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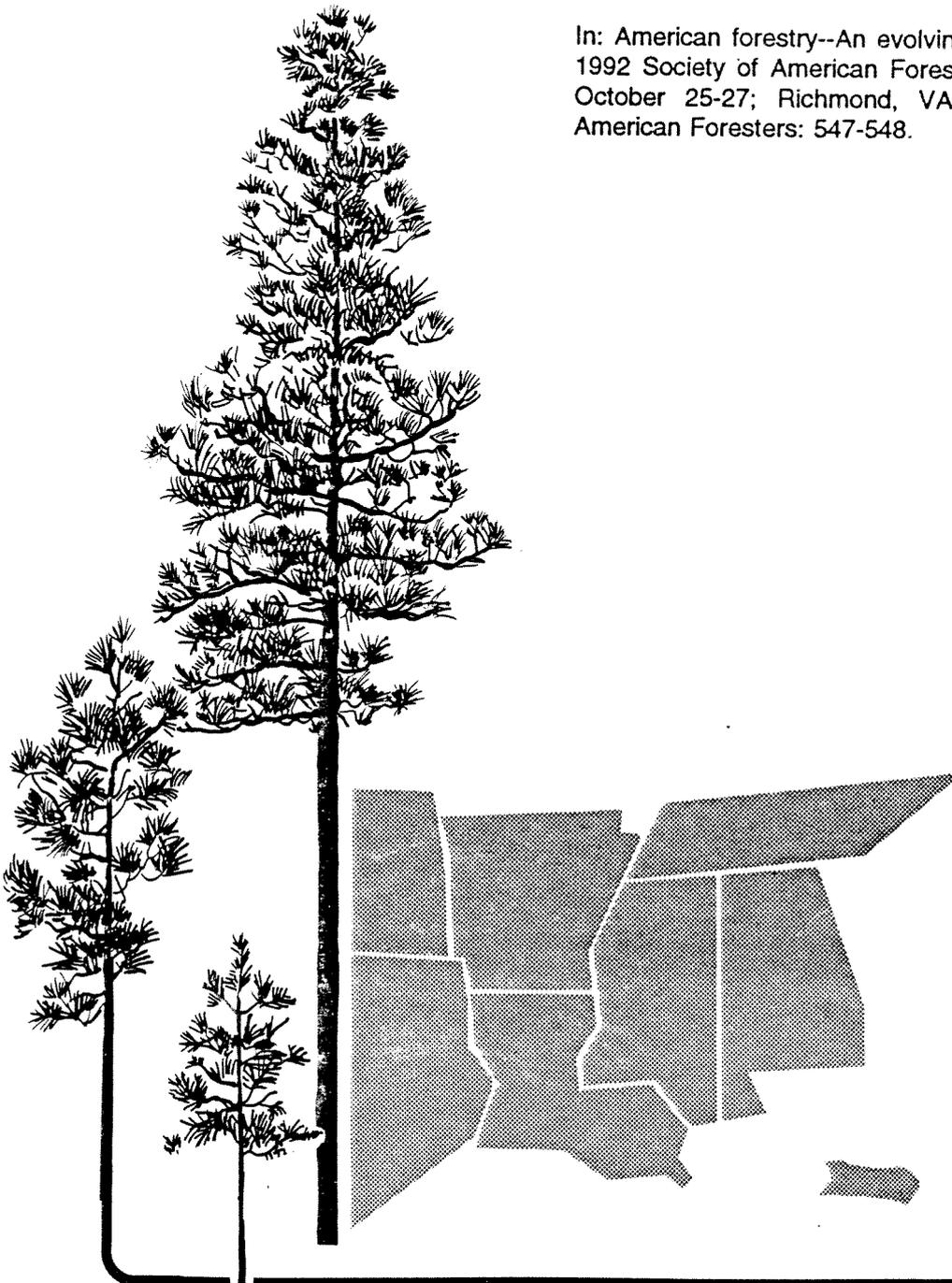
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Granskog, J.E.

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U.S. WOOD SHIPMENTS TO PUERTO RICO¹

James E. Granskog²

ABSTRACT: Puerto Rico's importance as an offshore market for U.S. wood products is often overlooked. Because of its unique Commonwealth status, trade flows between the United States and Puerto Rico are recorded separately and are not counted in the U.S. foreign trade statistics. In 1991, wood product shipments from the United States to Puerto Rico totaled more than \$83 million. Softwood lumber and plywood, primarily southern pine, accounted for more than 60 percent of the total value.

INTRODUCTION

Wood product shipments from the United States to Puerto Rico from 1981 to 1991 are described here. Data on the value and volume of shipments by product were compiled from the annual U.S. Bureau of the Census statistical reports "U.S. Trade With Puerto Rico and U.S. Possessions." New estimates of shipment volumes for southern pine lumber (1987 to 1991) and softwood plywood (1989 to 1991) were developed because of reporting errors and problems in computer programs that screen and compile data from export declaration forms.

RESULTS AND CONCLUSIONS

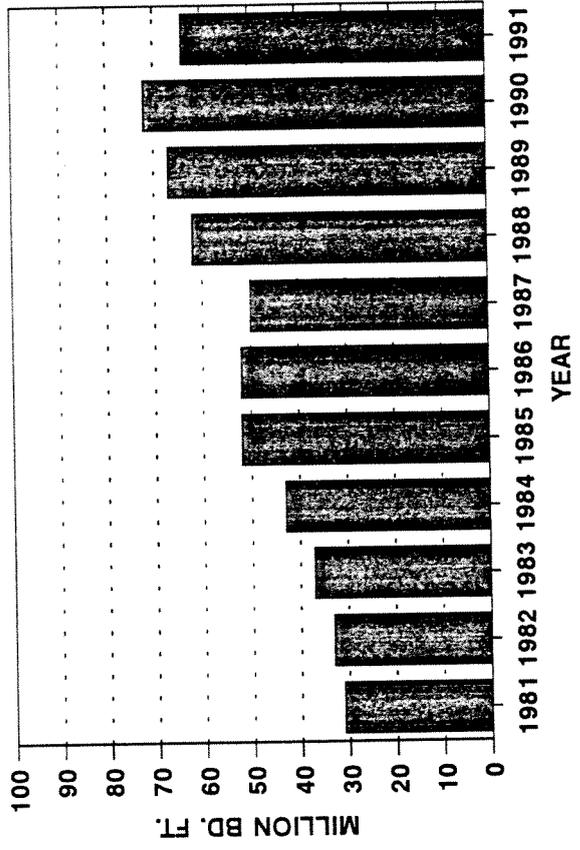
Recent trends and changes in the value of shipments and volume trends for the two principal products shipped to Puerto Rico are illustrated in Figure 1. Total shipments in 1991 were valued at \$83.1 million, up from \$61.4 million 10 years earlier but down from a high of \$94.3 million recorded in 1989. Southern pine lumber shipments have doubled since 1981 and have replaced softwood plywood as the leading wood product shipment to Puerto Rico. Overall, U.S. wood shipments to Puerto Rico are strongly influenced by U.S. economic conditions because manufacturing products for the U.S. market dominates Puerto Rico's economy. Exchange rates do not influence wood shipments to Puerto Rico as they do with U.S. exports to foreign markets because the U.S. dollar is the currency unit in Puerto Rico. However, shipments to Puerto Rico are governed by the Jones Act, which requires the use of American flag vessels and raises transportation costs for U.S. shippers.

Puerto Rico is an important market for U.S. wood products, particularly southern softwood products. More than 90 percent of U.S. wood shipments to the island come from ports in the southern United States. If shipments to Puerto Rico were recorded as exports, the island would have accounted for 17% of the offshore market for southern pine lumber and 10% of the offshore market for southern pine plywood over the past three years. Due to a weakening of the U.S. dollar relative to foreign currencies, U.S. and southern wood product exports to foreign markets have grown at a faster rate than wood shipments to Puerto Rico since 1985. However, the island is still a substantial market for U.S. wood products. With a population exceeding 3.3 million and the highest per capita income in the Caribbean, Puerto Rico is an especially attractive offshore market for southern pine producers, despite relatively high shipping costs.

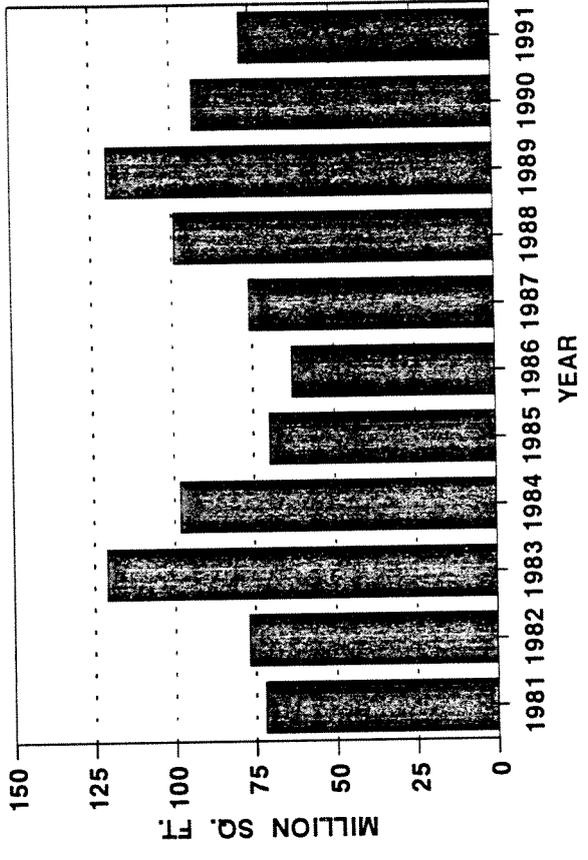
¹A paper presented at the Poster Session at the SAF National Convention held at Richmond, VA, October 25-28, 1992.

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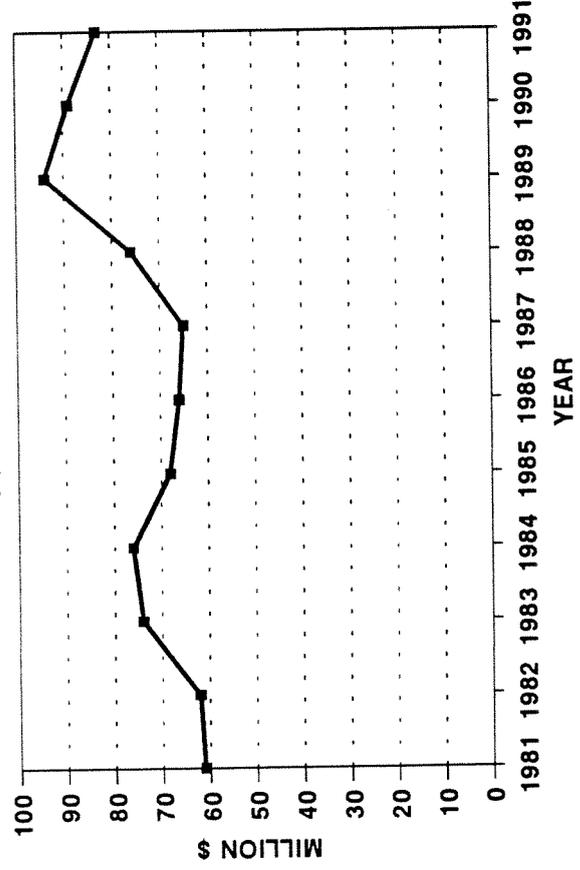
(c) Southern Pine Lumber Volume



(d) Softwood Plywood Volume



(a) Total Value



(b) Product Values

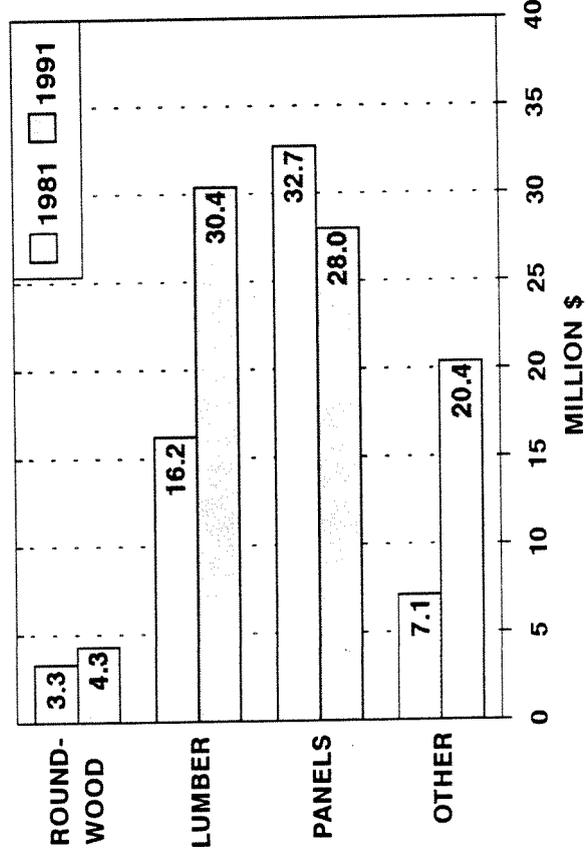


Figure 1.--Recent trends for U.S. wood shipments to Puerto Rico: (a) total value, (b) product values, (c) southern pine lumber volume, and (d) softwood plywood volume.