

Exporting Alabama's Forest Products

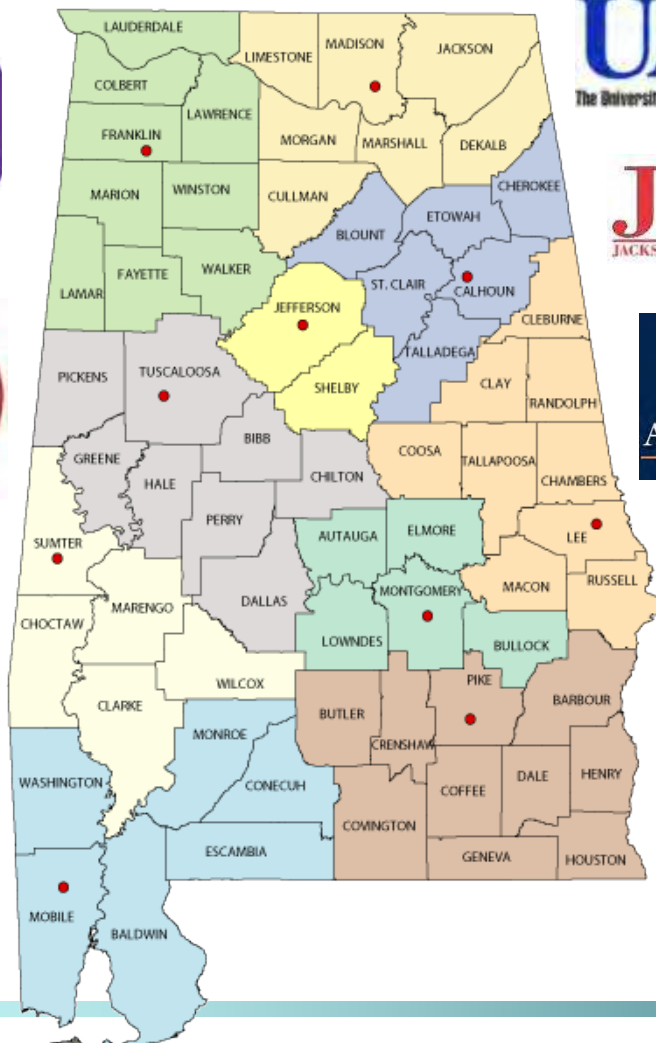


THE UNIVERSITY OF
ALABAMA



Alabama SBDC Network

Strengthening Alabama's Economy. One Small Business at a Time



EXPORT ALABAMA



Alabama
Development
Office



U.S. Chamber of Commerce,
Washington, D.C.



NAITA
North Alabama International Trade Association



U.S. COMMERCIAL SERVICE
United States of America
Department of Commerce



Excuses

- We're too small to export.
- “We got burned in the past”
- “Everybody I know lost their shirt exporting”
- Getting paid is a problem
- Foreign Language fluency required
- Paperwork is too complex
- Fear of the unknown



Myth: Exporting is Easy

- Or...Exporting is Difficult
 - It is not that easy.
 - It is not that difficult.
 - It does require time, effort, and resources.



Myth: Profit Margins are Larger

- For most products, No!
 - Cutting Edge?
 - Unique?
 - Limited Supply?
- About the same as domestic margins.



Myth: Can anyone export?

- Yes....Probably.
 - There is probably a market for your product or service somewhere other than the U.S.
- But, not everyone can take a proactive, long-term approach
 - Resources, commitment, competitive product



Benefit: Greater Profitability Over Time

- Export vs. Non-Export
 - Sales Growth and Profit
 - Faster Future Projected Sales
- Increased Total Market
 - Increased potential customers
 - Increased production
 - Better use of capacity, more efficient



Benefit: Diversification

- Extend the lifecycle of products
- Counter economic cycles in the U.S.
- Recession-proofing
- For seasonal products, maintain level production throughout the year

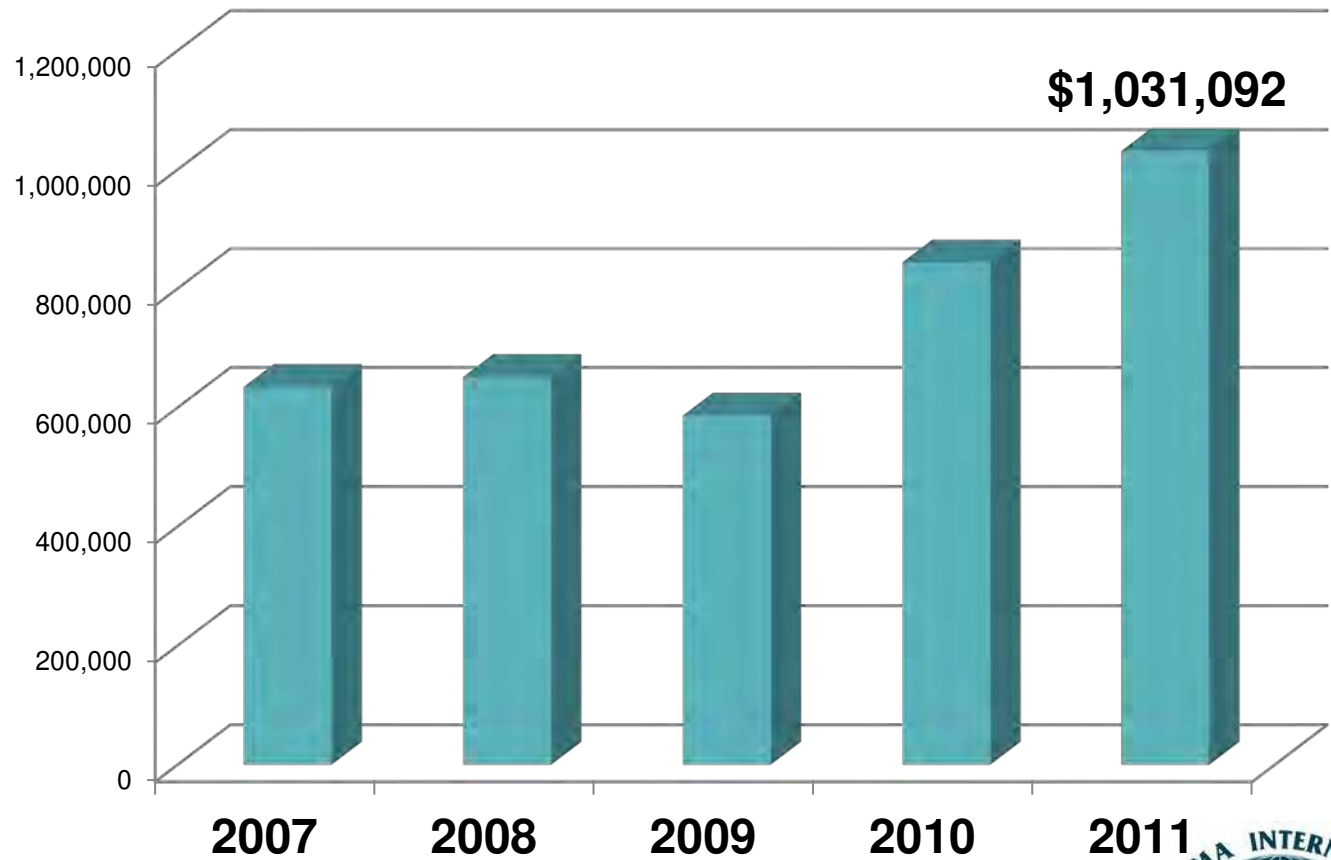


US LUMBER EXPORTS

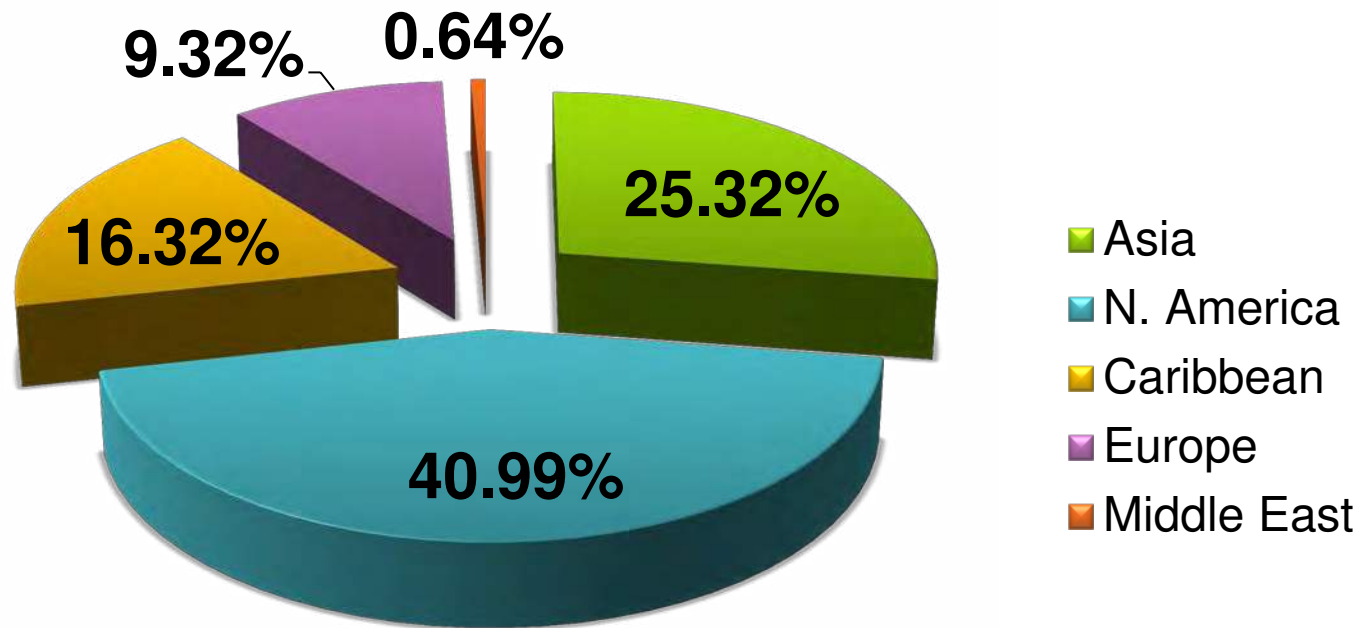
- Softwood



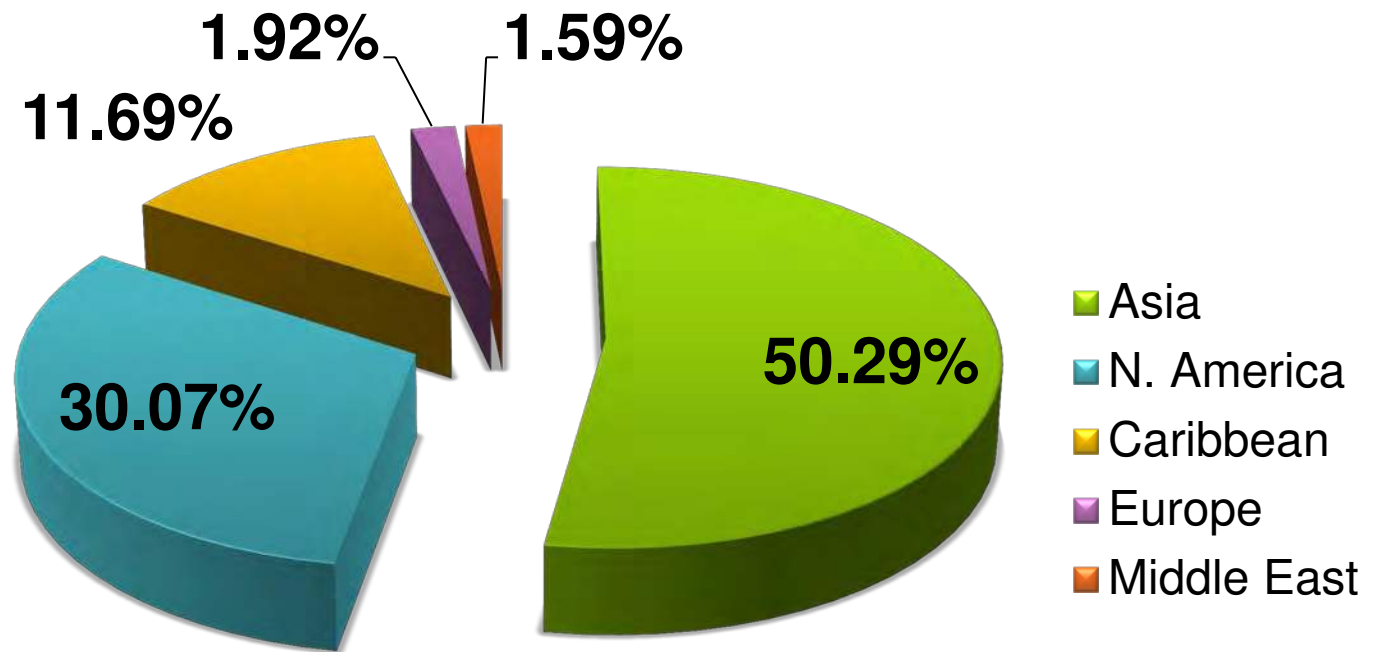
Total US Softwood Lumber Exports



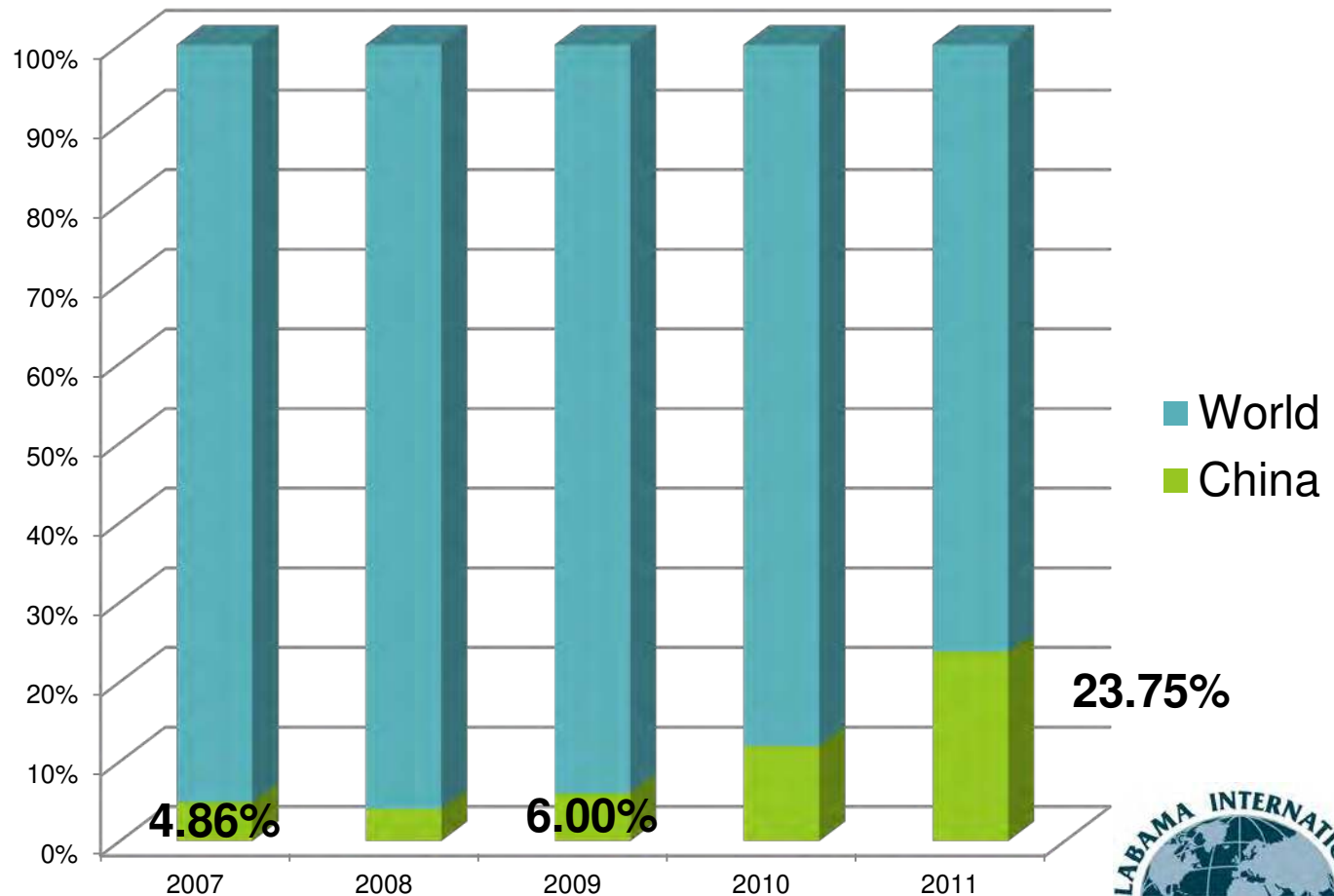
US Exports of Softwood Lumber 2007



US Exports of Softwood Lumber 2011



US Softwood Exports: China vs. the World

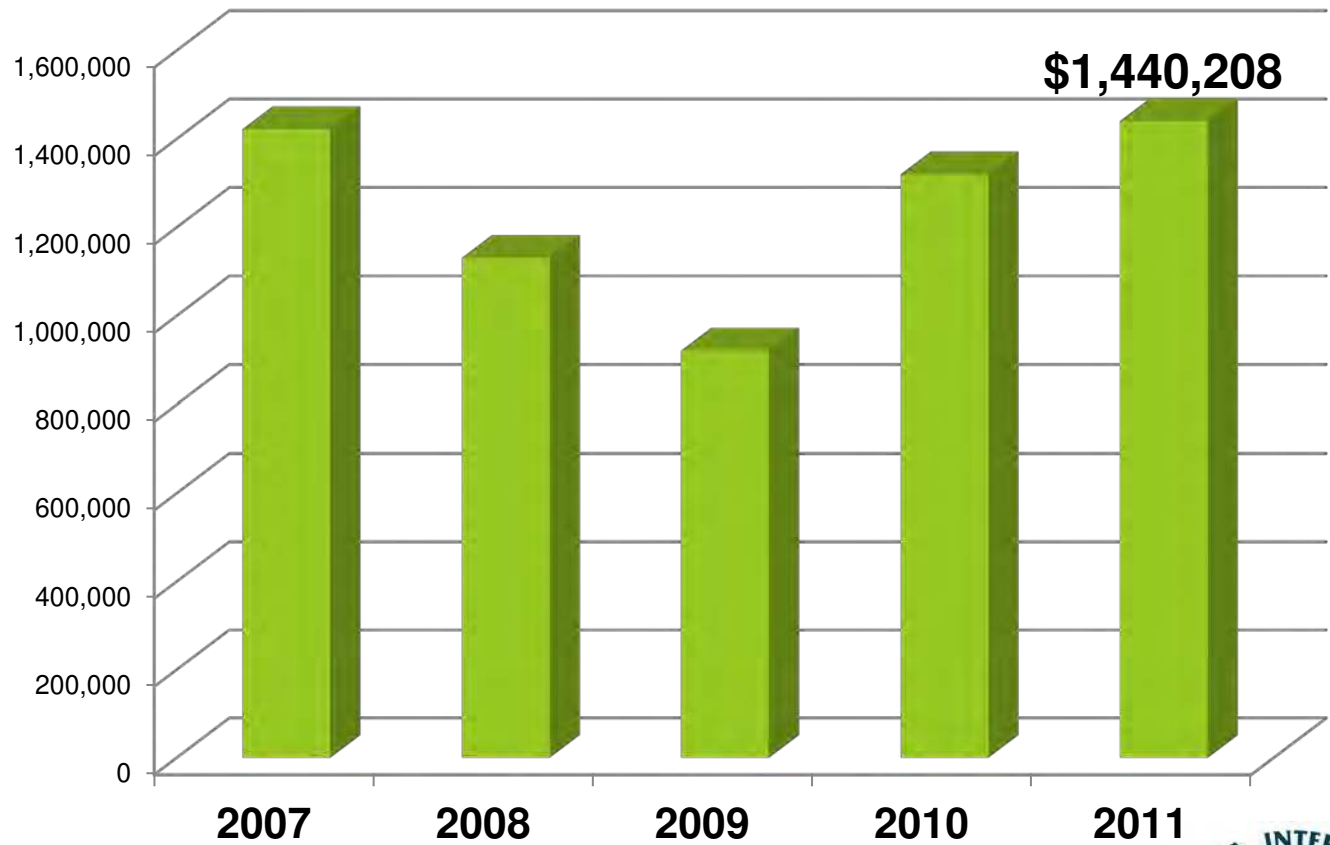


US LUMBER EXPORTS

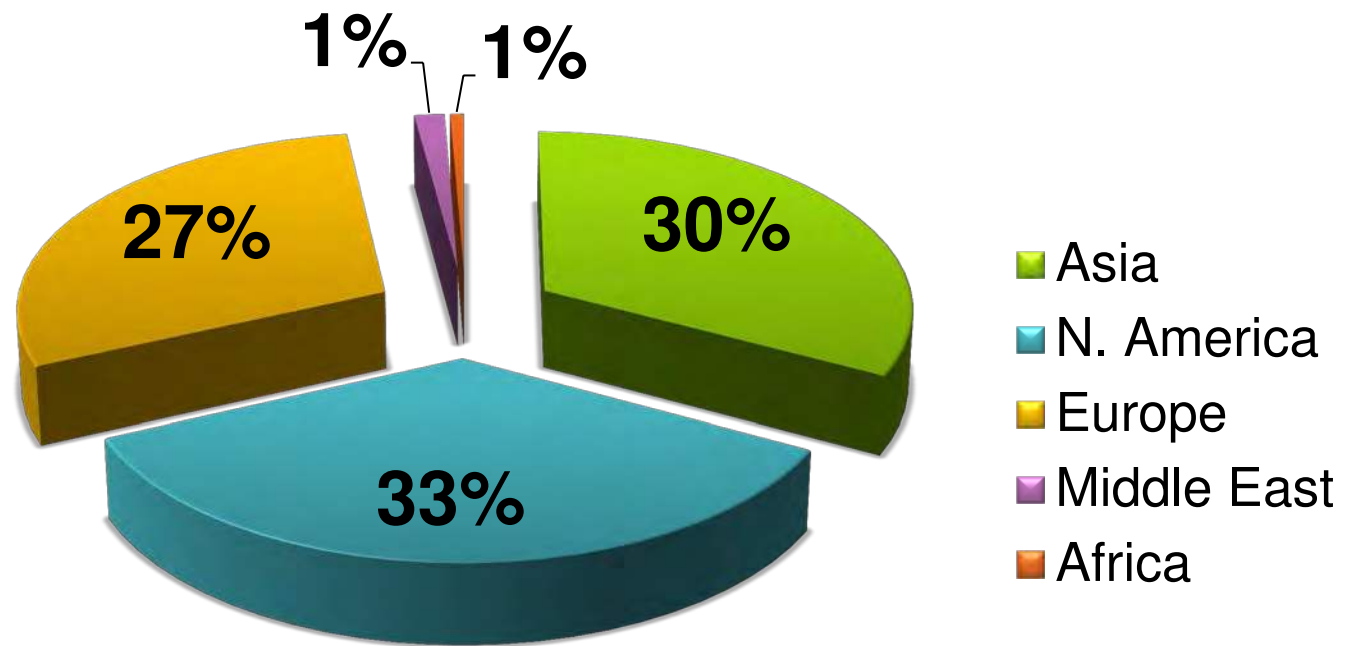
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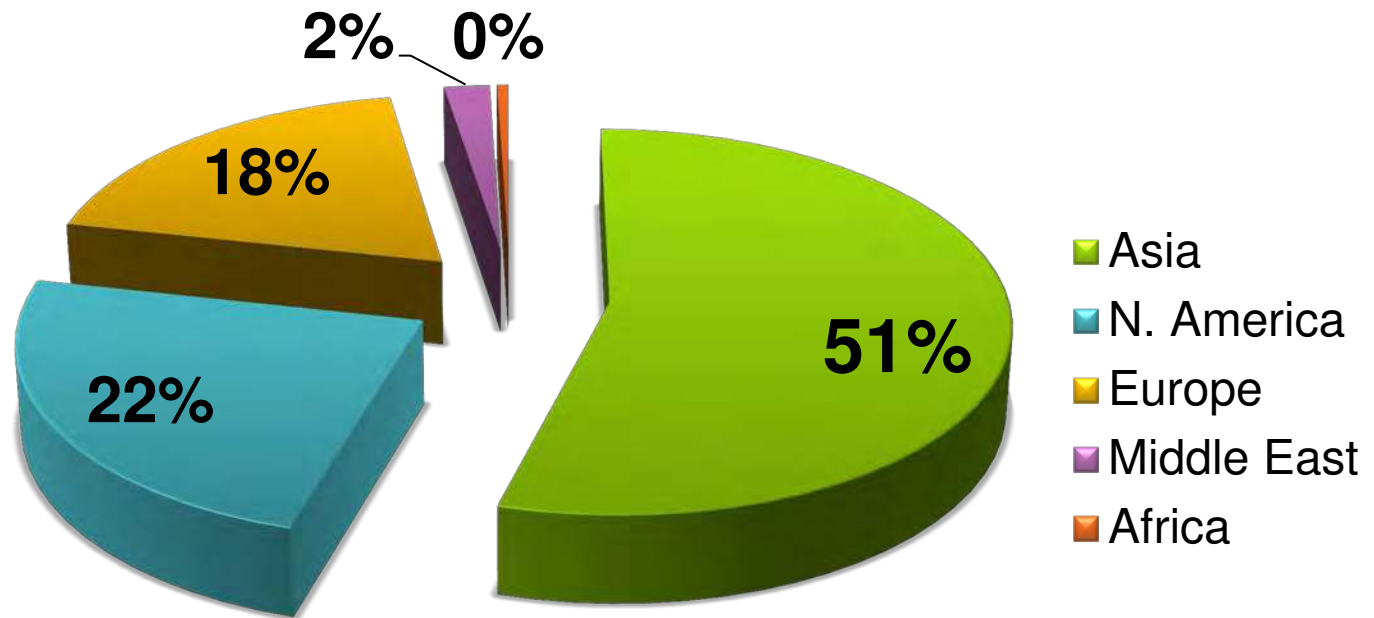
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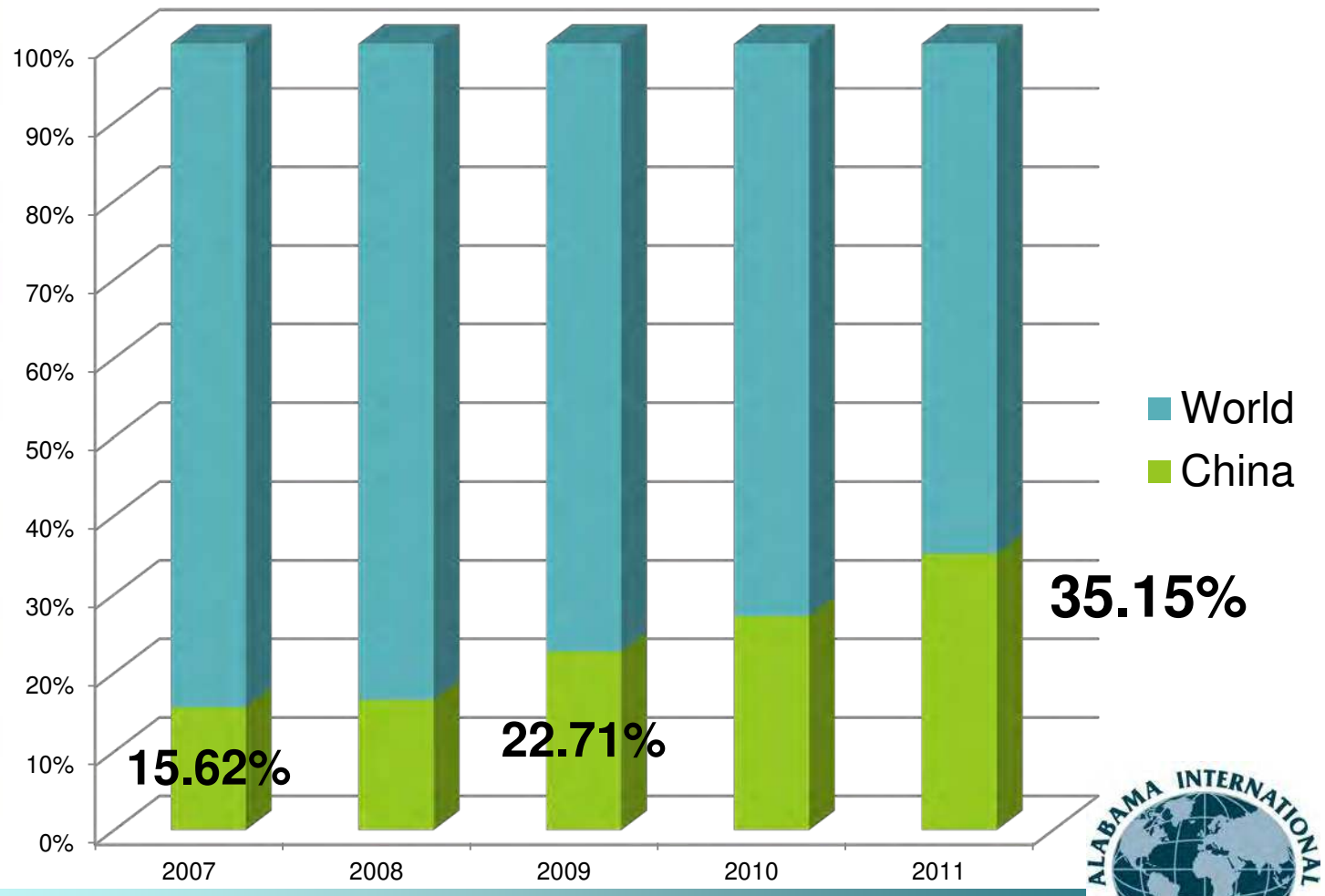
Distribution of US Hardwood Lumber, 2007



Distribution of US Hardwood Lumber, 2011



US Hardwood Exports: China vs. the World

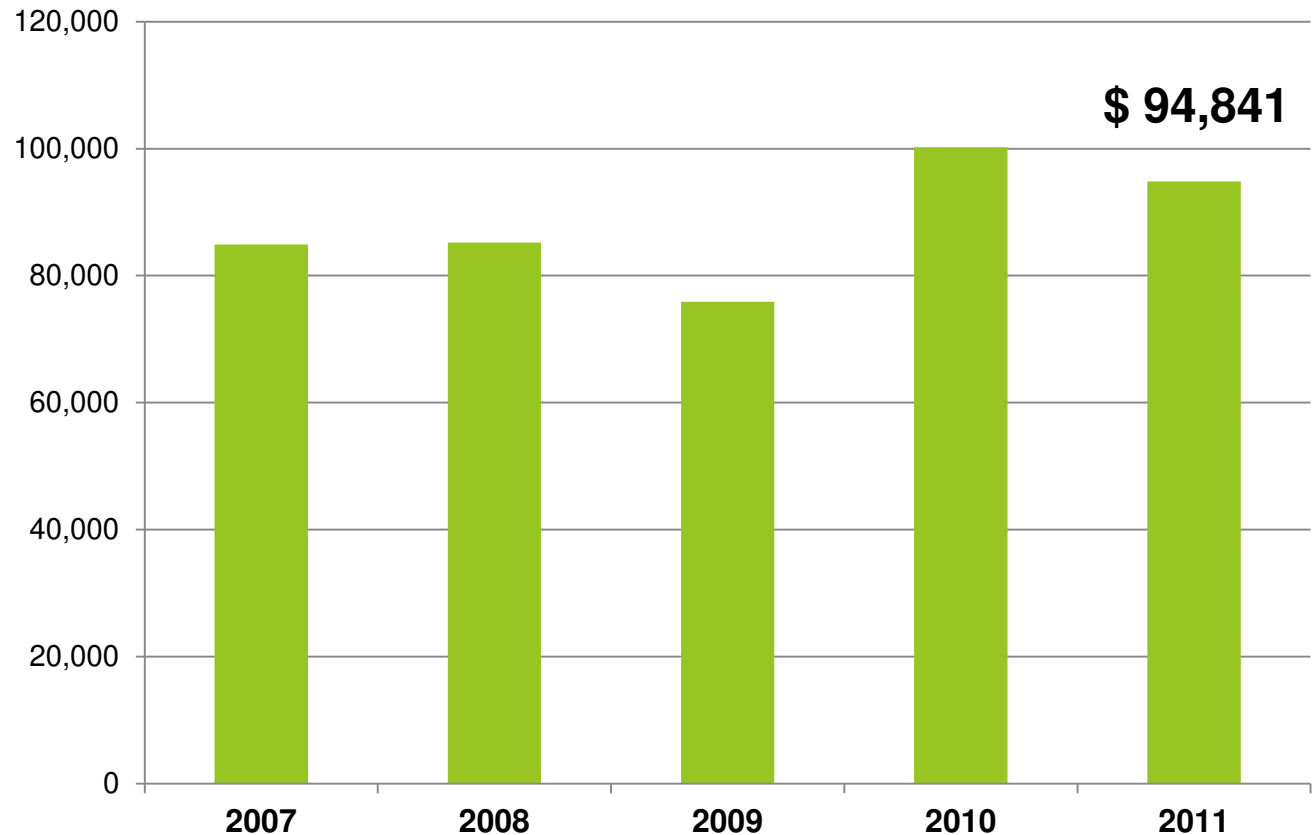


ALABAMA LUMBER EXPORTS

- Softwood



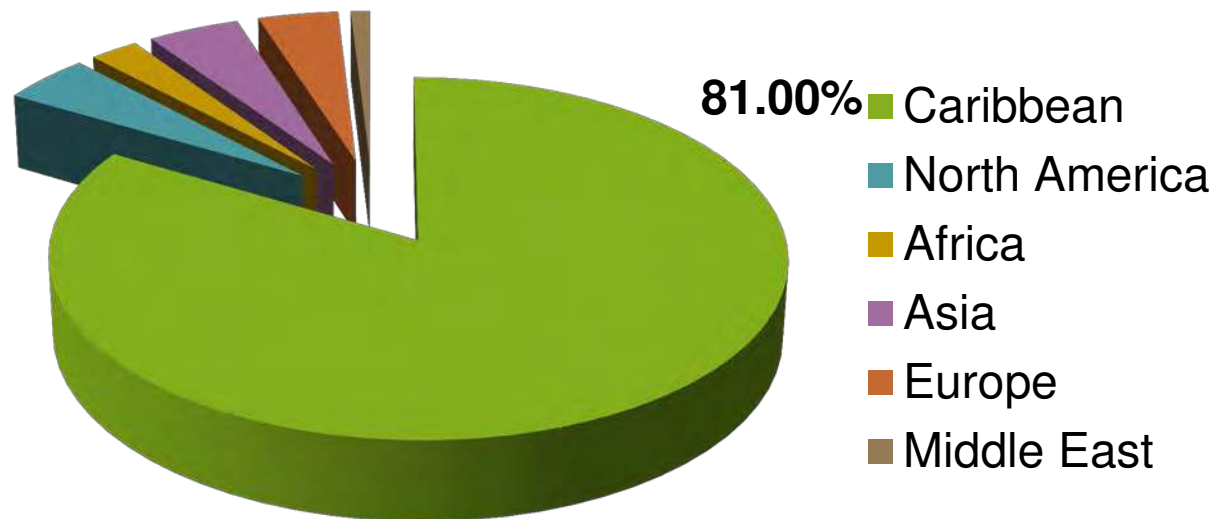
Alabama Softwood Lumber Exports



12% Increase 2007-2011



Distribution of Alabama Softwood Lumber, 2011



Haiti: 565% Increase 2007-2011

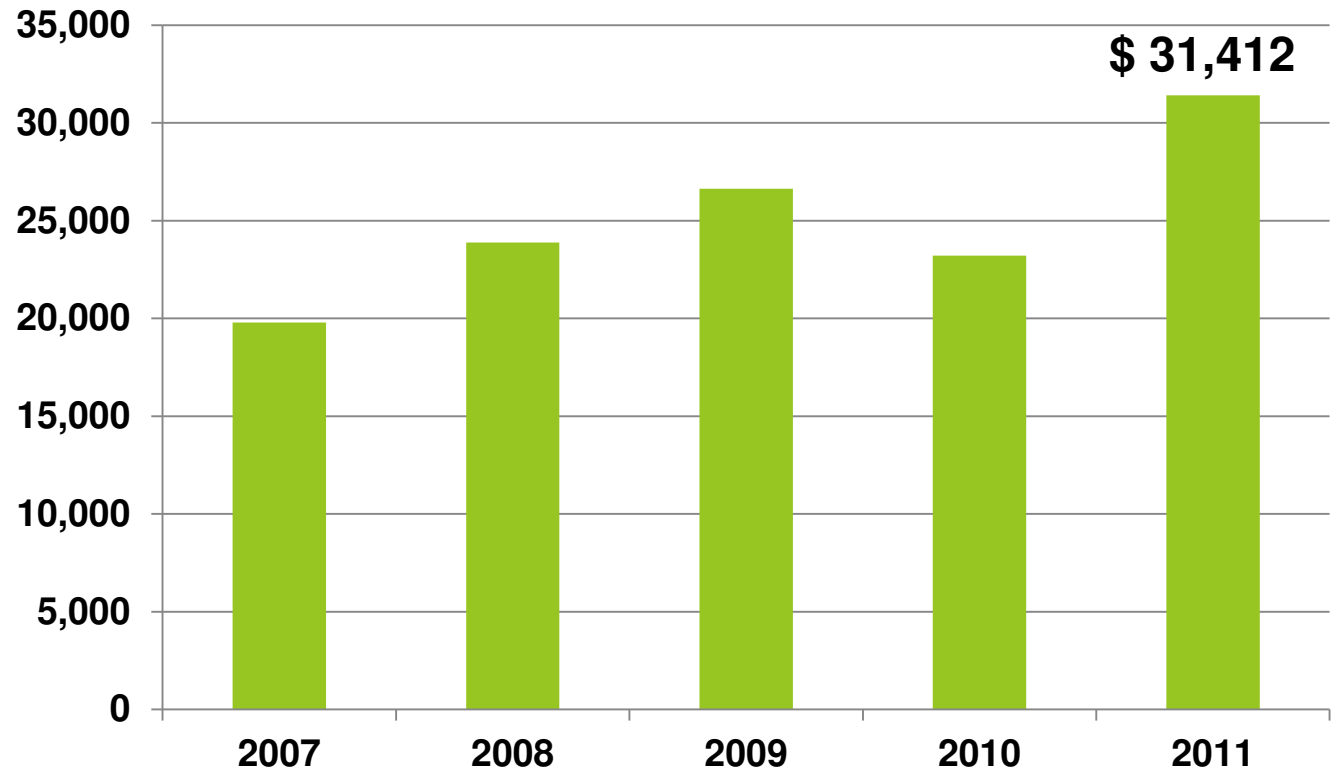


ALABAMA LUMBER EXPORTS

- Hardwood



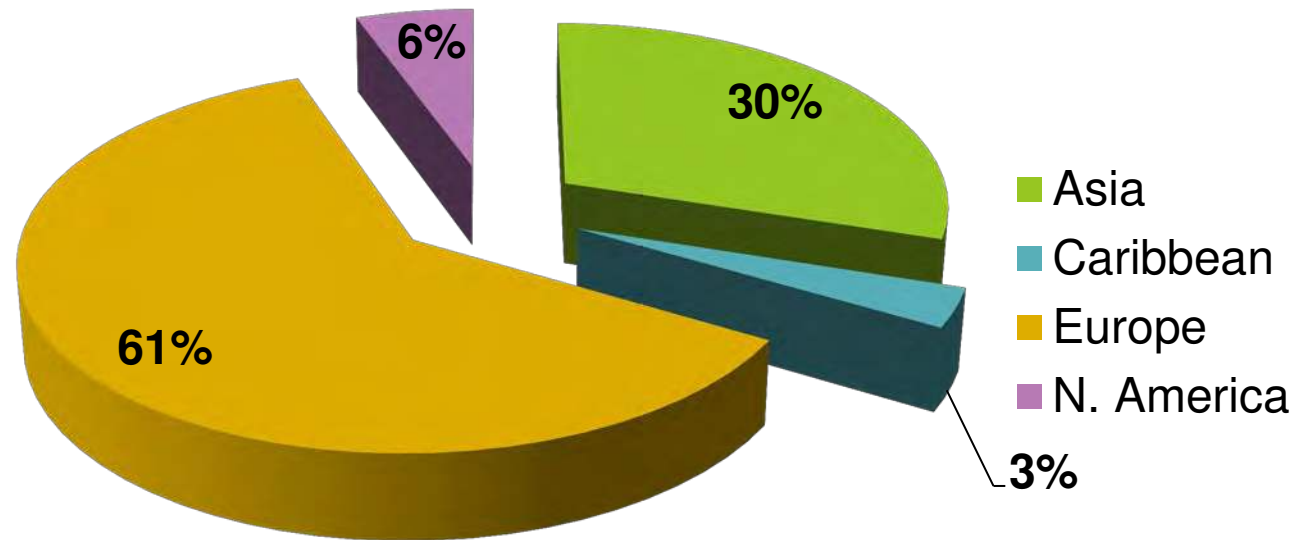
Alabama Hardwood Lumber Exports



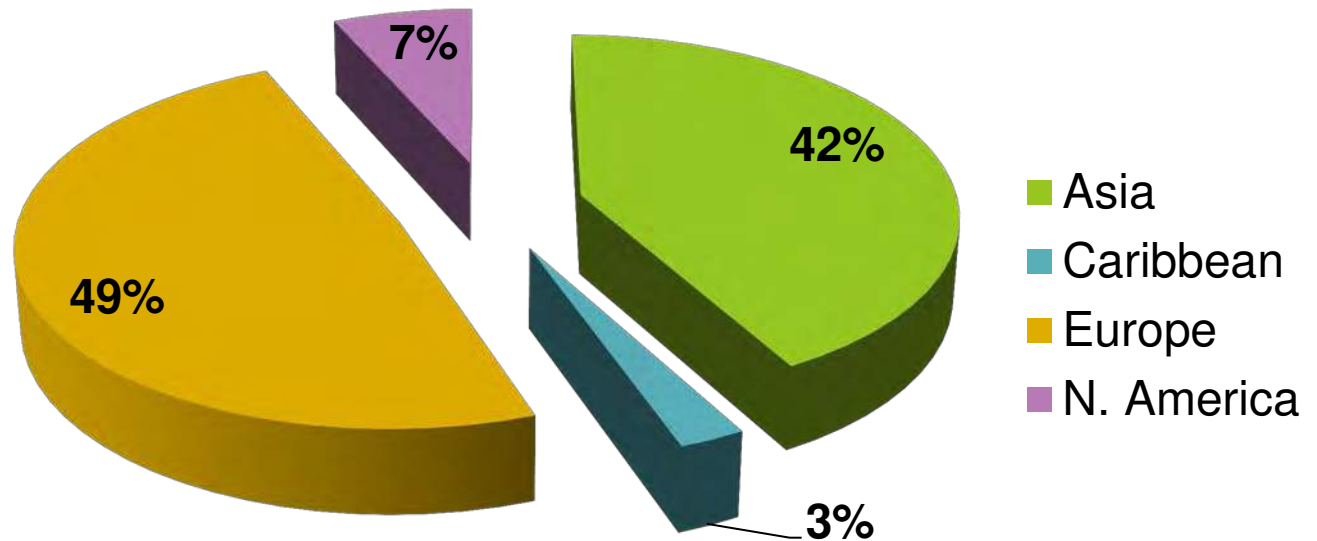
59% Increase 2007-2011



Distribution of Alabama Hardwood Lumber, 2007



Distribution of Alabama Hardwood Lumber, 2011



China: 383% Increase 2007-2011



Export Markets: Asia

■ Japan

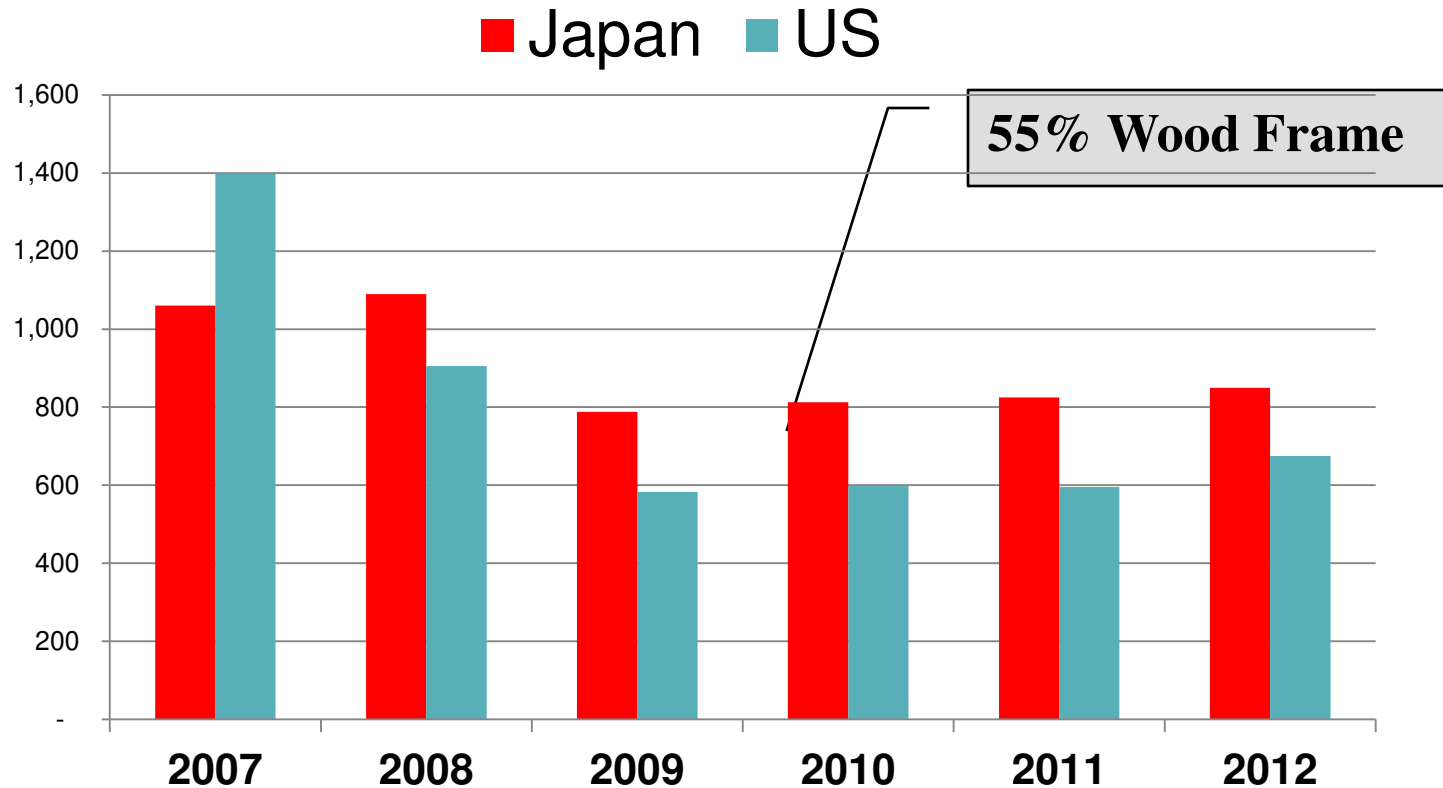
- Housing is growing

■ China

- Housing growth may slow
- Banking regulations, Limited homebuyers
- Decreasing imports from Russia
- Few wood frame homes, but all will need fittings / furnishings



Housing Starts: Japan vs US



China: 2010 Log Imports

Russia	13.14	million m3	-5%
New Zealand	5.92	million m3	+34%
USA	2.56	million m3	+303%
Canada	1.17	million m3	+216%
Australia	.9	million m3	+35%
Europe	.4	million m3	+288%



Export Markets: Caribbean

- Haiti
 - Reconstruction slowing
- Dominican Republic
- Jamaica
- Leeward / Windward Islands
- Trinidad / Tobago



Export District: Mobile

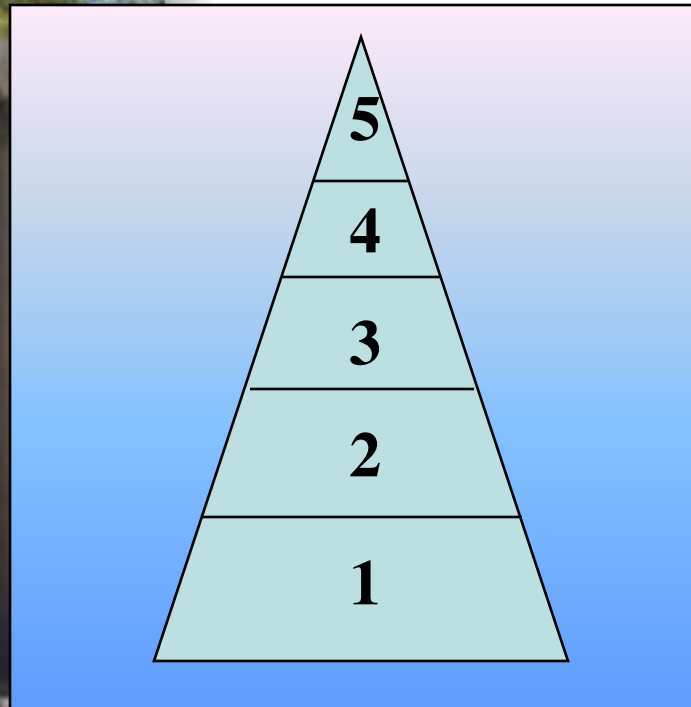
Millions of US\$, HS 44: Wood

DISTRICT	2011 \$ Value	% Change
Seattle, WA	\$ 1,409	25.56
Columbia-Snake	\$ 870	56.91
Detroit, MI	\$ 501	1.51
New York, NY	\$ 498	7.81
Savannah, GA	\$ 439	21.59
Norfolk, VA	\$ 364	-3.92
Los Angeles, CA	\$ 327	7.83
Buffalo, NY	\$ 290	-9.96
Baltimore, MD	\$ 265	-9.63
Mobile, AL	\$ 233	-0.54



Five Parts:

A Solid Export Foundation



- 5 Export team inside and outside your firm.**
- 4 Export plan and strategy everyone buys-in to.**
- 3 Owner commitment for budget/staff.**
- 2 Competitive product.**
- 1 Stable, profitable domestic business.**



Export Help

Build your team

■ Internal

Management

Sales

Credit

Production

Shipping

■ External

Markets - Fed, St., Loc.

Finance - Banker

Shipping – F/Forwarder

Legal - Lawyer

Tax - Accountant



AITC Services

Working one-on-one with small businesses to help them sell in foreign markets:

- Export Research
- Export Training
- Export Financing



Getting Ready to Export

AITC's TEAM Training Program

- In-house at firm's place of business
- Three year commitment
- Train staff on export procedures
- Find customers and start exporting



Financing Export Sales

Export Trade (EXTRA) Financing Program

- Helps firms access and secure federal, state, and private sector financing programs – SBA, EXIM, USDA and others
- Determines which program fits needs
- Training for companies and banks



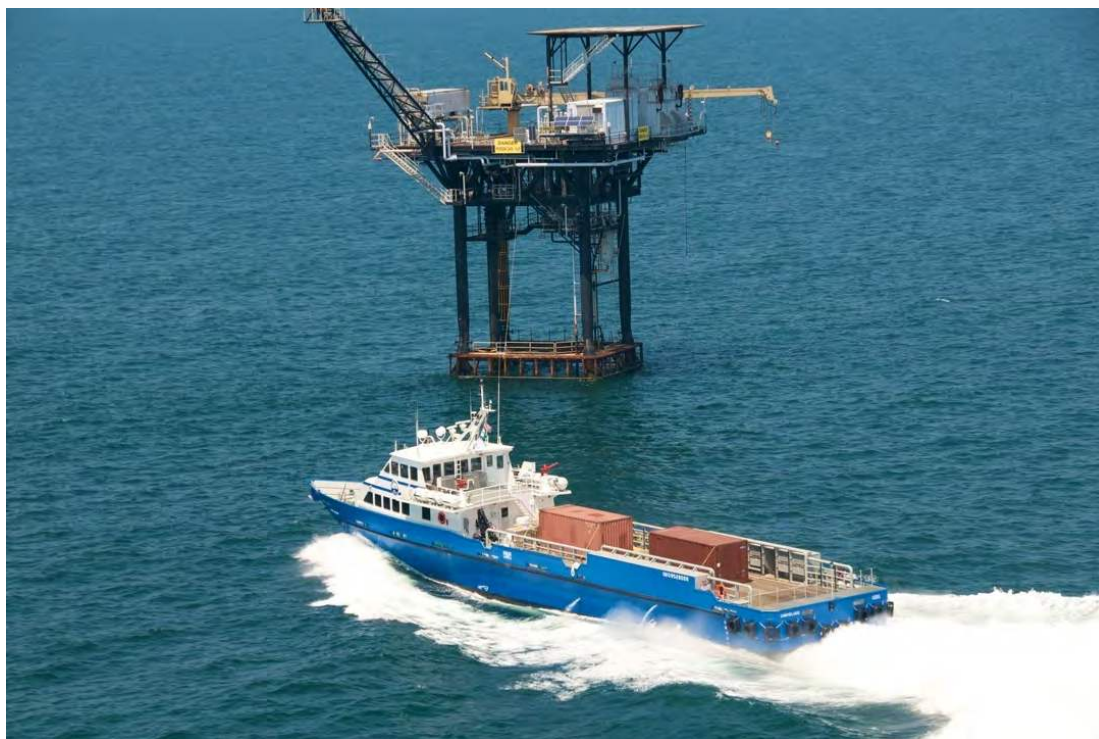
Alabama Small Business Person of the Year, 2007

Thomasville Lumber



SBA Exporter of the Year, 2008

- Horizon Shipbuilding, Bayou LaBatre



Small Business of the Year, 2009



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