

How EUDR Threatens the U.S. Forest Products Sector

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Table of Contents

<i>How EUDR Threatens the U.S. Forest Products Sector</i>	3
Summary	3
Background	4
EUDR’s Impact on the U.S. Forest Product Sector	4
Direct Impacts of EUDR Requirements.....	5
The U.S. Forest Products Value Chain Does Not Contribute to Global Deforestation	6
U.S. Forests are Resilient and Strong.....	6
U.S. Data & Monitoring.....	6
Responsible Fiber Sourcing.....	6
Exceeding Regulatory Objectives.....	7
U.S. Forest Product Sector Recommendations	7
Simplify EUDR due diligence requirements to be proportional to deforestation risk by excluding forest products from the regulation for supply chains originating in low-risk countries	7
Deforestation Risk Benchmarking must be completed no later than June 30, 2025 so that companies can adequately prepare for compliance.	8
Strengthening U.S. Manufacturing	8

How EUDR Threatens the U.S. Forest Products Sector

Summary

Key Takeaway: The U.S. does not contribute to global deforestation. The burden the EU Deforestation Regulation (EUDR) regulation places on U.S. forest products producers will not achieve the EU's stated policy goal.

The EU Deforestation Regulation (EUDR) will impose excessive and unnecessary burdens on U.S. forest product producers. The unprecedented and prescriptive requirements of the regulation are a one-size-fits-all approach that does not recognize commodity-specific challenges or country differences.

The U.S forest products value chain does not contribute to global deforestation. We are among the most responsible suppliers of forest fiber in the world and already have control mechanisms in place for all of our fiber inputs.

For U.S. forest products producers, it imposes costly and unnecessary obligations without any benefit to the intent of the regulation. The requirements include unachievable technical hurdles that jeopardize U.S. forest product producers' ability to continue to ship essential products, valued at over \$3.5 billion into the EU.

A delay does not solve our concerns with the regulation's complex requirements and significant technical barriers. This regulation should be considered a non-tariff trade barrier, as it is inappropriate to extend this EU Green Deal policy to countries outside of the European Union.

We urge President Trump and his trade advisors to include this on the list of items to negotiate with the European Union.

Background

Key date: EUDR implementation is December 30, 2025

The EU Deforestation-free Regulation ((EU) 2023/1115) known as EUDR is part of the broader umbrella of the European Green Deal that aims to reduce EU's dependency and consumption of products that are linked to global deforestation and degradation. The EUDR went into effect on June 29, 2023, with implementation scheduled for December 30, 2025.

It requires that companies (importers, exporters, and intra-EU) who place certain agricultural commodities and products on the EU market, including wood and wood products, prove that the products do not originate from deforested land nor have contributed to forest degradation after 2020. EUDR defines deforestation as any forest area cleared and converted to agricultural land.

For our industry, that includes:

- Manufactured products like pulp, printing paper, and items like cardboard boxes, cereal boxes and shoe boxes, as well as the material inputs used to make these, and other final products like books, paper towels, diapers or medicine boxes.

U.S. forest product exports to the EU are valued at over \$3.5 billion, and support thousands of U.S. manufacturing jobs. The U.S. ships about 60% of the EU's supply and 85% of of the global specialty pulp that's used to make things like diapers, menstrual and incontinence products.

EUDR's Impact on the U.S. Forest Product Sector

The EU Deforestation Regulation (EUDR) imposes a one-size-fits-all approach that does not account for commodity-specific challenges or country differences. This means low-risk countries like the U.S. are subject to many of the same burdensome due diligence obligations as countries with high deforestation risks. The U.S. is among the most responsible suppliers of forest fiber in the world.

The requirements include technical challenges that jeopardize U.S. forest product producers' ability to continue shipping essential products to the EU, valued at over \$3.5 billion.

Additionally, the obligations are duplicative and unnecessary due to existing U.S. forest products sustainable fiber sourcing controls and forest management best practices that already ensure forest products do not originate from deforested or degraded areas.

Direct Impacts of EUDR Requirements

Geolocation Mapping: EUDR demands precise and full traceability of every product shipment, including geospatial coordinates of every individual plot of land where the product originated. This is challenging and costly for the U.S., where 90% of wood fiber comes from nearly 11 million small, private, non-commercial family forest owners.

In the U.S., the EUDR traceability requirements mean companies must provide geo-map data and “adequately conclusive and verifiable information that the relevant products are deforestation-free” for thousands of individual plots of land per shipment.

Impact: Compliance costs for the U.S. will be exponentially higher than in other regions with vast timber harvesting areas and fewer landholders, putting the U.S. at a competitive disadvantage. Small landowners who lack accurate geospatial maps would be left behind.

Secondary Materials Traceability: The traceability challenge is even greater for secondary wood fiber in the form of chips that are by-products from sawmills and forestry operations, which represent 40% of fiber inputs.

The leftover materials from sawmills and forest residues our industry uses are regularly blended multiple times throughout the production process.

Impact: The diverse fiber flow that involves harvesting, transportation, storage, and blending of wood fiber inputs that is inherent to the U.S. forest product industry’s production process makes precise traceability from final product to specific plots unrealistic and practically impossible. If the strict requirements and due diligence obligations of EUDR aren’t simplified or made more workable, the regulation will cause unnecessary disruptions in the U.S. forest products supply chain.

This will lead to immediate and direct consequences in the EU, and harm U.S. competitiveness. The negative impacts will be felt throughout the U.S. forest products industry, which:

- Accounts for 4.7% of the total U.S. manufacturing GDP
- Manufactures more than \$435 billion in products
- Employs more than 925,000 people
- Is among the top 10 manufacturing sector employers in 44 states

The U.S. Forest Products Value Chain Does Not Contribute to Global Deforestation

U.S. Forests are Resilient and Strong

- Since 2010, forest carbon stocks in the United States have increased by nearly 3.6%, with forest area at or near the largest than at any other time in nearly a century.
- The U.S. grows twice the volume of trees than it harvests, with the net forest area increasing steadily by 18 million acres over the past 30 years. In fact, over the last 10 years, the largest gains in forest land area in the U.S. have been **reversions of agricultural land back into forest**.
- More than 1 billion trees are planted each year in the U.S.

While conversion of forests to agricultural land use may be the most significant driver of global deforestation, and the basis for EUDR, this is not occurring in the U.S.

The U.S. is widely recognized for its leadership in sustainable forestry practices, with negligible deforestation risk, as confirmed by the [EU Observatory on deforestation and forest degradation](#), and extensive forestry data provided by the U.S. Department of Agriculture.

U.S. Data & Monitoring

The United States monitors its forest and cropland dynamics with earth observation and survey data to ensure comprehensive and accurate analyses. The [data shows](#) that agricultural and timber production in the United States is not driving deforestation.

Responsible Fiber Sourcing

The U.S. forest products sector operates with deep visibility into our supply chains, with clear management rules and strict controls of forestry practices.

U.S. forest products producers adhere to globally recognized, robust, independent third-party accredited certification systems and standards. The standards include requirements that cover:

- Legality
- Sustainable forest management
- Fiber sourcing
- Biodiversity
- High conservation value forests
- Soil and water health

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- Traceability within each company’s wood fiber supply chain.

Our industry has invested heavily in certification systems and standards that include audits to verify that an entity’s wood flow accounting system meets strict sustainability requirements. This ensures that responsible forest management practices are implemented rigorously both in the forest and in wood fiber procurement operations.

Exceeding Regulatory Objectives

U.S. practices and performance measures not only meet but exceed the intended goals of the EUDR. Multiple certification programs have adapted their systems to ensure products sold under their standards align closely with EUDR requirements.

U.S. Forest Product Sector Recommendations

Consistent with the release of the America First Trade Policy, we need U.S. government engagement with EU counterparts to ensure U.S. wood, pulp and paper producers and our supply chain can remain competitive and can continue to ship our essential products into the EU without disruption. The elements below are the areas that we believe should be changed before EUDR regulation enforcement is applied:

1

Simplify EUDR due diligence requirements to be proportional to deforestation risk by excluding forest products from the regulation for supply chains originating in low-risk countries

EUDR imposes excessive administrative burdens, high implementation costs, and technical barriers without benefit to the intent of the regulation, as the U.S. does not contribute to global deforestation. The EU Commission has determined wood and forest products are not indicated as a leading cause of deforestation; however, wood and forest products face the same requirements as other products that are leading causes of deforestation. This increases compliance burden and cost without improved outcomes.

The geolocation and traceability details:

- a) **The geospatial coordinate mapping obligation** for every individual plot of land that may be associated with each product shipment should be removed for supply chains originating in low-risk countries.

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- b) **Traceability, legal compliance, and risk assessment requirements.** Commodities and products from low-risk countries should be presumed compliant. Additionally, the definition of ‘plot of land’ should be modified for traceability and risk assessments to apply to broader areas, such as regional forest management or fiber sourcing areas. This will allow competent bodies to better focus their attention on areas of most concern.
 - c) **Secondary material inputs** in the form of wood chips from forest products manufacturing by-products (often sawmills), forest residues (tree tops, limbs, material not suitable for building products), should be exempt from geolocation traceability requirements. Precise traceability of these materials to a specific plot of land is lost when the chips are stored and transported, making EUDR compliance practically impossible. Unless exempted, the alternative fate for these waste materials is landfilling or incineration, and would require replacement through additional harvesting, all of which would disrupt the circular supply chain.

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Deforestation Risk Benchmarking must be completed no later than June 30, 2025 so that companies can adequately prepare for compliance.

- a) The United States should be immediately classified as low-risk for global deforestation and forest degradation, as the U.S. is widely recognized for its leadership in sustainable forestry practices.
- b) U.S. suppliers must have compliance clarity and time to secure supply agreements with EU trading partners in the 3rd quarter of 2025.
- c) EUDR enforcement and exemptions, as well as enforcement methodologies and data verification, must be harmonized and equally applicable for operators and traders outside the EU as they are for EU-based companies.

Strengthening U.S. Manufacturing

We urge President Trump and his trade advisors to include this on the list of items to negotiate with the European Union. The United States should be recognized as a country that wisely manages its forest resources and must be recognized as not contributing to deforestation.

In the U.S., our pulp, paper and packaging mills use fiber that is sustainably sourced. We look forward to working with the Administration to address this regulation and discuss how it adversely impacts U.S. manufacturing.