Forest Products Exporting
Sources of Information

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Introduction

When managers of small or medium-sized businesses initially investigate exporting, one of their most important and time-consuming tasks is gathering information about international business. There are numerous sources of information to assist them in coordinating their initial export activities. This bulletin is designed to provide a brief description of some of these sources of information and how to obtain them. It is not meant to be exhaustive but rather a starting point for businesses to develop networks of resources and contacts. Because the sources listed in this publication change continually, this publication is available on the World Wide Web at http://forestry.msu.edu/extend/exports.htm and will be updated periodically.

There are several key steps in making the successful transition from purely domestic sales to a mix of domestic and international business:

- Evaluating your company's potential.
- Developing an export plan.
- Making contacts.
- Doing the research.
- Keeping current.

This publication will provide a list of resources to guide you through these steps.

Going International

Companies entering the international marketplace need to address their reasons for seeking foreign customers, such as increasing market share, disposing of excess inventory or offsetting seasonal domestic market fluctuations. By systematically evaluating their company's potential before entering the international market, managers will be better prepared to start off on the right track, waste less effort and achieve success more rapidly.

One approach to this analysis is to use a computer program, such as Company Readiness to Export (CORE) (7),* developed by Michigan State University's Center for International Business Education and Research. CORE allows a manager to respond to questions about his/her company and its products. Based on these responses, numerical scores and interpretations for them and a list of the company's strengths and weaknesses in the context of exporting are reported. It also provides a set of recommendations and offers a tutorial session that summarizes frequently encountered tasks in exporting.

Managers should ask many basic questions in the initial phases of developing an international marketing strategy, such as what types of products to export, what markets are most attractive, what types of financing are required and which modes of market entry are most feasible. These and other questions will require research to develop an export plan. A publication that answers many common questions associated with exporting is Trade Secrets: The Export Answer Book, offered by the Michigan Small Business Development Center (17).

Getting Started

Making Contacts

The first introduction to the possibilities of exporting often comes in the form of an unsolicited order from a foreign company or a contact made through the course of ordinary business. These companies, seeking U.S. products to import into their country, may have obtained the name of the Michigan forest products producer from a source such as the Michigan Forest Products Manufacturers Directory (15). Being listed in this directory or a similar regional or national directory (13, 16, 22) gives a small business exposure through an information source that is widely available to foreign industries and their buyers. A link to the Michigan forest products directory is available on the World Wide Web at http://forestry.msu.edu/mwii/invent.htm.

A more proactive starting point for developing overseas contacts is the

* Note: numbers refer to the alphabetical list of information sources at the end of the publication.
USDA Foreign Agriculture Service's (26) lists of foreign buyers of forest products. These lists are available by product type and include wood chips, logs, lumber, Christmas trees and many other manufactured products. There is a small charge for each list ordered.

Research
Understanding these new international markets requires some homework. Companies can access information on current trade patterns, political stability, exchange rates, local customs and languages, and many other facts that may help guide the decision process regarding trade opportunities and potential difficulties. A tremendous amount of statistical information on world trade is available to forest products managers. The National Trade Data Bank (18, 30) CD-ROM provides a wealth of international trade and export data from many U.S. government agencies. Each month's disk contains the complete data bank of text, time series and tabular data. The disk has search capabilities based on country and product information. The U.S. Government Printing Office (32) offers the World Bank Atlas, which provides demographic and growth information on every country recognized by the World Trade Bank. The U.S. Central Intelligence Agency produces a publication titled World Factbook (32), which contains maps, charts and data for a large selection of countries. It is also available through the U.S. Government Printing Office. These and many other government publications are also available through many local, state (18) and university libraries (20).

The USDA Forest Service Northeastern Forest Experiment Station (27) publishes the Bulletin of Hardwood Market Statistics, a bulletin that includes volumes and values of U.S. hardwood product imports and exports, in addition to a variety of other publications that pertain to forest products exports. For the Pacific Northwest, the USDA Forest Service Pacific Northwest Research Station (28) also provides research publications on forest products, such as the quarterly publication Production, Prices, Employment and Trade in Northwest Forest Industries.

Potential Markets
When deciding which international markets to enter, a manager should have a comprehensive understanding of each country's culture, political climate, transportation infrastructure and market characteristics. Many factors that influence companies selecting target markets require research on key characteristics of individual markets. Some sources of this type of information can be located in references such as the International Direct Marketing Guide to Canada and the International Marketing Resource Guide, publications of the U.S. Postal Service (33), which cover topics such as selecting a market, reaching the customer and obtaining market information. The National Trade Data Bank (18, 30) also provides many sources of useful information in assessing markets.

Beginning Export Activities
Low Cost/No Cost International Business Resources from the Michigan Small Business Development Center (17) lists books, guides, periodicals and services useful in initiating business overseas. In addition, numerous organizations, both public and private, assist smaller companies in exporting their products overseas. Some of these are briefly described below.

Government Agencies
A variety of local, state and federal government agencies have information for firms interested in expanding into international business. The U.S. Department of Commerce (30) provides information on virtually any topic related to exporting. The International Trade Administration (ITA) (30) promotes world trade and is the official government organization that coordinates all issues concerning trade development, international economic policy and programs, and trade administration. The U.S. Small Business Administration (SBA) (34) offers aid to small or minority exporters through two major programs on business development assistance and financial assistance. Additional federal publications are listed in the appendix (32).

Trade Associations
Many forest products trade associations assist firms in developing overseas business. The American Association of Exporters and Importers (1) provides its member firms with export information. The Small Business Exporters Association (24) represents small and medium-size exporters and offers software and publications to help businesses get started in exporting. The American Management Association (3) offers information on exporting and importing. The American Hardwood Export Council (AHEC) (2) serves as an international trade association for the U.S. hardwood industry, and the Lake States Lumber Association (14) supports and encourages wood product exports from this region.

University Sources
Universities throughout the world can provide assistance and advice for both experienced and inexperienced international business managers. Michigan State University's Center for International Business Education and Research (7) provides information and programs to guide managers in expanding overseas. The Center for International Trade Development (6) at Oklahoma State University provides resources and information to new or experienced exporters, including seminars, workshops, and a culture and language resource center.
The University of Washington's Center for International Trade in Forest Products (CINTRAFOR) (8) publishes research reports and newsletters and sponsors workshops related to trade in forest products. The Michigan State University Department of Forestry (19) also provides export guidance and information to forest products manufacturers.

Commercial Services
Many services are available to assist a manager in exporting. Many types of firms specialize in assistance with legal, financial, administrative and operational matters. These services are offered both on-line and through traditional channels. Breaking into the Trade Game, published by the U.S. Small Business Administration (34), provides a list of privately published information sources. In addition, many private organizations produce information for exporters. They are listed in Trade Secrets: The Export Answer Book, offered by the Michigan Small Business Development Center (17).

Mechanics of Exporting
Distribution and Freight Forwarding

Many small companies may find it necessary to export their products through domestic export trading companies. Many trade associations, such as the National Hardwood Lumber Association (22), offer directories of associated exporters. International Wood Trade Publications, Inc. (13) offers the North American Forest Products Export Directory, which lists numerous export trading companies encompassing a wide variety of forest products. The National Customs Brokers and Forwarders Association of America (21) sells its membership list, which can be helpful in locating distributors.

Financing
The U.S. Export - Import Bank (Ex-Imbank) (31) is the U.S. government agency that facilitates the export financing of U.S. goods and services for a wide variety of industries. Ex-Imbank also offers briefing programs that are available to the small business community, including regular seminars and group briefings held both within the bank and around the country. In addition, Ex-Imbank's export credit insurance program provides insurance policies for protection against default and includes a small business insurance policy that offers assistance in exporting.

The U.S. Small Business Administration (SBA) (34) also offers several forms of financial information that may assist a small business manager. These include The Facts About...Export Revolving Line of Credit Loan Program, which briefly describes the SBA Credit Program regarding eligibility, amount of loan, use proceeds, collateral, maturity, interest rates, fees and special program requirements. The SBA also offers a brochure, The Facts About...International Trade Assistance, which describes the SBA's many assistance programs. Export Programs: A Business Directory of U.S. Government Services, a publication of the U.S. Department of Commerce Trade Information Center (30), describes several government sources of assistance for approaching export finance in addition to many other business matters associated with international business.

ISO 9000
The International Organization of Standards has created a set of standards known as the ISO 9000 series, which broadly defines elements of quality in a large variety of industries. This series of quality standards acts as a guideline for companies to achieve high levels of quality in their supply, operations and distribution systems. Many companies in the European Union now require that their suppliers be certified through this system. Information on this subject may be obtained through the International Division Publications section of the U.S. Chamber of Commerce (25) and the National Institute of Standards and Technology (23).

Keeping Current Periodicals
There is a wide variety of international business magazines and newsletters to choose from when seeking export information. Some of these are not industry-specific sources but contain valuable information for managers interested in expanding into foreign markets. Business America is a biweekly magazine published by the Department of Commerce's International Trade Administration (30). It reports on international trade issues, worldwide trade opportunities and success stories from American exporters.

Agexporter (26) is a magazine on international trade published by the U.S. Department of Agriculture. Other periodicals are specific to the forest products industry. Wood Products:
International Trade And Foreign Markets (26) is published five times a year, covering topics such as the world supply and demand situation for wood products plus market profiles and trade issue articles. Import/Export Wood Purchasing News (13) is a bimonthly publication on hardwood and softwood business trends, articles and trade leads. The Hardwood Review Export (10) contains articles, freight rates, export statistics and regional hardwood prices by species.

**Electronic Sources**
The Internet is quickly becoming a primary mode of communication between businesses, both domestic and international. In addition, on-line services, FAX services, CD-ROM and PC-based software are available to facilitate quicker access to pertinent data and better management of information. The Center for Global Trade (5) offers software on freight forwarders, trade agencies, airports, etc. The International Trade Network (12) offers an e-mail list of advertisements of exports, imports and international services. The Michigan Small Business Development Center guide, Trade Secrets: The Export Answer Book (17), lists several international business software and online services. Searches of the World Wide Web can locate many additional sources of information and services.

**Trade Shows**
An effective method of reaching potential export customers and import suppliers is to participate in international trade shows. This is a relatively inexpensive way to expose products, assess the competition and meet potential distributors. A manager should decide on the objectives of participating in a trade show prior to the event. A U.S. Department of Commerce (30) publication provides procedures and guidelines for exhibiting products overseas. The Department of Commerce also offers its Foreign Buyer Program and the Certified Trade Fair Program, which assist managers in meeting foreign buyers and preparing trade show displays and promotional material.

Through the Michigan Jobs Commission, Office of International and National Business Development (INBD), the State of Michigan actively recruits Michigan-based manufacturing companies to participate in catalog and trade shows overseas. Catalog events, conducted as part of a regular exhibition show or in conjunction with the U.S. Department of Commerce, are a very cost-effective way to explore new international markets. They are targeted to an expanding market area and are not industry-specific.

A value-added service offered in conjunction with trade shows/missions is the agent/distributor search (ADS). For companies that have identified a specific country market for their product, the ADS offers access to local agents and/or distributors. These searches are conducted by the trade directors in the State of Michigan overseas offices. Appointments with prospective agents/distributors are arranged for the Michigan company at the trade event to maximize the prospect of doing business.

Several private sources of information on trade shows are available to managers interested in exporting, several of which are listed in Trade Secrets: The Export Answer Book (17). A private source of trade show information is Trade Shows Worldwide published by Gale Research Inc. (9).

**Summary**
Clearly a vast array of information sources about exporting is available to today's business managers, and this publication identifies only a few. By accessing some of these sources in the initial stages of international business development, managers may better prepare themselves and their companies to successfully expand their businesses overseas. As their international business expands, continued use of these sources and services can help them to stay competitive in the international marketplace.
Information Source
Addresses & Product Information

(P) = Public Agency
(I) = Private Company
(A) = Industrial Association

1 (A) American Association of Exporters and Importers
11 West 42nd Street
New York, NY 10036
(212) 944-2230
(212) 382-2606 - FAX
A private association that deals with trade regulations and policies. Weekly Trade Alert - AAEI member publication.

2 (A) American Hardwood Export Council (AHEC)
1111 19th Street, NW
Suite 800
Washington, DC 20036
(202) 463-2720
(202) 463-2787 - FAX
An association of wholesalers and retailers; may provide some forms of assistance to companies interested in exporting.

3 (I) American Management Association
P.O. Box 319
Saranac Lake, NY 12983
(518) 891-5510

4 (I) Bureau of National Affairs
Distribution Center,
Keywest Avenue
Rockville, MD 20850
(800) 372-1033
(202) 452-4200
International Trade Reports ($1,056/year) - a trade publication updated weekly.

5 (I) Center for Global Trade
Box 845
Artesia, CA 90702-0845
(310) 926-2511
(800) 397-6782
(800) 967-5383 - FAX
Global Marketplace Digest - daily e-mail publication pertaining to global business (free). Produces a wide variety of customized publications on global issues and specific countries.

6 (P) Center for International Trade Development
Oklahoma State University
(Contact: Zona Noyles)
204 CITD
Stillwater, OK 74078
(405) 744-7693
(405) 744-8973 - FAX
Export Marketing: Getting Started (free). Export Marketing Information Series - publications with information on market research, marketing planning, pricing, international business plans, documentation, etc.

7 (P) Center for International Business Education and Research (CIBER)
Michigan State University
7 Eppley Center
East Lansing, MI 48824-1121
(517) 353-4336
(517) 432-1009 - FAX
http://ciber.bus.msu.edu
Company Readiness To Export (CORE IV) software ($300). Partner - software ($2,000). Distributor - software ($2,000). Freight - software ($2,000). Advances in International Marketing - by S. Tamer Cavusgil & C.N. Axinn ($73.25).

8 (P) Center for International Trade in Forest Products (CINTRAFORE)
College of Forest Resources
Box 352100
University of Washington
Seattle, WA 98195-2100
(206) 543-8684
(206) 685-0790 - FAX
Offers a variety of papers and fact sheets pertaining to the forest products industry. Exporting Value-added Wood Products to Europe: A Quality Imperative - by H. Ekstrom ($7.50). Developing Intangible Resources: The New Battleground for Export Success Among Small and Medium-Sized Firms - by Illitch et al. ($7.50).

9 (I) Gale Research Co.
835 Penobscot Building
Detroit, MI 48226-4094
(800) 877-GALE
(313) 961-2242

10 (I) Hardwood Publishing Company, Inc.
(Contact: Laurette Tuppor)
P.O. Box 471307
Charlotte, NC 28247-1307
(704) 543-4408

11 (I) International Trade Institute (ITI)
5055 North Main Street
Dayton, OH 45415
(800) 543-2453
In addition to publications and trade forms, ITI offers one-day seminars on export documentation and shipping and letters of credit and drafts. A Guide to Export Documentation ($67.50). A Guide to International Shipping ($67.50).

12 (I) International Trade Network
P.O. Box 8838
Greenville, SC 29604-8838
e-mail: usa@world.std.com
International Trade Digest - e-mail web publication that advertises exports and imports; $25 [U.S.] for 32 issues.

13 (I) International Wood Trade Publications Inc. (Miller Publishing)
1235 Sycamore View
Memphis, TN 38134
(901) 372-8280
(901) 373-6180 - FAX
Continued on p.7
14  (A) Lake States Lumber Association (LSLA)
500 South Stephenson Avenue
Suite 301
Iron Mountain, MI 49801
(906) 774-6767
(906) 774-7255 - FAX
Export Committee contact:
Larry Wright
(615) 724-9190
The LSLA Export Committee provides information to forest products companies interested in exporting.

16  (P) Michigan Jobs Commission
International and National Business Development
201 North Washington Square
Lansing, MI 48913
(517) 335-5884
(517) 335-1947 - FAX
Wood Products Export Directory (online) - a listing of forest products-related companies involved in exporting. Agent/distributor searches (free), limit of 3 countries. Foreign Subsidiaries in Michigan (free).

17  (P) Michigan Small Business Development Center
Wayne State University
2727 Second Avenue
Detroit, MI 48201
(313) 964-1798
(313) 964-3648 - FAX
Developing Your International Business Plan (free). International Business Resources (free). Low Cost/No Cost International Resources (free).
27 (P) USDA Forest Service
Northeastern Forest Experiment Station
Route 2, Box 562-B
Princeton, WV 24740
(304) 425-8106
Provides a variety of publications on the forest products industry. Bulletin of Hardwood Market Statistics (free).

28 (P) USDA Forest Service
Pacific Northwest Research Station
P.O. Box 3890
Portland, OR 97207-3890
(503) 326-4201
Production, Prices, Employment and Trade in Northwest Forest Industries (free).

29 (P) USDA
Agricultural Marketing Service Transportation and Marketing Division
(Contact: Bryan McGregor)
Washington, DC 20230
(202) 690-1314
(202) 690-1340 - FAX
http://www.usda.gov/ams/tmdsea.htm

30 (P) U.S. Department of Commerce
Office of International Trade
Washington, DC 20416
(202) 364-6644
250 Elizabeth Lake Rd.
Suite 1300
Pontiac, MI 48341
(810) 979-9600

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