From the Forest to the Suburbs:

Responsible Wood Production Chains in Latin America
Real world examples... it's not all bad news out there!
Global Forest & Trade Network: A Pragmatic Conservation Strategy

• Build demand:
  – Responsible Purchasing Policies

• Build supply:
  – On-the-ground forestry
  – Quality products
  – Capital (equity & debt)

• Facilitate commercial linkages:
  – Pairing of partners
  – Member promotion
327 full members in 31 countries
- 60 producers managing 20 million hectares
- 267 buyers trading 147 million m3 of product
- 9.9% of global RWE harvested wood
- 325 enquiries = US$360 million
Motivation:
Why Build a Responsible Production Chain?

- Stabilize flow of raw materials
- Improve knowledge on supply (& demand)
- Prove legality of wood source
- Reduce risk to reputation
Trends
Forest cover & wood production (1990-2005)

- Production-oriented, natural forests decreasing by 4.6 million ha annually

- Asia wood production decreased 27% from 239 to 174 million m³

- Latin America increased 36% from 144 to 224 million m³
Example 1

U.S – China – Peru

• Armstrong
  – Global leader in furnishings & components (flooring, cabinets, ceilings)
  – 41 factories / 12 countries

• Yingbin Nature Wood Industry Co.
  – Large solid flooring manufacturer
  – U.S. $50 million annual sales
  – >600 retail outlets in China & Europe
Example 1

U.S - China - Peru

- Yingbin Nature & Armstrong Relationship
- Investigating 4 FTN Peru companies for sourcing and joint-venture opportunities
- Possibility of IFC financing
Example 1
U.S – China – Peru

- CFA 180,000 ha of FSC certified forest
- Hermanos Palacios (lumber & flooring)
- Triplay Amazonico (plywood)

- Private, venture capital Investment
- Consolidation & change in Peruvian law
Example 1

U.S. – China – Peru

- Churinashi
- Boca
- Apinihua
- Santa Clara
Example 1

U.S. - China - Peru
Example 2:
Nicaragua – Costa Rica – U.S.

- Wood Flooring International
  - U.S. based manufacturer, importer, distributor of (mainly) solid wood flooring
  - Guatemala / Costa Rican mills

- Pan American Wood
  - Costa Rica based
  - Solid & engineered flooring manufacturer

- Kiwatingni (Layasiksa)
  - Nicaragua based supplier
  - FSC certified
Example 2:
Nicaragua - Costa Rica - U.S.

• Layasiksa supplying high-end markets (Nicaragua / Costa Rica)
Example 3:
Bolivia – Bolivia – Europe/U.S.

- MultiAgro
  - NGO roots
  - 20-30 community plantations
  - 10,000 ha

- MultiAgro
  - FSC certification
  - Competes well
Example 3:

Bolivia – Bolivia – Europe/U.S.
Example 3: Bolivia – Bolivia – Europe/U.S.

- Anatina Toys
  - SOBOCE (Bolivian cement)
  - Outsource
  - 100% Bolivian woods & design
Example 3:

Bolivia – Bolivia – Europe

- COPADE – Spanish Fair Trade
- OXFAM – Fair Trade
- AEIM – Spanish Wood Importers Association
- Vandercasteele – Belgian importer
- Dekker – Holland / Dekma – Dutch
Take Home Messages:

• It's not all negative

• Unique, integrated value chains & partners are changing paradigms

• Diverse product lines include: lumber, plywood, flooring, furniture, cremation urns, & toys