

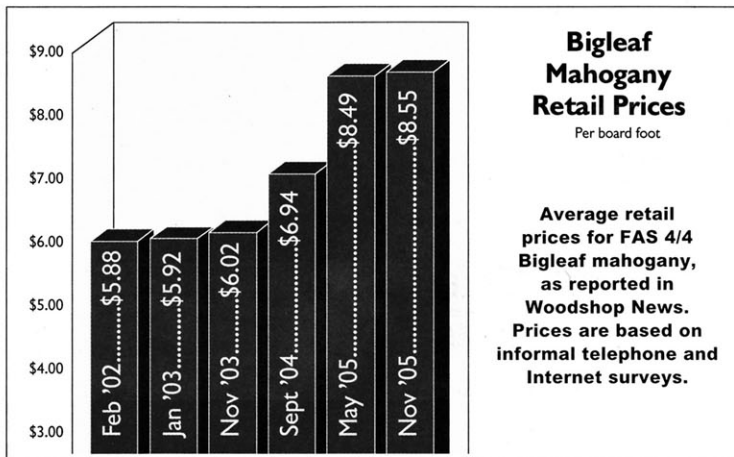
Bigleaf mahogany market tightens

Crackdown on illegal logging in Peru contributes to tougher market

By Brian Caldwell
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During the last six months, the bigleaf mahogany (*Swietenia macrophylla*) market has deteriorated further. With no "legal" mahogany being exported from Brazil, the main supply channel has come from Peru. But now, even the situation in Peru has changed, and to further complicate matters, the ports in Gulfport, Miss., and New Orleans were shut down due to the effects of Hurricane Katrina.

"There's not much coming out because the [Peruvian] government has stopped exports and they're checking in the concessions to make sure that the lumber that is there came from a legal concession," said Gene Reitz, a wholesaler with TBM Hardwoods in Hanover, Pa., which has a bigleaf mahogany inventory of 2 million bf, the largest in the country. "After they physically inspect



each one then they release some. So it's trickling out right now. They're just eliminating the illegal ones and once that's taken care of, production levels will be lower but the people like those who I

work with, their production will actually be increasing. In the last two months I don't think any more than 400,000 bf have come out, and we got half of that."

Bigleaf mahogany trees reach heights

up to 150' with trunk diameters as large as 7'. Its primary growing region is northern South America and to a lesser degree in Central America and small portions of Mexico. It is the most valuable timber species in its growth area and its uses include fine furniture — especially period furniture — architectural millwork, paneling, cabinetry and boatbuilding.

"The supply is still continuing to tighten," said Louis Irion of Irion Lumber in Wellsboro, Pa. "The price is continuing to go up and it is difficult to get good quality genuine mahogany. They're bringing some from other places. There's some even coming in from Fiji ... and they are trying to find other sources in Central America to supplement the fact that there are limits in Peru and Brazil is shut down."

In November 2003, the Convention on International Trade in Endangered Species of Wild Fauna and Flora imposed stricter regulations on mahogany trade by officially listing it on CITES Appendix II. Shipping of bigleaf mahogany, also known as genuine mahogany, Honduras mahogany and South American mahogany, in the form of logs, sawn wood, veneer sheets and plywood, must be accompanied by a CITES Appendix-II export permit. Shipments from Brazil were stopped and the majority of mahogany exported in the last two to three years has come from Peru.

With the price of genuine mahogany at an all-time high, Reitz noted that

many users are no longer purchasing the wood, instead turning to alternatives. He believes that may add a twist to the trend of higher prices.

"I think we're reaching a stability point here because it gets so expensive that people have stopped using it," he explained. "It has reached a critical point in terms of price and my guess is — nobody will believe me of course — that it will go down a bit in price. The production is there; several of my suppliers are actually going to be producing

more next year. Overall, you're going to reach a level where the consumption has dropped so much, that there's going to be excess supply."

The working characteristics of bigleaf mahogany are superb. From drying to cutting to finishing, the wood is outstanding in every facet. It is a staple among period furniture makers due to its density, which makes it an ideal carving wood.

"Last January there was almost a panic in the market because of Peru's allocations; you can get so much out

and then you're done until the next year," Irion said. "It really tightens up in the wintertime. It was really tight through the winter and the spring. It started to lessen during the summer and fall as they restocked — as they brought stuff in, got it dried and filled up the back orders. Right now I'd say it is better than it was last winter.

"We understand that the heavier stock is not as big an issue but that it is very difficult to bring in 4/4, they just can't bring in enough 4/4 for the mar-

ket; 5/4 is the second most difficult thickness to get your hands on."

Nationally, retail prices for 100 bf of kiln-dried 4/4 FAS bigleaf mahogany continued to be widespread, ranging from \$7.25/bf to \$9.70/bf, surfaced on two sides. A number of retailers have discontinued the sale of bigleaf mahogany because of supply problems. Nationally, wholesale prices for kiln-dried 4/4 FAS bigleaf mahogany were inconsistent. Buyers are recommended to call and inquire about availability.