

## U.S. Wood Exports to the Caribbean Increase Following 2004 Hurricanes

Hurricanes are considered to be one of several important factors affecting Caribbean demand for U.S. solid wood products. The specific impact of hurricanes on long-term solid wood demand has not been well quantified, and is generally thought to be negative as hurricane destruction retards long-term economic growth and development. However, there is no debate about the positive short term effect on lumber and plywood demand as reconstruction gets underway. U.S. solid wood products serve a vital need, helping affected areas recover and rebuild from hurricane damage. As a result of the 2004 hurricanes, U.S. lumber and plywood exports to the Caribbean are up significantly in 2005.

The 2004 hurricane season was one of the most active on record. There were 15 tropical storms and 9 hurricanes, including 6 major hurricanes.<sup>1</sup> Estimated damage from the 2004 storms was over \$42 billion in the United States, the most costly hurricane season in U.S. history. However, the hurricanes also had a major impact on several Caribbean islands. In Haiti, flooding caused by Hurricane Jeanne killed thousands and left 300,000 people homeless. In Grenada, 85,000 to 90,000 people were affected as 90 percent of the homes were damaged by Hurricane Ivan. Hurricane Ivan may also have caused up to \$1 billion of damage in Jamaica and up to \$2 billion in the Cayman Islands. Additionally, significant damage was reported in the Bahamas, the Dominican Republic, Barbados, St. Lucia, St. Vincent, and other Caribbean islands.

In the wake of the 2004 Hurricane Season, U.S. exports of softwood lumber and plywood to affected Caribbean markets are up 75 percent or \$45 million. Major increases in U.S. exports have been recorded in the Cayman Islands, Haiti, the Dominican Republic, Jamaica, Barbados, St. Lucia, St. Vincent, and other islands. Much of the increases can be attributed to the Hurricanes of 2004.<sup>2</sup> Additionally, as reconstruction in many of the countries continues into the 2005 hurricane season, this figure will grow.

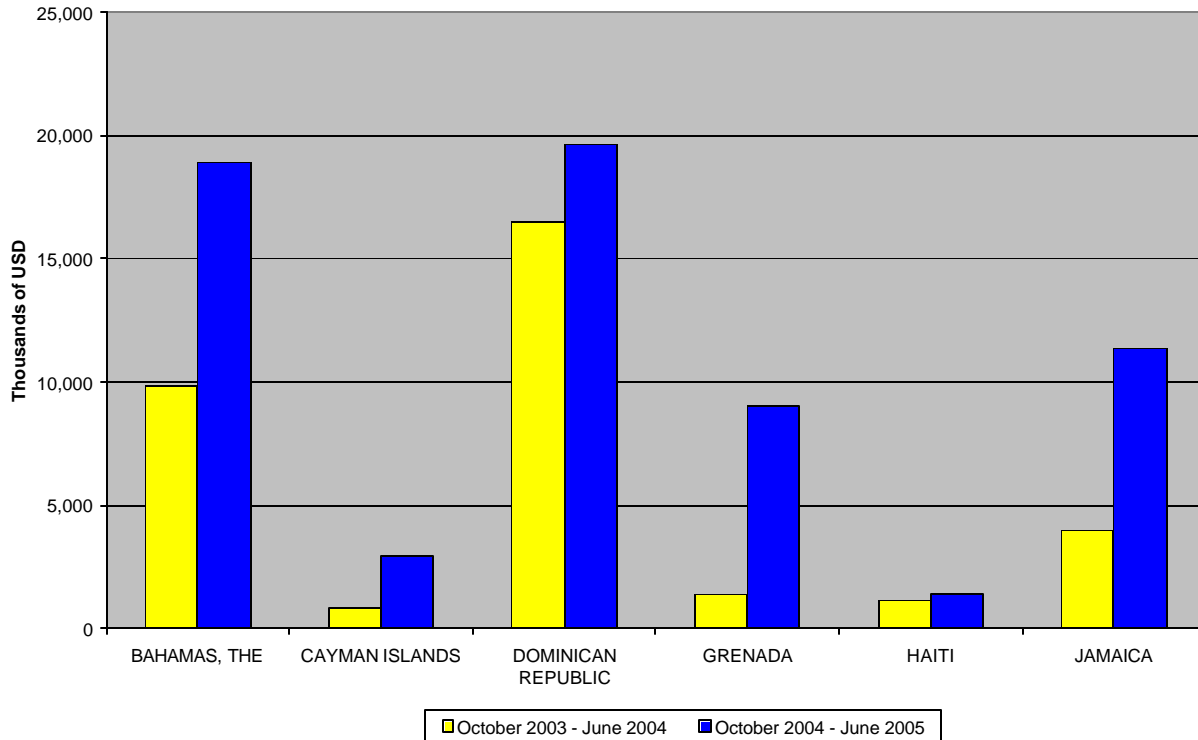
### U.S. Exports to the Caribbean

	October – September						October - June		
	Millions of Dollars						Comparisons		
	2000	2001	2002	2003	2004		2004	2005	Change
Softwood Lumber	104.1	86.8	77.3	46.3	52.8		36.8	52.7	43.4%
Softwood Plywood	35.7	26.3	25.7	19.0	21.9		13.3	31.8	138.9%
Treated Lumber	37.1	26.3	24.5	13.2	15.0		10.3	21.4	107.7%
Total	176.9	139.4	127.5	78.5	89.7		60.4	105.9	75.4%

<sup>1</sup> The average Atlantic hurricane season has approximately 10 named storms and 6 hurricanes, including 2-3 major hurricanes.

<sup>2</sup> U.S. exports to each of these markets is up, both compared with the same period last year, and with exports during other parts of the year. Thus it is reasonable to conclude that the difference between exports recorded in previous periods and exports in the wake of the hurricanes are largely attributable to hurricane reconstruction. Note: solid wood exports to the Dominican Republic that are unrelated to hurricane reconstruction have been falling every year while U.S. solid wood sales to the Bahamas that are unrelated to hurricane reconstruction have been steadily growing.

**U.S. Softwood Lumber and Plywood Exports to Markets Most Affected by 2004 Hurricanes  
October - June Data**



The 2005 Hurricane Season, which began in June, is expected to be another record season. This time last year, Hurricane Charley was the third named storm. Already this year there have been nine. Although major hurricane damage has been limited so far this year, the National Oceanic and Atmospheric Administration expects an additional 11 to 14 tropical storms from August through November<sup>3</sup>, with seven to nine becoming hurricanes. Depending on the course these storms take, the need for U.S. softwood lumber and plywood to rebuild could be high again in 2006.

For additional information on markets for solid wood products in the Caribbean, please see GAIN Report # 5009: <http://www.fas.usda.gov/gainfiles/200506/146130098.pdf>

<sup>3</sup> Hurricane season officially ends November 15th.