



Tariff Conundrum

By definition, conundrum is defined as “a difficult problem or question”. The tariffs that have either already been applied or yet to be applied on many raw materials and finished goods are certainly viewed as a conundrum by many people. I want to specifically consider the Chinese tariffs that are being proposed on wood products.

Currently, the United States has a trade deficit with China, which means that the cost of our United States imports exceeds the value of our exports. Currently, the trade deficit with China exceeds \$350 billion annually. So one way to “even the playing field” is to apply a tariff to the imported goods from China so that it becomes more economically feasible for those goods to be manufactured in the United States and sold domestically. The desired result of President Trump is that the applied tariffs will create equal trade between both countries and ultimately they will be eliminated completely. Obviously, there are multiple consequences to consumers, manufacturers, and business’ when tariffs are levied by the government.

The talk of tariffs on Chinese goods has resulted in what seems to be a pending trade war between the countries. The United States tariffs on steel and aluminum (among others) has resulted in a laundry list of retaliatory tariffs in China on manufactured goods coming from the U.S., and most recently raw materials, like wood products. Tariffs have existed for many years between countries that trade “stuff” between each other. However, the tariffs have generally ranged from 1-3 percent which the importing country has found somewhat tolerable. The proposed tariff on most species of lumber and logs going to China from the United States is now 25 percent.

United States lumber producers have been shipping to China for decades and the quantity has been steadily increasing ever since. When mills first started shipping to China it was to feed their new appetite for furniture and flooring manufacturing that had left the United States for cheaper manufacturing costs in the Far East. Our raw material was shipped to China, it was used to make a product, and it was shipped to consumers all over the world and very little of the manufacturing production stayed in China, or anywhere in the Far East, for that matter. Today the trend has reversed; about 80 percent of the lumber that is shipped to China is consumed in their country.

Over half of all the hardwood lumber and log exports in the United States go to China, about \$1.95 billion. In 2017 about \$85 million of lumber and logs was shipped from Missouri to China. In 2018, Missouri was on a trajectory to ship more than \$100 million of lumber and logs until the tariff debate began. August 2018 lumber and log shipments to China are projected to be less than half of what was shipped in April, and this is all before the tariffs have been levied! This trend is very consistent throughout hardwood producing states in the U. S.. Domestic markets simply cannot consume upper grade hardwood production in the United States and new markets are few and far between.

Solving the trade deficit was a campaign promise of President Trump’s and many people agree with the principle, but it is clearly a conundrum. Our industry has been forced to adapt to past government trade policies in order to survive and grow their business. Changing those policies very quickly and not allowing ample time for manufacturing to adapt will undoubtedly cause a strain in our industry. I project that if lumber and log tariffs go in to effect October 1, 2018 it will be a very difficult time in our industry because a ripple effect will be inevitable.

President Trump is a deal maker and I believe he thrives on these debates. I also believe that he genuinely cares about American companies and the people who work in them. He seems to be steadfast in his approach and whether or not we reach an agreement with China before October 1 is anyone’s guess. We need this to be resolved and I encourage each of you to reach out to your federal Representative and Senator and convey your sentiments.

-Brian Brookshire

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2018 MFPA Annual Summer Meeting!!

The 2018 MFPA Annual Summer Meeting saw 78 members registered representing 50 businesses. There was a great turn out with many members participating in the MFPA committee meetings that were held on Friday, including Education & Technical Services, Forest Health, MFP PAC, and Governmental Affairs. Each committee discussed the issues facing the forest products industry and analyzed direction for the future.

The 2019 venue for the Summer Meeting was discussed at the Board Meeting and we are excited to report that we will be hosting the Summer Meeting at Old Kinderhook for the 2019 Summer Meeting. The meeting dates are July 19-21st. *Save the date!* We are looking forward to being at The Lake of the Ozarks again next year and taking advantage of all things the lake has to offer. Check it out at <http://oldkinderhook.com>.

We would sincerely like to thank all the member companies that sponsored the 2018 Summer Meeting. This event would not be possible without your generous sponsorships!

Special Thank You to our Summer Meeting Sponsors!

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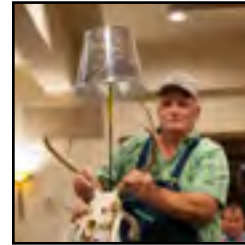


Summer Meeting Winners!

The Saturday evening raffle and auctions were exciting and many members went home with a prize. Many of these prizes were donated by MFPA Members and a special thank you goes out to these members, B & K Manufacturing, Burke Sawmill, Jarvis Timber Company, Madison County Wood Products, McGinnis Wood Products, Paycor, TAG Truck Center, The Mine Supply Company, Timberland Forest Products, University Of Missouri Children's Hospital, Children's Miracle Network, and Wick's Trucks. Due to the generosity and support of MFPA Members, the biggest winners of the night were MFP PAC and Log A Load for Kids!



MFPA Member Bucky Pescaglia was the lucky winner of the MFP PAC raffle and the Benelli M2 American 12 Gauge Shotgun.



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****Wick's Trucks is proud to donate \$1,000 to Log a Load for Kids for every new Western Star sold in any state to a logger, saw mill, pallet manufacturer!**

Associate Member Exhibition at the Summer Meeting

The annual MFPA Associate Members Exhibition was held Friday evening in association with the Welcome Reception BBQ. Our appreciation goes out to the Associate Members that participated in the event. We hope MFPA's Industry and Logging Members attending the meeting took the time to make contact with our Associate Members and used the opportunity to develop professional relationships among MFPA member businesses. Please contact our Associate Member Exhibitors for your products and services needs. This year's Associate Member Exhibition participants included:

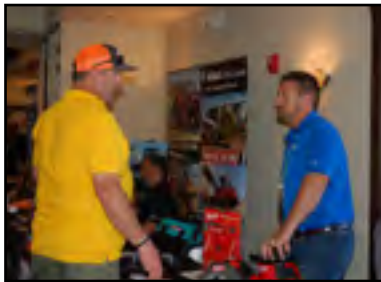
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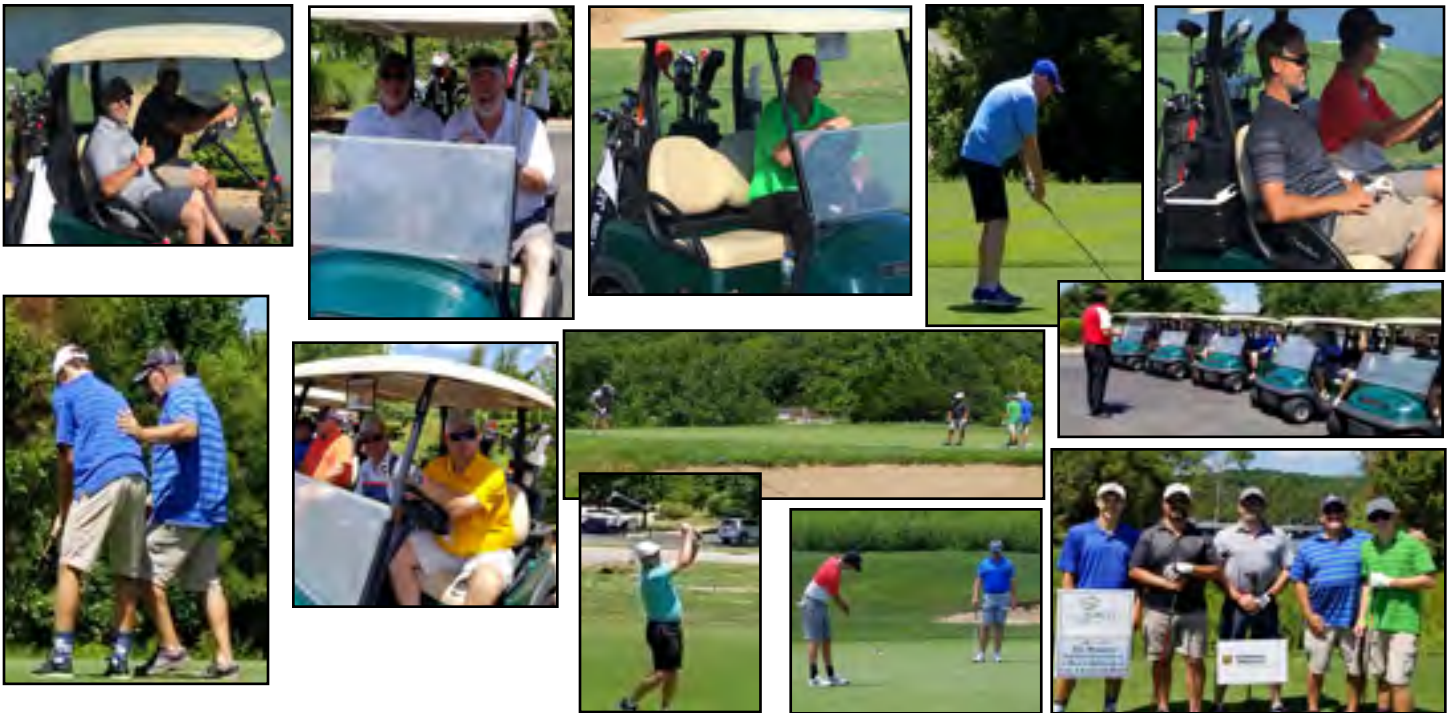
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Mark McCarthy



It was quite an afternoon for Anthony Gruver...but, in the end Log A Load for Kids was the real winner. Anthony (D & D Logging) won both the front nine longest drive, as well as the back nine. You can well imagine winning both long drive contests, that he and his partner Michael Franks would win the tournament. They did, posting a 5 under par score. The Gruver/Franks team led a field of about 30 golfers on Saturday, July 28. It looked like that's the biggest crowd of golfers we've seen in many years. Everyone else had a great time playing a great course at Old Kinderhook. During the tournament, Kelly Burke started talking about a tournament in Crane...near Marionville. Kelly had been in a tournament for another charity...but, at the last minute, the other charity had to back out. At that time, Kelly thought it would be a great opportunity for Log A Load for Kids. So, within just a few weeks, Kelly and other MFPA members in southwest Missouri rounded up about 30 teams for the new Log A Load Tournament. At the end of the day, Kelly was able to present Kristen Fritschie, the MU Children's Hospital Log a Load Coordinator, around \$20,000. Add that to the \$30,000 check from MFPA, and the winners are the kids we get to help at the MU Children's Hospital. Kelly would like to challenge each MFPA Member to host a Log A Load golf tournament in your area. With some of the proceeds from the Summer Meeting Auction, and the fishbowl...it looks like another good year. Thanks for all you do, and for helping the kids!



It's getting to be that time of year again, as we prepare to set the next schedule of classes for PTH. Every year, a committee goes over requests, reviews past locations, and needs in areas for classes to set the schedule. Keep an eye right here for the new schedule once it's set. If you have any suggestions about locations, please let me know at: mark@moforest.org, or by calling the MFPA office (573) 634-3252. ALSO...don't forget, while you still have time before the end of the year...work on your Continuing Education credit, and get it out of the way. Thanks.

ACCIDENT

What is an accident? The dictionary definition is “something harmful or unlucky that happens, an unplanned event.” In the woods an accident usually means, “A person, someone who is or was someone else’s parent, spouse, child, relative, co-worker, or friend was injured, crippled, or killed by some unplanned event while working.”

Does training solve all of our problems? NO, but it does help. One factor to consider is that our workforce is getting older on average which means our workers physical ability, pre-planning ability, and reaction time is slowing down. Yet, our workers are expected to get the same amount of, or more, production now as they were getting 10 years ago. This is a bad combination. Another more likely contributing factor is that our work environment has changed during recent years leaving many more dead trees, snags, and hanging limbs that our loggers must deal with. Most of the deaths and severe accidents that have happened during the past 2 or 3 years in Missouri and the surrounding area are from loggers being hit by a dead tree, snag, or dead limbs. Another factor is that we all occasionally make mistakes while working and sometimes mistakes can add up and cause an accident. Mistakes are likely to happen especially when workers are tired, but sometimes it’s just a matter of a string of unforeseeable events coming together that ends a person’s life.

The following string of events happened on a flat bottomland job in Southern Indiana on the morning July 20, 2018. The co-owner of the company, a 53 year old husband and father who had worked in the woods most of his life and was fully trained in timber felling and skidding, started the morning felling trees for his father to skid. After felling and topping a tree to get it out of the way and to widen the hole for his next tree to fall into, he proceeded to fell a live 23” DBH by 100ft tall sweet gum tree through the hole. He was using the Open Face Bore cutting technique. The stump was perfect and tree fell through the hole perfectly as he proceeded to escape 12 feet behind the stump of the falling tree. But, a chain of events was set into motion as the tree was falling and he was escaping. First, on the left side of the felling hole in front of the sweet gum was a live forked 16” DBH soft maple tree that was forked about 4ft high with the right fork leaning its top out into the edge of the target felling hole. Then, lodged 12ft up in between the forks of the soft maple was a dead 18” DBH by 35ft poplar snag exerting force trying to spread the maple forks. As the gum tree fell, it caught the top of the soft maple tree and started taking it to the ground. This in turn, hit a smaller 12” DBH soft maple at 50ft above the ground. Consequently, as the sweet gum continued to push the 16” soft maple past the 12” soft maple, the 16” soft maple broke in a weak ring of knots at the contact point 50ft above the ground. The small soft maple catapulted the 50ft poplar snag backwards. This movement plus the weight and force of the old dead poplar separated the fork and broke the now 16” DBH by 50ft long soft maple snag completely loose from the ground. This chain of events came together to sling the poplar snag farther back than it would have otherwise fallen and in perfect alignment to hit the timber cutter with the last 6” of its 50ft length in the left side of his head as he finished escaping and was watching where the gum fell. The snag was likely out of his vision and too far to his side. He never knew what hit him, thankfully.

Sometimes accidents happen to the best of us, even when we have done everything almost perfectly, a string of events come together and it is someone’s time to leave this earth and a family and friends time to mourn. Let’s continue to learn.

-Joe Glenn, Joe Glenn’s THT





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