

Congress of the United States

Washington, DC 20510

June 23, 2022

The Honorable Tom Vilsack
U.S. Department of Agriculture
1400 Independence Ave. SW
Washington, D.C. 20510

Dear Secretary Vilsack:

Agricultural exports, specifically logs and wood chips, have grown significantly over the two past decades as an increasingly important component of the agriculture industry. According to the U.S. International Trade Commission (USITC), forestry products are now the third leading U.S. agriculture sector after soybeans and corn.¹ However, the United States is now being deprived of billions worth of export opportunities annually due to unworkable fumigation requirements. We have been hearing from our constituents, including log and wood chip exporters, as well as the fumigation industry, who have been significantly impacted by sanitary and phytosanitary non-tariff market barriers in the European Union (EU) and China to U.S. agricultural exports.

Given the recent restrictions on logs from Russia and growing demand for sustainably sourced raw wood in the EU, U.S. log and wood chip exports have an opportunity to increase supply to the marketplace but are currently prevented from accessing the market. The EU phased out the use of use of methyl bromide to fumigate U.S. log and wood chip imports. Although fumigation with sulfuryl fluoride is considered an equally effective substitute and used throughout the EU as well as for EU log exports, the EU has not approved its use for U.S. products. The alternative method, heat treatment, is becoming increasingly accepted in the EU, but it is not scalable.

This trade barrier leaves U.S. log and chip exporters without a commercially viable fumigation option, dramatically undercutting our farmers' exports and causing job losses across the United States. The impacts have been felt most in rural communities in states across the country such as Georgia, Pennsylvania, North Carolina, Ohio, Wisconsin, Michigan, and West Virginia. In 2019, total employment in North Carolina's sector dropped 1.6 percent.² In 2020 Georgia's forest industry saw a 2.5 percent decrease in employment, its first decrease in over ten years.³

Market conditions now require a strong focus on market access advocacy. Our constituents have been working diligently with technical experts from the U.S. Department of Agriculture (USDA)

¹ Muhammad, Andrew. "The US Timber Industry Has Been Crippled by Double Whammy of Trade War and Covid-19." *Quartz*, Quartz, 20 Nov. 2020, <https://qz.com/1934494/us-timber-industry-has-been-crippled-by-trade-war-and-covid-19/>.

² Parajuli, Rajan, and Robert Bardon. "Economic Contribution of the Forest Sector in North Carolina, 2019." *NC State Extension Publications*, 30 Apr. 2021, <https://content.ces.ncsu.edu/economic-contribution-of-the-forest-sector-in-north-carolina>.

³ 2020 Economic Benefits of the Forest Industry in Georgia. Enterprise Innovation Institute. Georgia Institute of Technology, December 2021

Animal and Plant Health Inspection Service (APHIS) to provide data and attempt to initiate pilot programs for exports to the EU. However, in order to be successful, we request that APHIS elevates and addresses these barriers head-on in their bilateral discussions with the EU.

This same barrier exists for exports to China, which allows the EU, Canada, and other international competitors to treat logs exported to China with sulfuryl fluoride, but log shipments from the U.S. require methyl bromide treatment. Further exacerbating this issue, individual U.S. states are now adopting varying regulatory approaches to eliminating or restricting methyl bromide use. The economic impact has been devastating. U.S. hardwood exports to China, as one example, fell by 40 percent in 2019, resulting in losses to U.S. hardwood exporters of \$153 million per quarter.⁴

USITC data reveals that the value of U.S. exports of lumber declined by \$277 million (9.4 percent) to \$2.7 billion in 2020—the fourth straight year of decline.⁵ In part due to these restrictions, the forestry industry lost an estimated \$1.1 billion in 2020. The University of Tennessee Institute of Agriculture found that the restrictions and resulting loss of income have had the largest impact on the South as well as northeast.⁶ This is significant due to the elevated economic importance of forestry for rural communities. Georgia’s forest industry provided roughly \$39.1 billion in economic output, while in Pennsylvania and North Carolina, this industry provides roughly \$36 billion and \$35 billion in total economic output for the states, respectively.⁷

Current international market restrictions, and unnecessarily trade-restrictive measures that are not science-based, are negatively affecting U.S. exporters as well as upstream and downstream jobs. Given the critical nature of these barriers, we urge you to prioritize the acceptance of sulfuryl fluoride as an accepted alternative to methyl bromide in U.S. export markets for logs and wood products.

We look forward to your swift response to the concerns outlined above.

⁴ Buxbaum, Peter. *China Trade and Covid-19: A One-Two Punch Hitting Us Hardwood Producers*. American Journal of Transportation, 26 May 2020, <https://ajot.com/premium/ajot-china-trade-and-covid-19-a-one-two-punch-hitting-us-hardwood-producers>.

⁵ “Forest Products.” USITC, https://www.usitc.gov/research_and_analysis/tradeshifts/2020/forest.htm#_ftnref21.

⁶ Muhammad, Andrew. “The US Timber Industry Has Been Crippled by Double Whammy of Trade War and Covid-19.” *Quartz*, Quartz, 20 Nov. 2020, <https://qz.com/1934494/us-timber-industry-has-been-crippled-by-trade-war-and-covid-19/>.

⁷ PA: Pennsylvania Hardwoods Development Council. *State of the Forest Products Industry in Pennsylvania 2020*. Pennsylvania Department of Agriculture, 3 Oct. 2020, https://www.agriculture.pa.gov/Business_Industry/HardwoodDevelopmentCouncil/Documents/2020%20State%20of%20the%20Industry.pdf.

NC: Parajuli, Rajan, and Robert Bardon. “Economic Contribution of the Forest Sector in North Carolina, 2019.” NC State Extension Publications, 30 Apr. 2021, <https://content.ces.ncsu.edu/economic-contribution-of-the-forest-sector-in-north-carolina>.

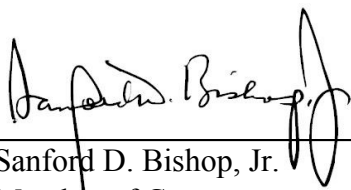
Sincerely,



David Scott
Member of Congress



Glenn "GT" Thompson
Member of Congress



Sanford D. Bishop, Jr.
Member of Congress



Earl L. "Buddy" Carter
Member of Congress



A. Drew Ferguson IV
Member of Congress



Alma S. Adams, Ph.D.
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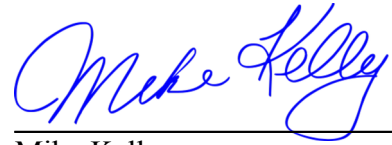
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