



## Characteristics of Hawai'i's Retail Forest Industry in 2001

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**K**oa picture frames, mango wood furniture, and calabashes made from milo or kou wood are all commonplace in Hawai'i's homes. Hawai'i's forest industry makes an important contribution to the state's economy and sense of place. We conducted a survey of the entire forest industry in 2001, including forest landowners, loggers and millers, general contractors, consultants, manufacturers, nurseries, and retailers. The survey provided an update of the 1991 survey of Hawai'i's forest industry (Yanagida et al. 1993) and estimated the total value of Hawai'i's forest industry at \$30.7 million in 2001, including a retail sector with a value of \$23.9 million (Yanagida et al. 2004). The following report describes the structure of the retail sector of Hawai'i's forest industry based on responses to the 2001 survey.

### Survey methods

Using the Yellow Pages, we initially identified 1,619 retail establishments that potentially sold locally grown wood. We sent surveys to a randomly selected subsample of 20% of the initially identified establishments on each island (324 establishments in all). Because of the low response rate, we subsequently sent shorter surveys to an additional 542 establishments and followed up with phone interviews using the shorter survey, for a total sample of 53% of the estimated population. Copies of the blank survey forms are available at the website <http://www.ctahr.hawaii.edu/trees>.

### Number of retail establishments

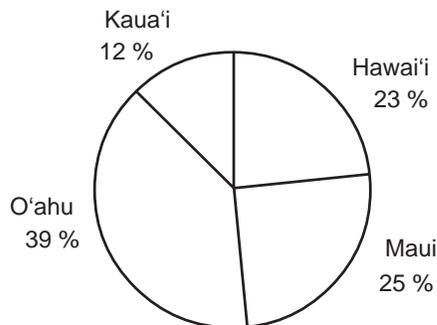
One hundred and sixty-five surveys were returned, of which 35 did not report selling any locally grown woods. When we reduced the original estimate of 1,619 establishments to account for firms that did not sell locally grown woods and firms which we were unable to locate, we arrived at a final estimate of 1,109 retail establishments selling products made from locally grown woods in Hawai'i.

### Profile of retail establishments

Almost all of the establishments surveyed (98%) were full-time operations, but for most, selling locally grown wood products was only a part of their business. Businesses were relatively long-lived. On the average, firms had been in business for 16 years, and out of 127 firms that reported how long they had been in business, 11 had been in business for over 30 years, and only 13 firms had been in business less than five years. Most businesses were small. The median number of full-time workers per establishment was only three, with 32% of the establishments owned and operated by one person. Forty-five percent of the retail establishments reported hiring part-time workers.

The largest volume of retail business was on O'ahu, but much of the state's total retail business also occurred on Hawai'i, Maui, and Kaua'i (Figure 1). Over three-quarters of the establishments sold their products through

**Figure 1. Retail sales of Hawai'i-grown woods by county in 2001.**



retail stores (77%), but businesses also sold locally grown wood products through catalog ads (25%) and during gallery shows (16%).

### Sources of wood

Almost three-quarters of all the retailers surveyed imported wood to Hawai'i. Sixty-eight percent of businesses surveyed imported wood products from mainland sources, and 34% of businesses imported wood internationally. Most mainland imports came from the West Coast. Thirty-four percent of businesses imported wood from California, 29% from Oregon, and another 28% from Washington state. Businesses also reported importing wood products from 20 different countries (Table 1), with most imports coming from Asia.

Sales of koa products, including bowls, cabinets, furniture, musical instruments, and picture frames, accounted for 75% of the value of Hawai'i-grown wood products. Most retailers sold products of both koa and other locally grown woods, with few reporting sales solely from koa (13%) and few solely from other woods (9%). However, most retailers specialized in selling either mostly koa products or mostly products made from other woods (Figure 2). Specialty forest products such as bamboo and hāpu'u (tree fern) were sold by 13% of the retailers in the survey but made up less than 10% of sales for most of these firms and less than 0.5% of the value of total sales.

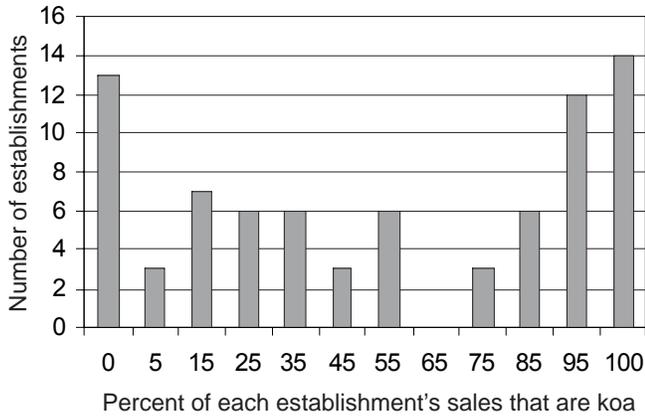
### Summary and future prospects

The retail sector of the Hawai'i forest industry remained stable through the 1990s despite difficult times in the

**Table 1. Sources of overseas imports of forest products to Hawai'i and the number of Hawai'i retail establishments importing forest products from those countries in 2001 (total = 122 establishments).**

| Region (subtotal)   | Country          | No. establishments |
|---------------------|------------------|--------------------|
| Asia (80)           | China            | 29                 |
|                     | Indonesia        | 17                 |
|                     | Thailand         | 9                  |
|                     | Malaysia         | 9                  |
|                     | Philippines      | 8                  |
|                     | Vietnam          | 5                  |
|                     | Hong Kong        | 2                  |
|                     | Taiwan           | 1                  |
| North America (7)   | Canada           | 7                  |
| Pacific Islands (5) | Fiji             | 2                  |
|                     | Samoa            | 1                  |
|                     | French Polynesia | 1                  |
|                     | New Zealand      | 1                  |
| Latin America (5)   | Brazil           | 2                  |
|                     | Mexico           | 1                  |
|                     | Honduras         | 1                  |
|                     | South America    | 1                  |
| Europe (4)          | Germany          | 3                  |
|                     | Italy            | 1                  |
| Africa (2)          |                  | 2                  |

local economy and in the agricultural industry (Statistics of Hawai'i Agriculture, various years.) The retail forest industry consists of more than a thousand establishments selling locally grown woods, including many small businesses with only a few employees alongside a few larger businesses with many employees. Combined sales on the islands of Hawai'i, Maui, and Kaua'i are greater than sales on O'ahu. The retail industry is still largely based on koa, but the current survey disclosed substantial sales (25%) of products made from other Hawai'i-grown woods such as mango, milo, kou, 'ōhi'a, and eucalyptus. While the data do not allow direct comparison with past years, anecdotal evidence suggests that sales of other woods are increasing relative to sales of koa. Asian imports also play an important role in the industry, including some woods such as kamani (*Calophyllum inophyllum*) that are traditionally thought of as Hawaiian but today may be sourced from the Philippines or the South Pacific. Koa remains unique to

**Figure 2. Koa use by Hawai'i retail establishments in 2001.**

Hawai'i, and a 2002 bill passed by the Hawai'i Legislature mandated that only products made from the native Hawaiian species *Acacia koa* may be labeled "koa" in Hawai'i. With the increase in tourism and improvements in the economy since 2001, the year of the survey, the retail forestry sector has no doubt expanded.

### Acknowledgements

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