

U.S. share of forest products declining globally

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Although the United States leads the world in production and consumption of forest products, the U.S. share of the global forest products market has declined precipitously since the 1990s.

The declines are a result of decreases in U.S. construction and paper manufacturing, according to a new study by U.S. Forest Service Southern Research Station (SRS) economists recently published in the *Journal of Forestry*. The study evaluated the extent of U.S. declines as compared with those of other major producing countries from 1961 to 2013.

The U.S. global share of industrial roundwood peaked at 28 percent in 1999. By 2013 it was 17 percent.

“The declines are related to a combination of cyclical factors and long-term trends,” says David Wear, SRS economist and lead author of the study. “The decline in solid wood products output is linked to low construction levels, while the decline in pulp, paper, and other wood products is connected to the offshoring of U.S. manufacturing and growth in electronic media.”

In the period from 1960 to 2000, an average of 1.5 million new homes were built in the U.S. each year. A return to this level would bring the U.S. share of the global forest products market back up to prerecession levels of 22 to 24 percent. Allowing wood to be used in taller and larger structures would further expand the market for wood products. Industry groups – as well as the White House Rural Council – are encouraging the use of wood in tall buildings.

However, long-term trends in general manufacturing and the paper market will probably keep the U.S. market share from returning to the peak level of 28 percent. In particular, the paper sector is unlikely to recover to its 1990 levels.

The findings indicate that although government and industry decision-makers are not powerless in the face of changes outside the sector, options for interventions to slow or reverse the declines in production are limited, and it seems unlikely that most long-run trends can be interrupted.

“However, the overall timber supply in the U.S. has grown in the last several decades,” says Wear. “In the longer run, the strong resource endowment and expanded timber supply could be the groundwork for growth of the U.S. market share.”