

EXPANDING EXPORT MARKETS

Forest Products from the
Southern United States

A. L. Hammett, III

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Preface to the 2017 re-issue

While there have been many changes in the global economy in recent years (i.e., changing exchange rates, evolving trade balances, consumer preferences for wood products, and others), the nature of the exporting business as a whole remains nearly the same. Businesses still need to evaluate their position in the market, look for adequate raw material supplies to meet production demands, determine which pieces of equipment are best to produce products needed by overseas, and determine market and product strategies. Organizations still need to weigh the worth of marketing expertise, prioritize personnel positions, and learn about changes looming in overseas markets. Since this work was first released, we have seen that the tools and methods presented here continue to be applicable to many types of players in several industry sectors – whether they be private companies, research personnel, export development organizations, or industry associations. Several aspects of this work have been revisited by researchers and utilized in the business development community. The tools presented here helped them to develop a fuller understanding of exporting, and helped them prescribe new and innovative ways to achieve export success.



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FOREST PRODUCTS FROM THE
SOUTHERN UNITED STATES

A.L. HAMMETT, III

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Preface

In order to increase exports and expand profits, U.S. manufacturers must be able to adapt to changing competitive pressures. This book presents methods to quantify competition and help predict profitability to help hardwood lumber manufacturers adapt to changing market conditions based on three research studies.

Chapter One reviews logistics and potential factors involved in successful exports. Chapter Two describes the production, economic, managerial, marketing, and other factors that lead to successful exporting of hardwood lumber products from the southern United States. This Chapter is a modified version of a working paper published in 1993 (Hammett and Cabbage).

In Chapter Three, shift-share analysis is used to help identify trends in US and regional exports of forest products. The analyses and trends formed the basis for an article published in the Forest Products Journal (Hammett and McNamara 1991).

Chapter Four documents a canvass of forest products firms in seven southern states. This survey yields data on business factors affecting hardwood lumber manufacturers. It also reveals domestic production and international marketing factors that influence export of hardwood lumber. Qualitative and quantitative means of measuring these factors' effect on export success by individual firms are identified. This chapter's analyses formed the basis for an article published in the Forest Products Journal (Hammett et al 1992a)

Logistical regression models presented in Chapter Five show the inter-relationship between business and marketing factors and their effect on the probability of export success. These analyses are extended to include the effect of each factor on the total probability of successful export. Earlier versions of the models and results in Chapter Five were included in an article published in the *Journal of Wood and Fiber Science* (Hammett et al. 1992b)

To integrate the four previous chapters, a final chapter reviews the conclusions of each and further describes the implications for export promotion and research. Recommendations are made regarding the business practices which lead to successful hardwood lumber export and implications for changes for export promotional programs. The methods, except where noted, should help manufacturers assess their production, marketing, and equipment capabilities to analyze their products exportability and provide indications of increased export opportunities.

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