

Woodpecker News

by Gene Wengert

Forest Products Industries....

....An Essential Workforce

The U.S. Department of Homeland Security and the U.S. Department of Labor have both said the forest products industry is an "essential critical infrastructure workforce in the nation's response to the coronavirus pandemic."

Forests products are essential for:

- wood chips that produce the fiber for masks, filters, and toilet tissue; hardwood lumber for pallets to move food, medical supplies, and more;
- hardwood fuel pellets for energy production;
- hardwood ties for railroad transportation;
- AND paychecks for millions of America's families.



pallets are single use, but high-quality pallets will be recycled and used over and over with repairs being made as needed.

Demand Will Boom

As might be expected, the housing industry has been hurt by the pandemic, with many potential buyers being out of work. The housing starts in April 2020 were 30% below April 2019. Softwood lumber demand is therefore very slow. However, the prediction is, considering both historic and the pent-up demand based on the number of households, that housing starts will boom, with a dramatic increase in prices. The lumber future prices have already increased due to the expected rebound and the present mill cutbacks.

New Sawmill in Selma

Sunbelt Forest Ventures just started a new, \$30-million sawmill in Selma, Alabama. This mill is making southern yellow pine pallet parts, which is indeed a bit different from other SYP mills that make 2-inch construction lumber as their main products. Further, many pallets historically are made of low-grade oak lumber.

Pallets in the U.S. use 5 billion BF annually, with the assembled pallets worth \$11 billion annually. A large percentage of the

Loan Guarantees

The U.S. Department of Agriculture is making available and expanding eligibility for up to \$1 billion in loan guarantees to help rural businesses meet their working capital needs during the coronavirus pandemic. Agricultural producers that are not eligible for USDA Farm Service Agency loans may receive funding under USDA Business & Industry (B&I) CARES Act Program provisions. ■

Gene Wengert, Professor Emeritus, University of Wisconsin-Madison, is President of The Wood Doctor's Rx, LLC, in Bishop, Georgia.