

CURRENT TRENDS

Vietnamese exports of wood and wood products declined 28% YTD through June 2023 to \$6.1 billion. Shipments to the US accounted for 54% of the first half total.



US imports of hardwood lumber from Myanmar have collapsed in 2023. Receipts averaged

51,833 BF per month in Q1, fell to 8,050 BF in April, and stopped altogether in May and June.

"Teak garden armchairs" by "DC" is licensed under CC BY-SA 4.0 unedited

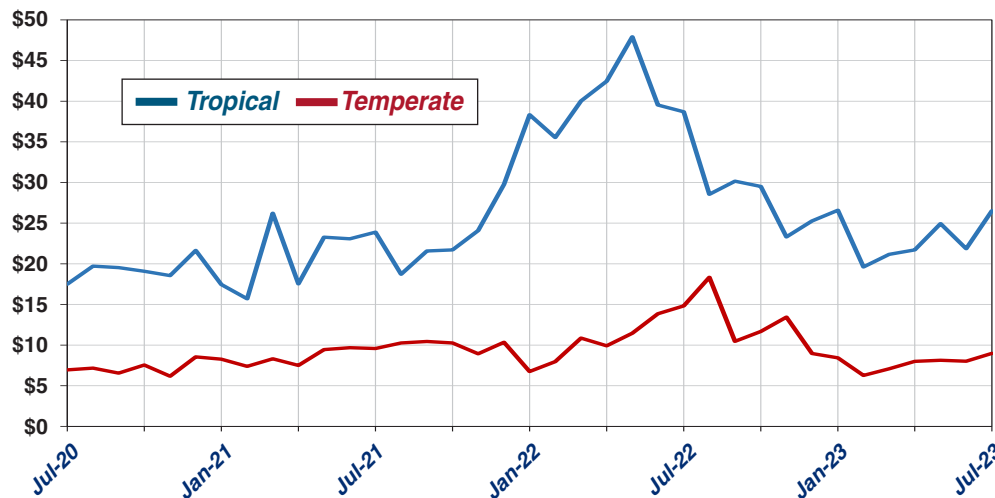
Lead Story: African Hardwood Supplies Tightening in North America

Reports from tropical hardwood lumber importers point out varied supply circumstances depending on the species in question. However, most of the conversations about tightening supplies and scarcities of particular items involve African species. US imports of tropical hardwood lumber from Africa were down 13% year-to-date through June; receipts this July were half that of last July; and contacts indicate volumes from Africa were low in August, too. Many loads are encountering long delays at West African ports. Moreover, increased port inspections in the US stemming from African Mahogany's recent inclusion in CITES Appendix II are further complicating trade for that species. At this point, African Spanish Cedar, Sipo/Utile, and many African Mahogany items are in limited availability in North America. Some distribution operations are well stocked with 4/4 Sapele, but

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Monthly US Import Values of Tropical and Temperate Hardwood Lumber

FROM NON-CANADIAN SOURCES | Million US Dollars



US Imports of Tropical Hardwood Lumber from Brazil

Tropical Value -43%
 Year-over-Year Jan. - Jul. 2023

Temperate Value -27%
 Year-over-Year Jan. - Jul. 2023

Source: US International Trade Commission
 Graph: HMR

Leading Tropical Species	– Board Feet –		Chg %	– Board Feet –		Chg %
	Jul-22	Jul-23		YTD 2022	YTD 2023	
Sapele	2,109,179	889,770	-58%	9,360,804	7,483,389	-20%
Keruing	1,054,589	789,777	-25%	6,402,531	7,439,325	+16%
Ipé	1,434,225	1,098,230	-23%	14,146,496	6,024,590	-57%
Genuine Mahog.	206,766	407,599	+97%	3,008,270	2,558,301	-15%
African Mahog.	854,603	124,568	-85%	4,148,870	1,953,257	-53%
Spanish Cedar	59,742	267,355	+348%	1,216,866	1,516,422	+25%
Balsa	145,753	431,750	+196%	1,445,241	1,441,004	0%
Meranti	249,559	154,651	-38%	2,373,144	1,203,732	-49%
Teak	155,922	124,568	-20%	1,075,351	656,311	-39%
Virola/Imbuia	492,339	298,285	-39%	1,735,475	605,467	-65%
Andiroba/Padauk	63,131	13,982	-78%	462,680	285,998	-38%
Iroko	129,229	3,390	-97%	487,679	183,886	-62%
Jatoba	193,207	55,081	-71%	605,891	166,514	-73%
Aniegre	2,119	0	-100%	20,338	0	-100%
Tropical Total*	9,998,473	7,664,309	-23%	75,761,373	47,704,383	-37%

Leading Temperate Species	– Board Feet –		Chg %	– Board Feet –		Chg %
	Jul-22	Jul-23		YTD 2022	YTD 2023	
Beech	3,859,907	2,497,288	-35%	18,032,672	13,639,750	-24%
White Oak	692,326	1,227,035	+77%	4,952,629	5,658,514	+14%
Baltic/Russ. Birch	656,735	146,600	-78%	3,312,063	2,589,654	-22%
Birch (other)	683,852	241,085	-65%	1,907,074	1,030,015	-46%
Alder	0	0	--	12,287	628,771	+5017%
Pop/Aspen/Ctnwd	63,979	27,964	-56%	216,511	440,648	+104%
Temperate Total*	11,063,231	6,323,299	-43%	54,952,619	39,704,927	-28%

Leading Countries	– Board Feet –		Chg %	– Board Feet –		Chg %
	Jul-22	Jul-23		YTD 2022	YTD 2023	
Brazil	4,978,475	3,108,687	-38%	32,804,973	17,151,800	-48%
Germany	3,486,627	2,505,762	-28%	17,690,746	13,493,998	-24%
Malaysia	1,173,225	814,775	-31%	7,243,999	7,363,906	+2%
Indonesia	1,741,407	1,365,585	-22%	21,579,465	6,758,015	-69%
Uruguay	1,225,764	637,245	-48%	5,834,349	4,925,089	-16%
Cameroon	1,731,662	459,715	-73%	7,710,069	4,721,289	-39%
Congo (ROC)	1,131,279	460,138	-59%	5,394,548	3,507,389	-35%
China	904,600	686,818	-24%	5,221,255	3,440,868	-34%
France	605,891	185,581	-69%	2,621,008	3,052,759	+16%
Congo (DROC)	11,016	380,059	+3350%	288,116	2,177,818	+656%
World Total*	21,061,703	13,987,608	-34%	130,713,992	87,409,310	-33%

*Data in tables exclude Canada

Source: US International Trade Commission

Market Commentary cont'd

industry wide inventories are not high.

Ipé decking is one of the few tropical hardwood items for which inventories are elevated. But, even in that case, supply and demand appear to be approaching equilibrium. Conversely, supplies of Teak, Genuine Mahogany, and South American Spanish Cedar are low. Some importers of Brazilian hardwood lumber and decking expect subdued sawmill production this fall and winter due to lackluster worldwide demand and lower prices for some species compared to the last few years.

"Importers, distribution yards, and end users in several sections of the US and Canada report that large commercial construction projects are still being started ..."

Tropical Hardwood Demand

North American markets for wood raw materials, building products, and finished goods often slow in late summer due to vacations and holidays, then rebound by the start of fall. Sales for some tropical hardwood importers and distributors eased in July and August, but no more than is normally the case. Most are satisfied with order bookings for the weeks ahead.

Solid activity in the commercial construction sector is helping to sustain tropical hardwood demand. Importers, distribution yards, and end users in several sections of the US and Canada report that large commercial construction projects are still being started despite relatively high interest rates and sluggish performances by both economies.

[continue](#)

Sel&Btr (Net)

Spanish Cedar (African stock)

4/4	4225	(4015-4450)
5/4	4250	(4040-4475)
6/4	4275	(4065-4500)
8/4	4300	(4090-4525)

Ipé

4/4	6150	(5750-6500)
5/4	6200	(5800-6550)

Jatoba

4/4	4640	(4190-4940)
5/4	4690	(4240-4990)
8/4	4750	(4325-5075)

African Mahogany (Cameroon/Ghana stock)

4/4	3850	+50	(3700-4100)
5/4	3875	+50	(3725-4125)
6/4	3900	+50	(3750-4150)
8/4	3925	+65	(3775-4175)

Sel&Btr (Net)

Genuine Mahogany (South/Central American stock)

4/4	6825	(6450-7250)
5/4	6925	(6550-7325)
6/4	6965	(6590-7365)
8/4	7000	(6625-7400)

Sapele

4/4	3850	+50	(3700-4150)
5/4	3900	+50	(3725-4175)
6/4	3925	+50	(3750-4200)
8/4	3950	+50	(3775-4225)

Sipo/Utile

4/4	4440	+50	(4140-4675)
5/4	4460	+50	(4160-4695)
6/4	4480	+50	(4180-4715)
8/4	4500	+50	(4200-4735)

Prices are in US dollars per thousand board feet for kiln dried lumber measured after kiln drying ("net tally"), FOB US or Canadian import yard. Prices are presented only as a guide.

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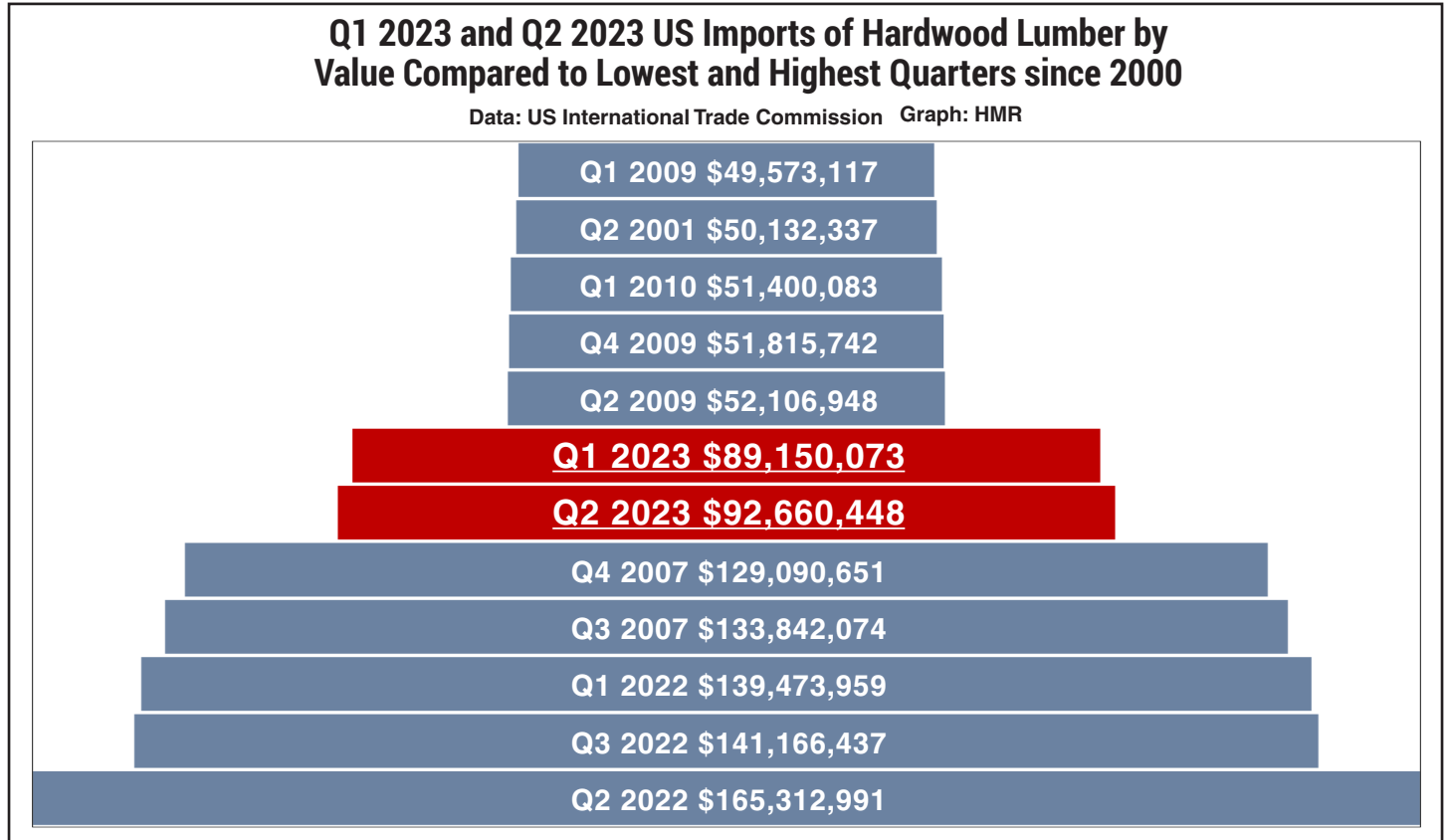
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Sapele: 4/4, 5/4, 8/4, 10/4	BILING	KEVAZINGO	EBIARA	MOUVIGUI
Padauk: 8/4	ANDOUNG	DABEMA	BOMANGA	OKAN
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EKKI/AZOBE	OKOUME	AFRICAN MAHOGANY	BELI ROUGE	

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Figure 1



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Market Commentary cont'd

Looking at the residential side of business, importers report solid demand from the moulding sector, driven mostly by high-end residential construction and remodeling activity. Markets for tropical hardwood decking and other exterior products are quieter than during the last couple of years but are actually not bad from an historical perspective.

form well. Activity was solid earlier in the year. However, a spring/summer upturn in imports from Africa along with a large increase in year-to-date receipts from South America have given importers more to sell. Markets are readily absorbing the additional volume and are seeking even more volume. Prices for African Spanish Cedar are firming but are well represented by the current listings and ranges.

"Among the most notable statistics in the import data tables on page 2 is the paltry amount of African Mahogany that entered the US this July – only 124,568 BF."

(See page 3 for price listings and prevailing ranges for Spanish Cedar and six other imported species.)

Ipé

Most Ipé entering North America has already been manufactured into decking in Brazil and other source countries before it arrives here. After the surge in Ipé decking imports last year, markets are adequately supplied despite much lower receipts this year. In contrast, Ipé lumber inventories are very thin but sufficient to meet

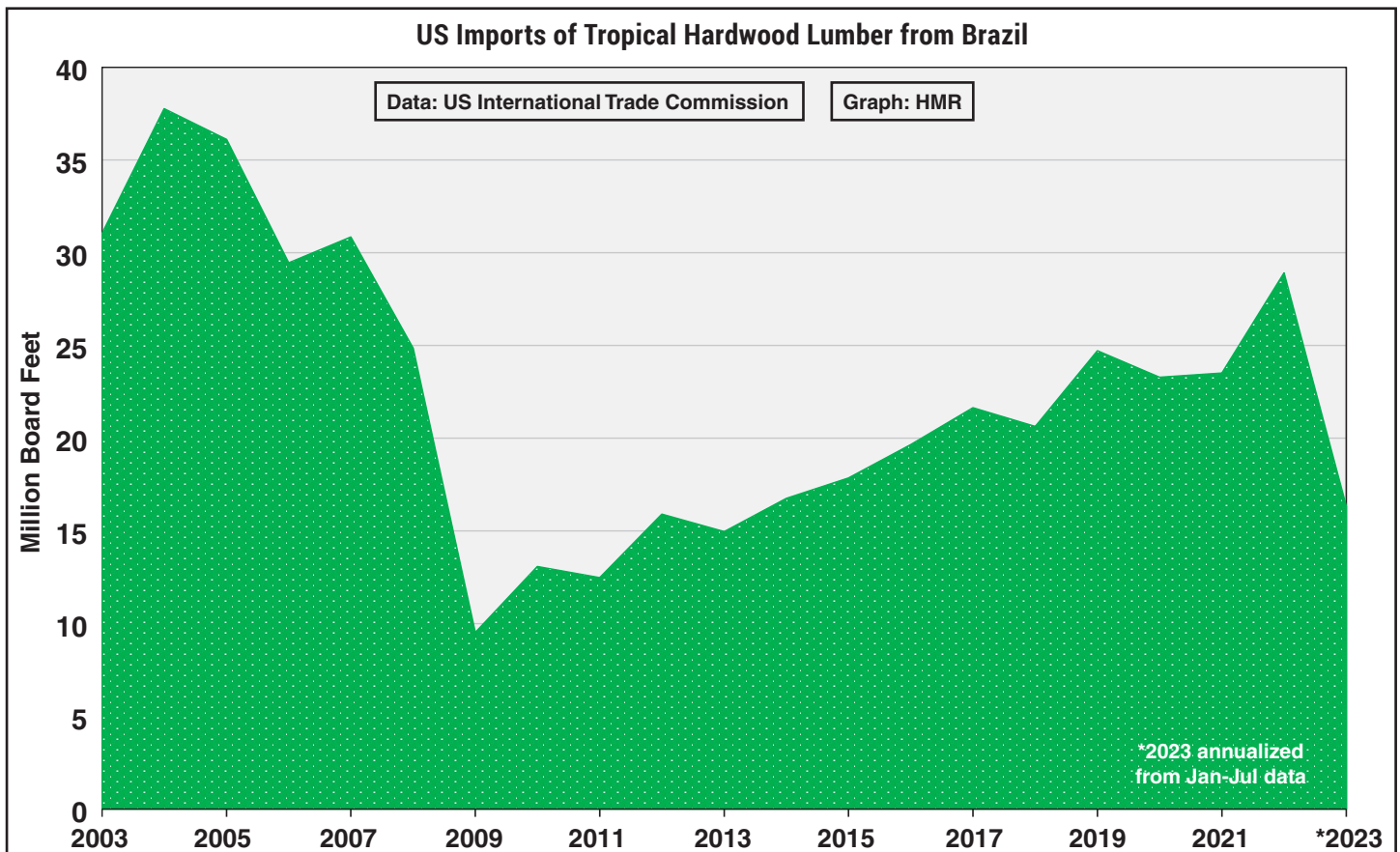
Species Trends

Spanish Cedar

Eastern US markets for Spanish Cedar continue to per-

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Figure 2



Market Commentary cont'd

the market's modest needs. Reported prices for Ipé lumber are wide ranging – including information above and below the ranges – but do not warrant any changes to the published 4/4 or 5/4 figures.

Jatoba

During the first eight months of 2023, demand for Jatoba in the US and Canada was lackluster, at best. Prices consistently trended lower. Notably, pricing reported this month shows a mix of upward and downward movement, including increases for some sales operations that were lowering prices a month ago. Sales contacts have seen little, if any, improvement in demand. However, inventories have been contracting for months due to limited shipments from South America. For now, all the listings and ranges remain intact.

African Mahogany

Among the most notable statistics in the import data tables on page 2 is the paltry amount of African Mahogany that entered the US this July – only 124,568 BF. This

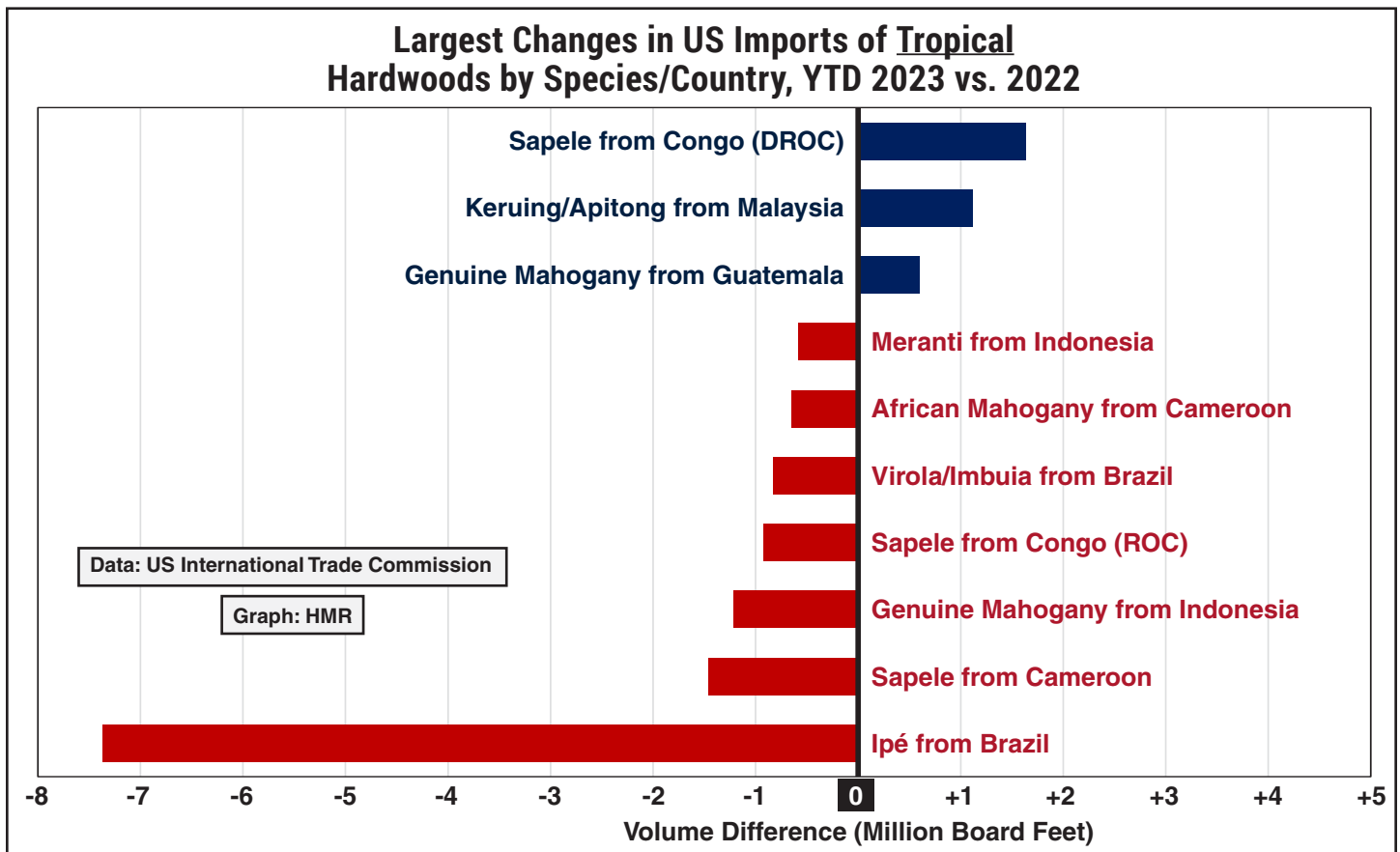
was 85% below July 2022 volume and the lowest one-month total since recordkeeping began for this species in 2006. What is more, year-to-date imports through July lagged last year by 53%. African Mahogany's elevation to CITES Appendix II effective February 23rd is among the leading causes of the sharp decline in imports. Not only are importers having more difficulty sourcing the species in Africa, but they are also encountering more frequent delays at US ports due to stepped up inspections. Most thicknesses and grain selections are now in relatively low supply, particularly 5/4. Higher reported prices lift all the published African Mahogany figures in this issue.

Genuine Mahogany

Market conditions for this species have not changed much in the past 30 days. Architects and designers are specifying Genuine Mahogany in certain high-end residential and commercial moulding and millwork projects, but overall consumption is relatively low. Importers

[continue](#)

Figure 3



Market Commentary cont'd

report lengthy delays in shipments of stocks ordered from suppliers in Central America, South America, and Mexico. Many are very low or completely out of inventory. Previous increases have all the South/Central American Genuine Mahogany listings and ranges in order.

"Unlike many other secondary wood products manufacturers in the US, producers of truck trailer flooring have been busy all year."

Sapele

Demand for Sapele continues to outpace that of other tropical hardwood species in the US. Sales contacts indicate orders for prompt shipment dipped slightly prior to Labor Day, but most have good order files for the rest of September. Most import yards have more Sapele than African or Genuine Mahogany in inventory, but supplies are not excessive, and some items are scarce, like 5/4. Several are also low on 8/4, which is unusual because African mills typically produce as much 8/4 as possible.

However, they have reportedly been cutting less this year. All of the Sapele listings and ranges notch gains this month.

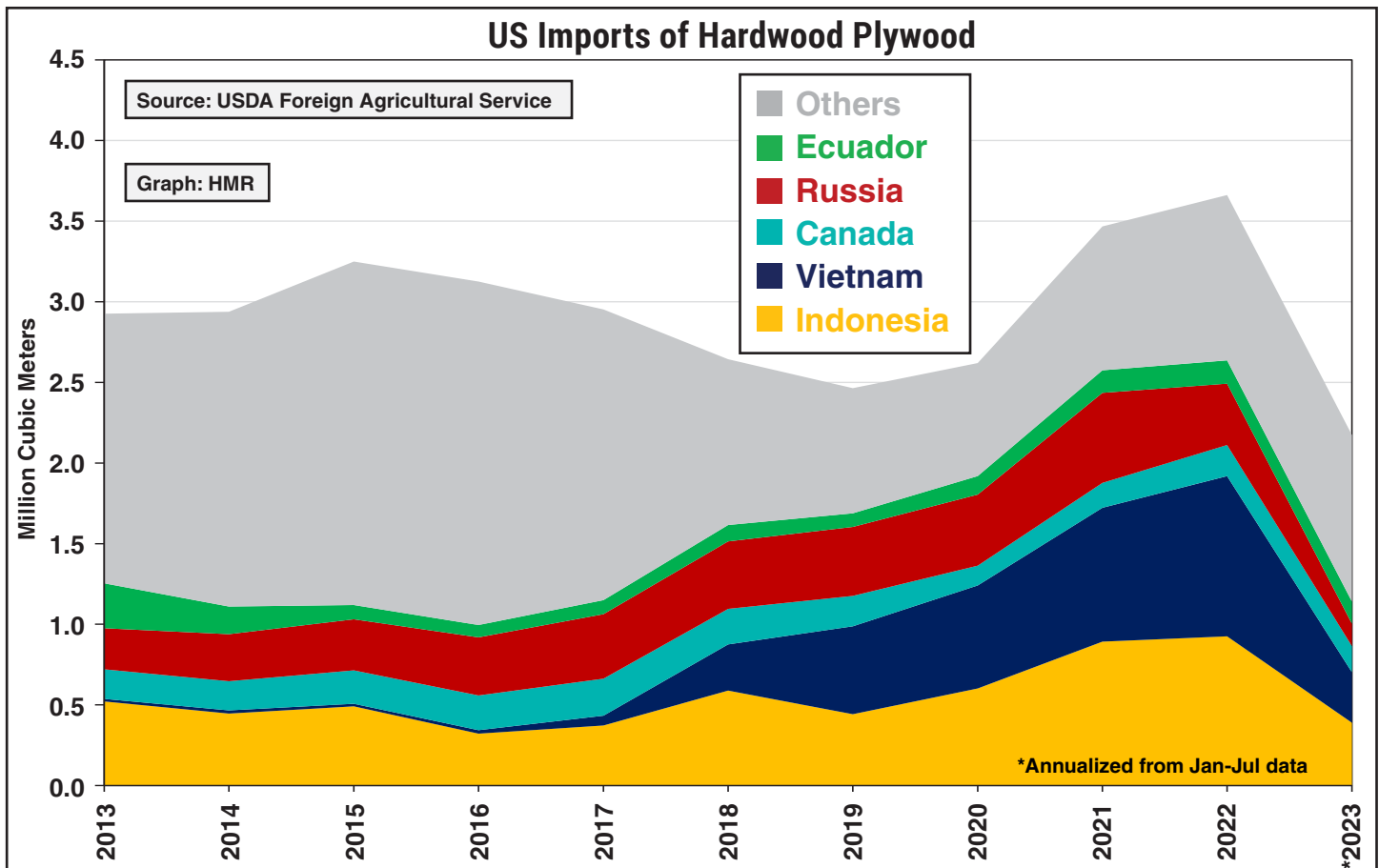
Sipo/Utile

This species is far less prevalent than Sapele and African Mahogany in African forests. As such, importers have been struggling to procure more volume in response to good demand from their customers. Those that have it to offer indicate sales are brisk and prices are firm to rising. All of the Sipo/Utile figures advance.

Other Tropical Species

Longtime importers of Teak indicate demand is holding up well. However, many have adopted a more conservative inventory position, either by choice or because supplies have contracted. Some have stopped importing the species altogether, while others are shifting to non-Burmese sourcing when possible.

[continue](#)



Market Commentary cont'd

Unlike many other secondary wood products manufacturers in the US, producers of truck trailer flooring have been busy all year. This includes companies that use Keruing/Apitong to make floors. As such, it is not surprising that, unlike many species imported from Southeast Asia, US imports of Keruing/Apitong have increased in 2023, rising 16% on the year through July. Contacts report no letup in demand during the last 30 days.

Temperate Species

US imports of most leading non-Canadian temperate species have fallen sharply this year. As noted in previous issues, this is partly a function of ample supplies of competing North American woods, such as Hard Maple, Soft Maple, and Birch.

Reports about European Beech activity continue to vary regionally, with demand steady in the Western US and Canada, but sluggish elsewhere. Demand for Baltic/Russian/Chinese Birch is slow. Meanwhile, European White Oak lumber and flooring components are moving at a decent pace, helped somewhat by tight North American White Oak supplies. Comments from importers that offer South American Eucalyptus are mixed. Markets in the Southeast are reportedly performing best. Some are offering Eucalyptus decking and indicate it is being received well.

"Despite the month-over-month increases, July 2023 and year-to-date 2023 imports of both tropical and temperate species were well below 2022 levels."

Trade Data

US imports of tropical hardwood lumber from non-Canadian sources edged up 1% in July over June to 7.7 MMBF. During the same period, temperate receipts rose 4% to 6.3 MMBF. Despite the month-over-month increases, July 2023 and year-to-date 2023 imports of both tropical and temperate species were well below 2022 levels (**see tables on US imports of hardwood lumber by species and country on page 2**).

As noted in the species comments section earlier, Afri-

can Mahogany imports to the US have declined sharply this year, including record low receipts in July. Looking at other species, July imports of Sapele were down 28% from the prior month and 58% from July 2022. Conversely, Balsa receipts climbed 44% for the month and 196% over last July. Also, more than four times as much Spanish Cedar reached the US this July than in July 2022.

In the temperate category, Beech imports were 35% lower this July than last, with year-to-date shipments trailing the 2022 pace by 24%. Meanwhile, imports of Baltic/Russian Birch have tumbled after a strong start this year. Compared to 2022 levels, January/February volume was 955,444 BF higher in 2023. However, March through July shipments were 1,677,852 BF lower this year than in 2022.

"One longtime importer reported steady demand for Ipé decking but said there is 'more chatter about alternatives than ever before.'"

Decking Markets

Most importers and distributors describe North American markets for tropical hardwood decking as flat. As one sales contact commented, customers are not feeling any pressure to buy decking since most items are in adequate to ample supply. Reports also suggest that importers are not being very assertive with purchases from their suppliers, particularly Brazilian suppliers. Some do not want to take a strong inventory position given the sluggish rate of business this year, and many believe availability will not be a problem given that European demand is relatively slow.

One longtime importer reported steady demand for Ipé decking but said there is "more chatter about alternatives than ever before." Another contact agreed with that assessment and indicated that Garapa and Massaranduba are the most frequently mentioned alter-

[continue](#)

Market Commentary cont'd

natives. The future implementation of CITES Appendix II documentation requirements in Brazil – now slated to go into effect on November 25, 2024 – is driving much of the exploration into other decking species.

Hardwood Plywood Imports

US imports of hardwood plywood were at a 15-month high of 354,292 m³ in July. Receipts from leading sources Indonesia and Vietnam were at the highest levels

for any month so far in 2023. Total year-to-date imports were down 51% through June, but the deficit rolled back slightly to 43% through July.

Broadly speaking, US markets are still adequately supplied with domestic and imported plywood, according to the majority of importers, distributors, and end-users surveyed this month. 

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