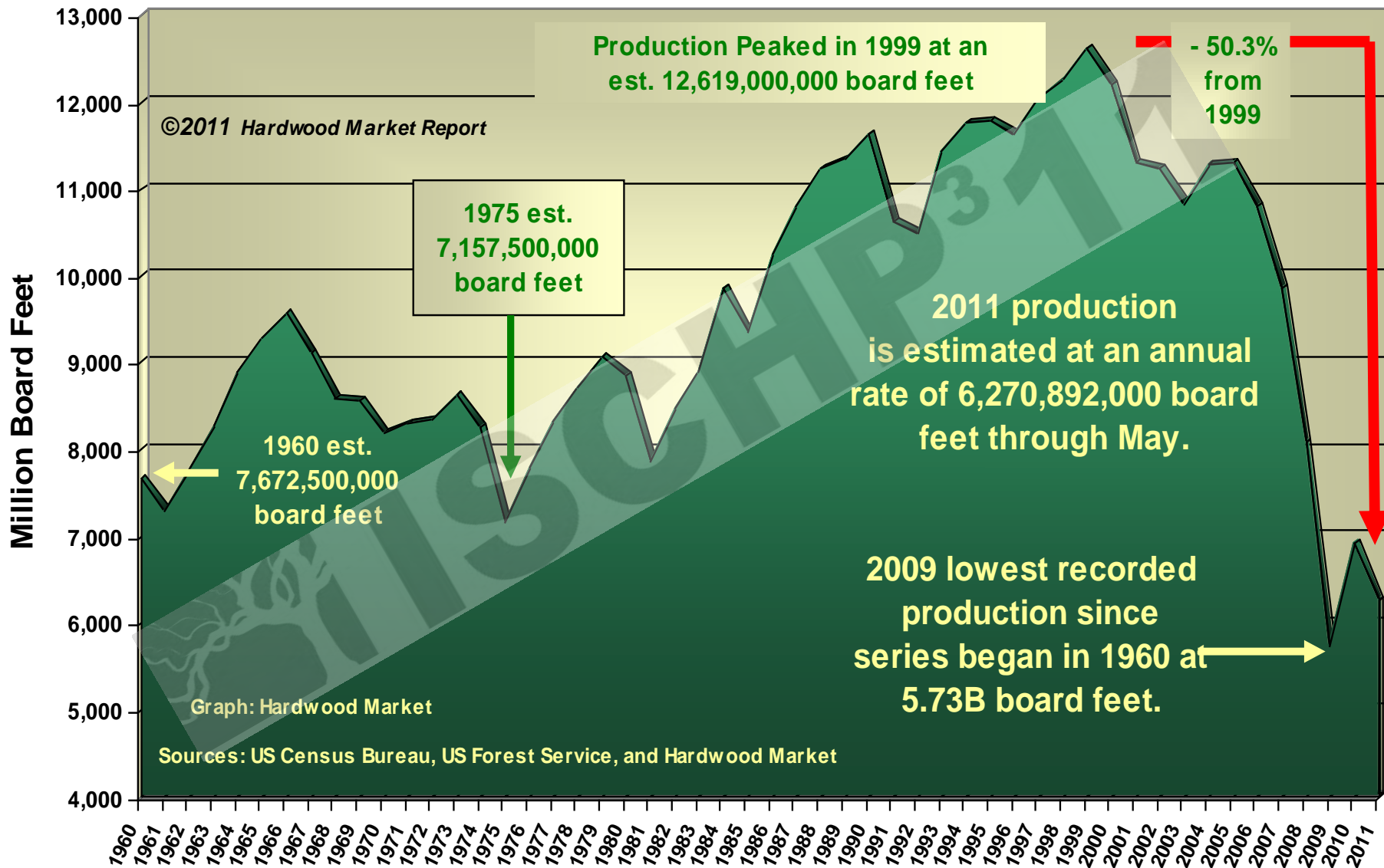
(source: USDA - Forest Service)

1950: 400 Billion Board Feet

TODAY: One Trillion Board Feet



Eastern US Hardwood Production

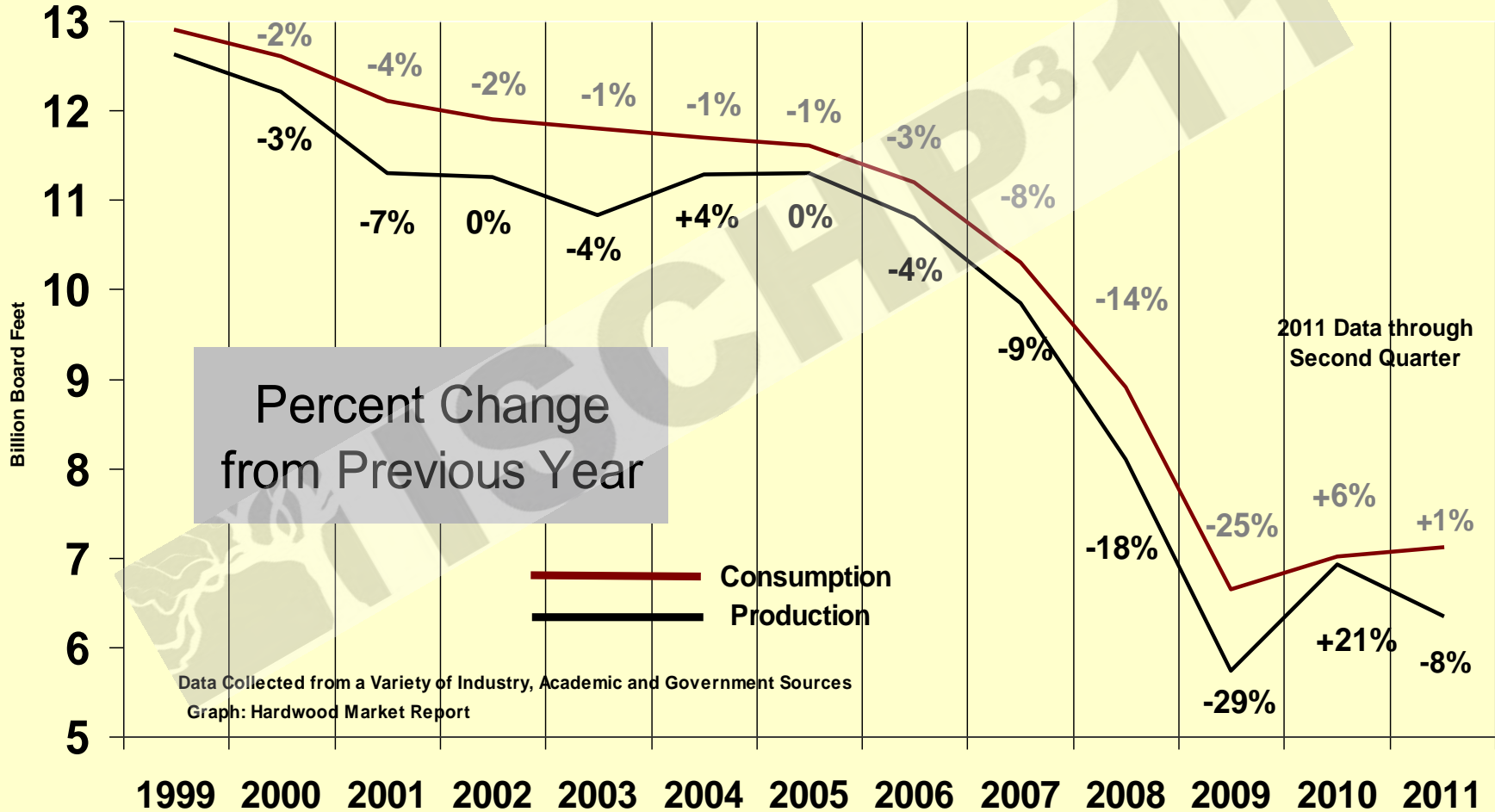


Estimated Consumption of NA Hardwoods

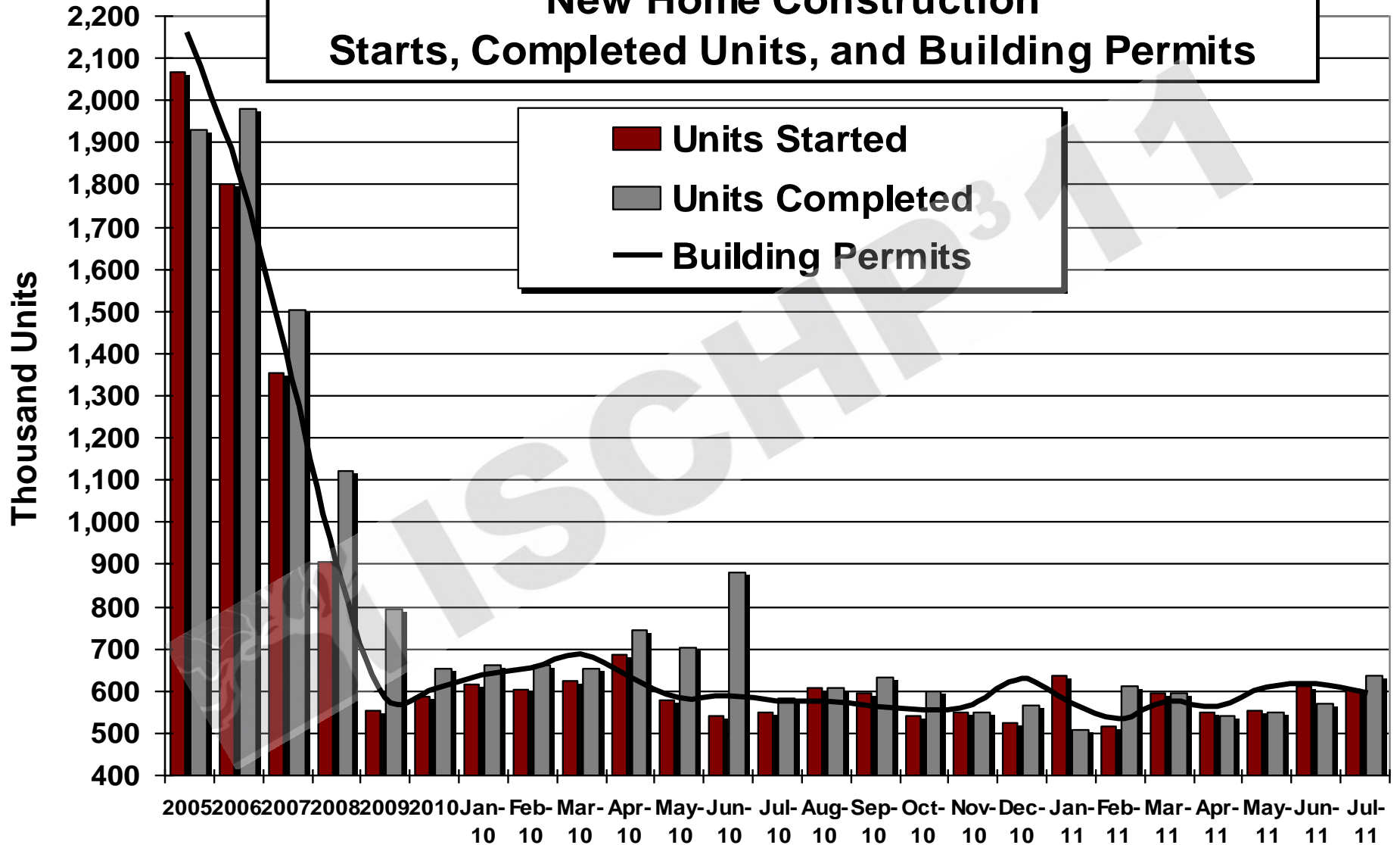
(source – Hardwood Market Report)

	1999	2011
• Total	12.9 BBF	7.1 BBF
• Pallets	34.9%	45.1%
• Exports	9.3%	17.2%
• Ties	5.5%	13.7%
• Flooring	10.8%	7.2%
• Cabinets	9.3%	5.6%
• Millwork	10.1%	5.6%
• Furniture	20.1%	4.6%

Eastern US Hardwood Lumber Production and Total Consumption by Primary US Hardwood Markets



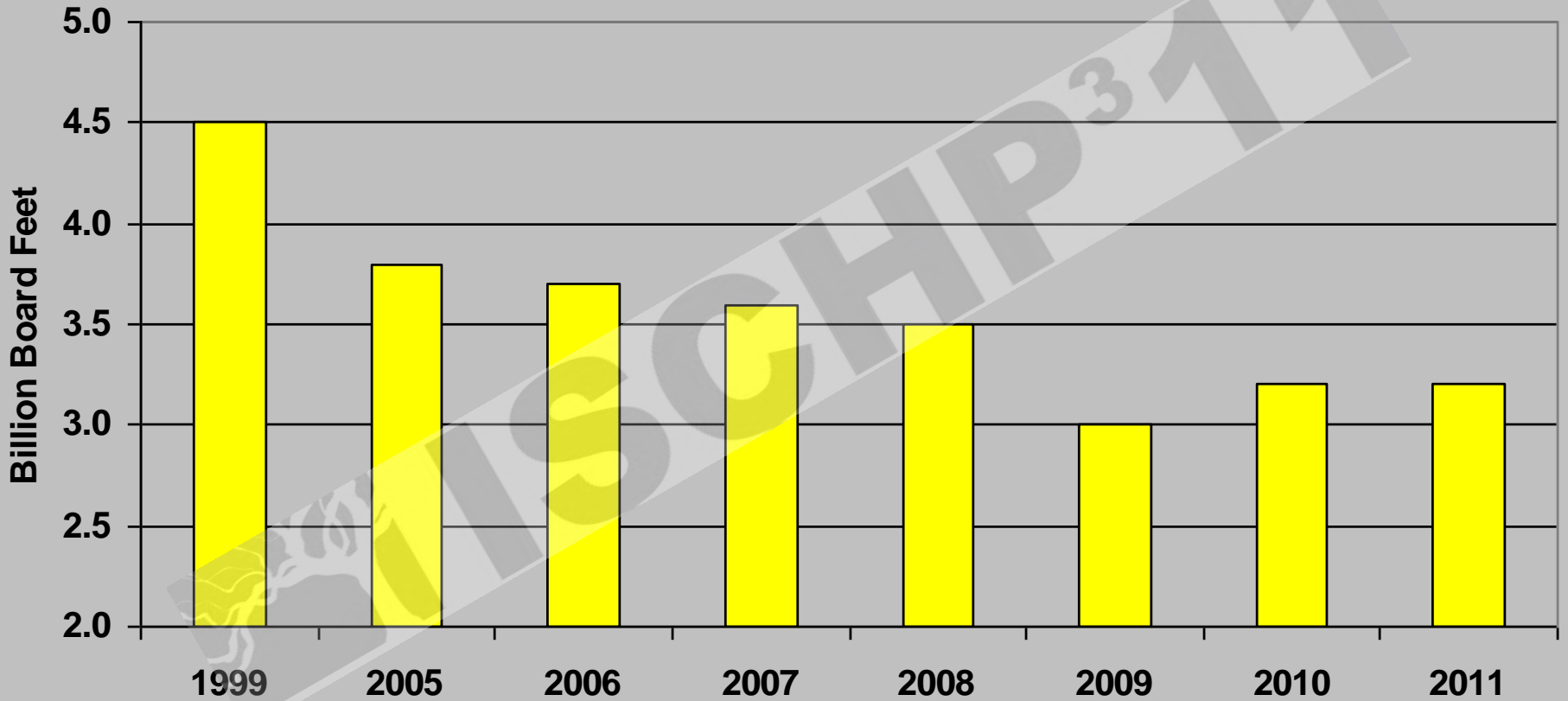
New Home Construction Starts, Completed Units, and Building Permits



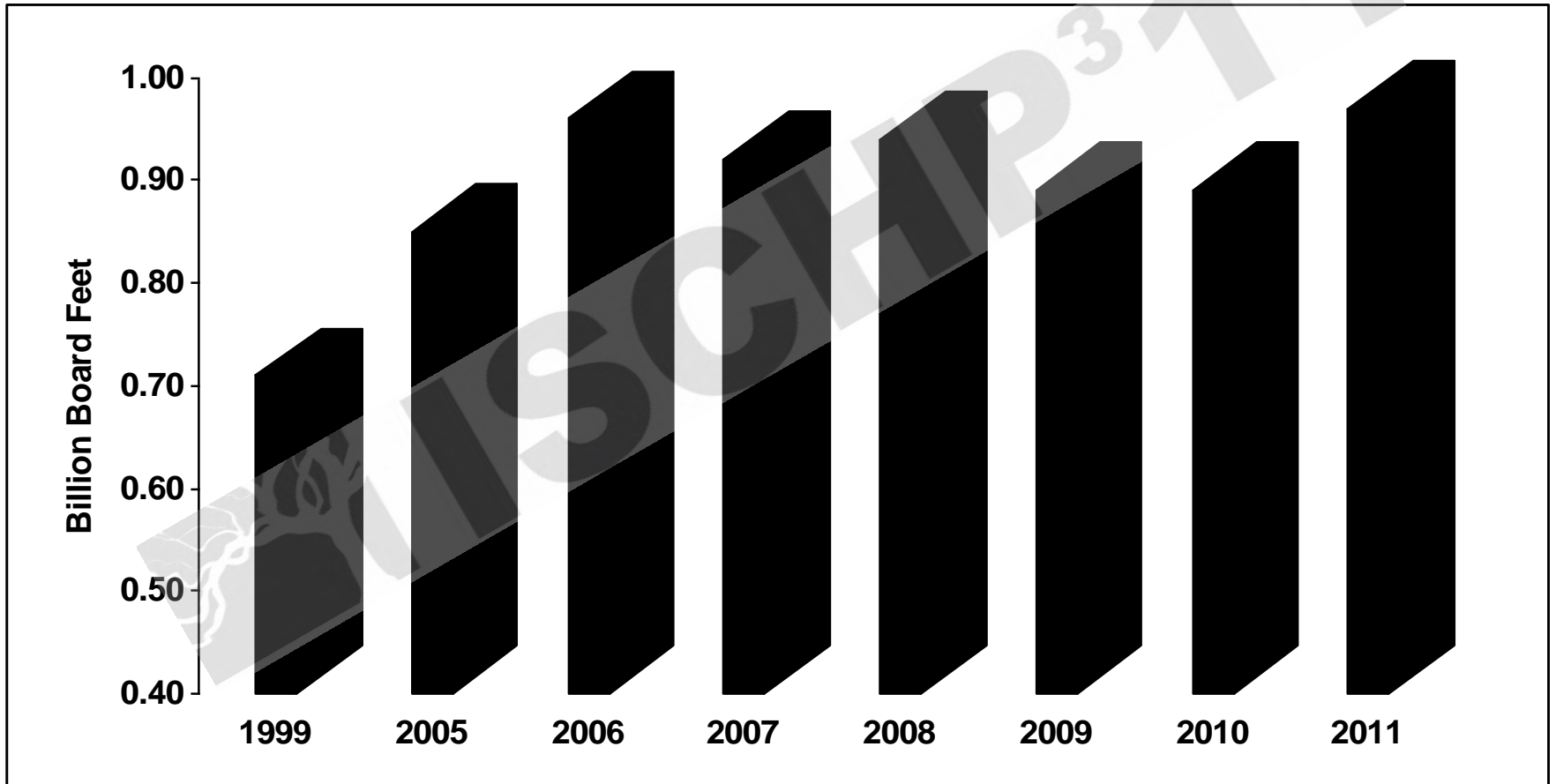
Source: US Census Bureau

Graph: HMR

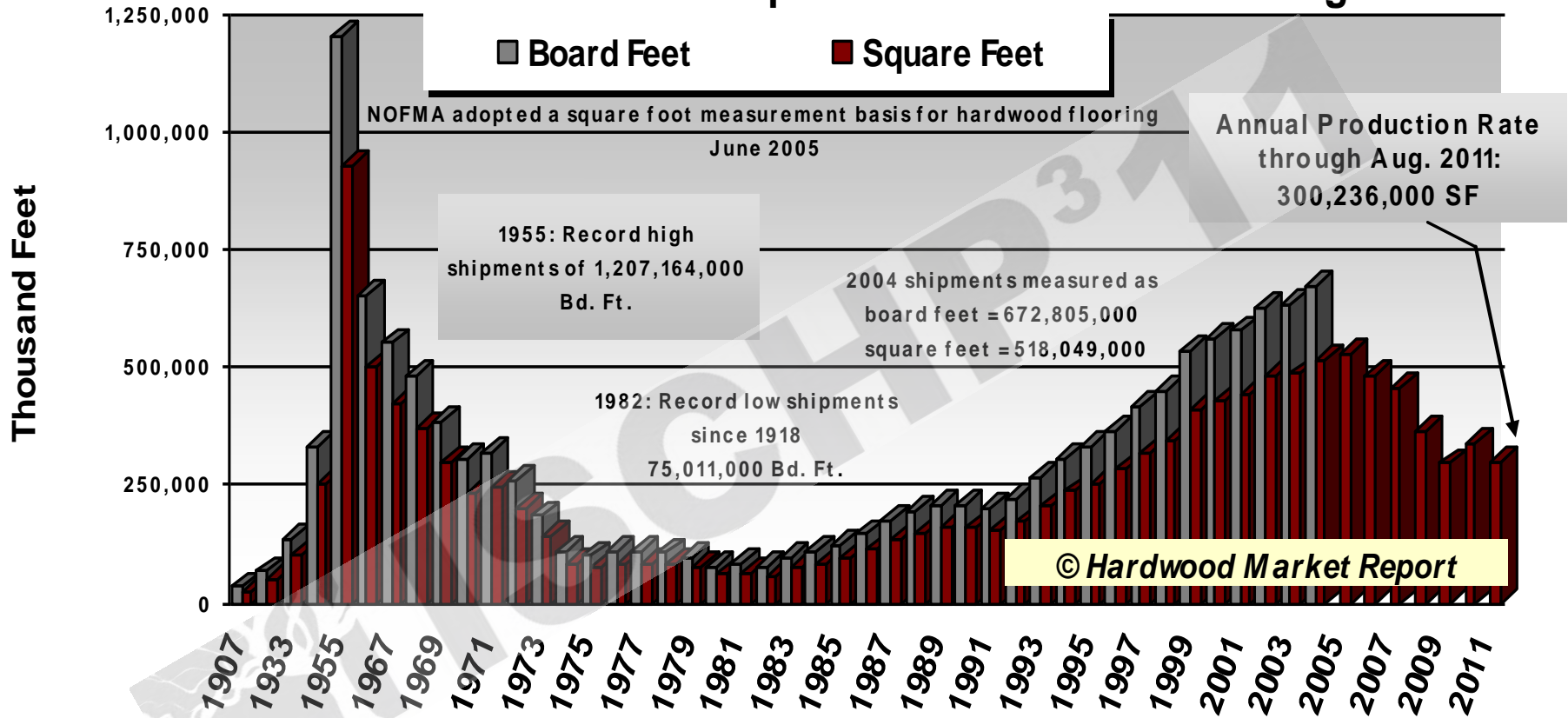
	1999	2005	2006	2007	2008	2009	2010	2011
Pallets	4.5	3.8	3.7	3.6	3.5	3.0	3.2	3.21



Railway	1999	2005	2006	2007	2008	2009	2010	2011
Ties	0.71	0.85	0.96	0.92	0.94	0.89	0.89	0.97



US Manufacturers' Shipments of Solid Wood Flooring



Source: NOFMA and Hardwood Market Report

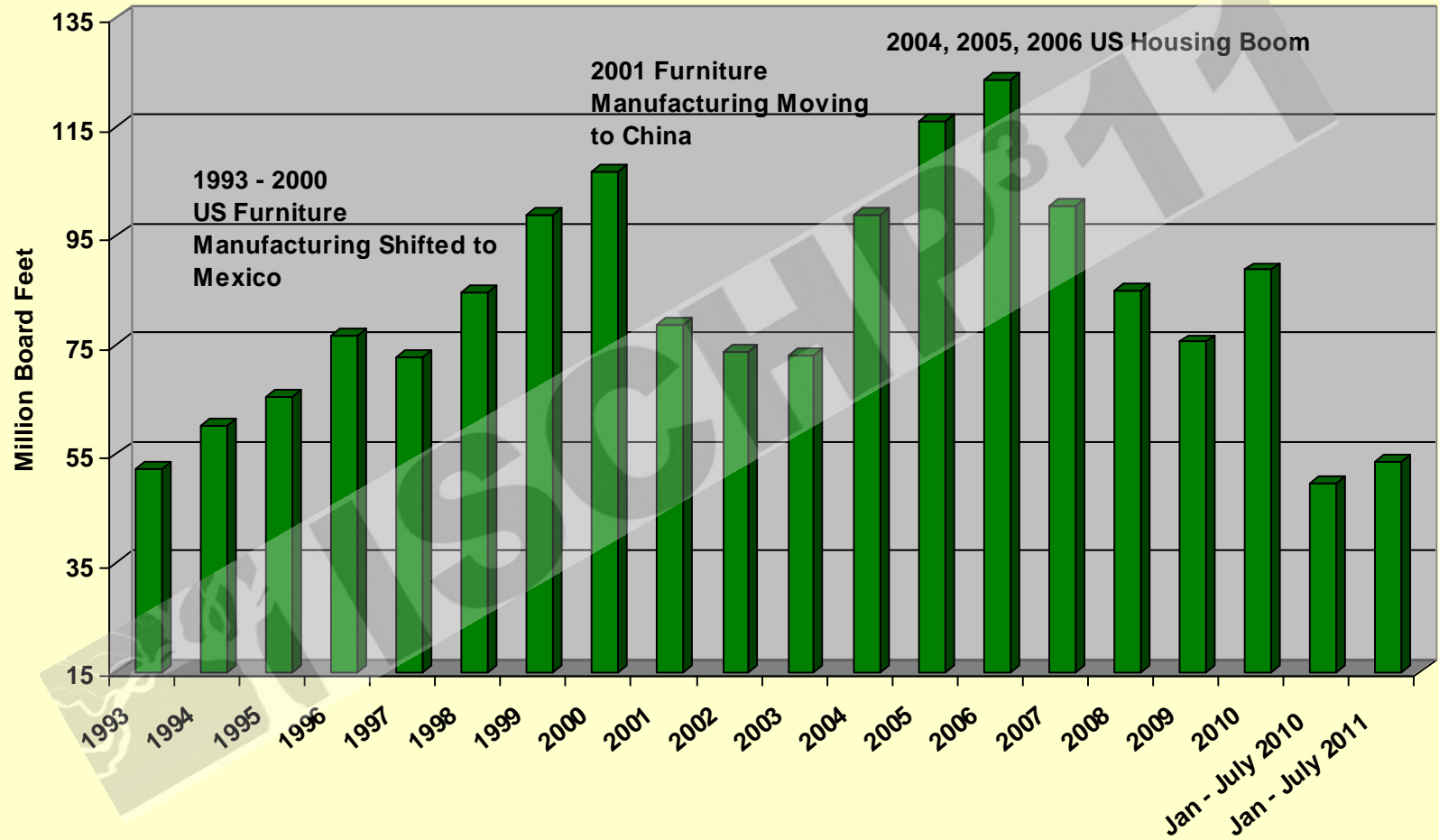
Graph: Hardwood Market Report

Export of North American Hardwoods

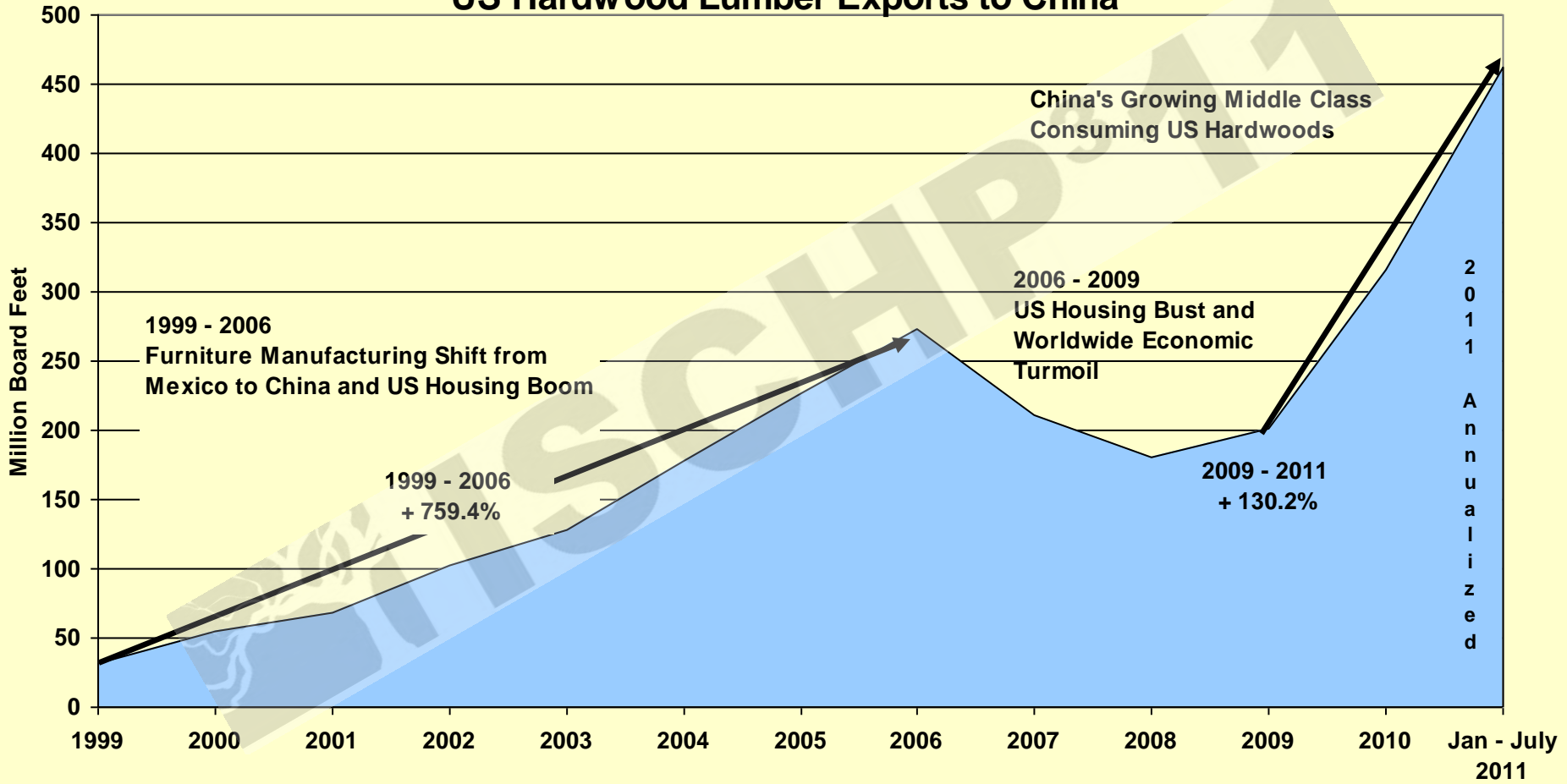
(source – Weekly Hardwood Review)

	2001	2011 (proj.)
• Total	1,200 MMBF	1,200 MMBF
• Canada	385	238
• China	160	450
• Vietnam	N/A	100
• Mexico	79	96
• Europe (top 3)	196	125
• **Spain	76	15

US Hardwood Lumber Exports to Mexico



US Hardwood Lumber Exports to China



Challenges Facing Hardwoods Future

- # 1 Narrow margins
- # 2 Custom orders
- # 3 Equipment/personnel depreciated
- # 4 Bad press – no promotion
- # 5 Housing (?)
- # 6 Pallets/Ties changing (?)
- # 7 World markets unreliable (?)



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George Soros, Billionaire

“I know I am bound to be wrong.....
and therefore am likely to correct my mistakes”

Hardwood Lumberman

“If I survived the last five years, I can survive anything”



MARK BARFORD, CAE

Executive Director
NHLA

- Remember the **past**
- Be realistic about the **present**
- Optimistic about the **future**



NHLA

STRONG ROOTS. GLOBAL REACH.

TURN OVER A NEW LEAF

JOIN THE CAMPAIGN TO SUPPORT AMERICAN HARDWOODS

Helping the industry sell more hardwoods.



American Hardwoods

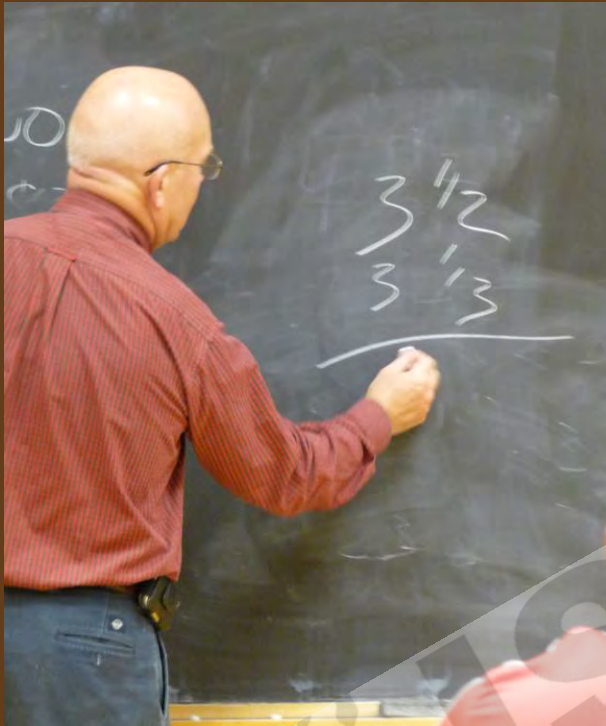
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Contact your industry association or email
americanhardwoods@gibbs-soell.com to learn how
you can build your business with American Hardwoods.



NATURAL BEAUTY - ENDURING VALUE - NO SUBSTITUTE





3-Day Spanish Lumber Grading Short Course

September 12-14, 2011 - NHLA Headquarters, Memphis

