

April  
2002  
**NEWS**

# APPALACHIAN

## *The Height of Beauty*

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.,  
serving the lumber industry since 1928

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### APPALACHIAN

#### Future Meetings

**2002 Summer Meeting**  
July 14-16 - The Homestead, Hot Springs, VA

**2002 Inter-Industry Meeting**  
Oct. 24 - Clemmons, NC

**2003 Annual Meeting**  
Feb. 27-March 2 - The Hilton Sandestin, Destin, FL

## Furniture Pre-Market Upbeat

HIGH POINT - Furniture manufacturers are anticipating the return of the retail buyer to the Spring 2002 International Home Furnishings Market.

The semi-annual event begins April 18 and has manufacturers ready to unveil hundreds of new pieces in all categories. The spring show typically offers more introductions than in the fall.

"From the reports of pre-market in March, there is a lot of new product out there," said Appalachian Hardwood Manufacturers, Inc. Executive Vice President Mark Barford. "That is great news. Retailers are saying that inventories are finally down and consumers are coming back to the stores.

"Those two things can make this market a vast improvement over the fall of 2001," he said. "In general, we are seeing better economic news in recent weeks and that should also have a positive affect on the furniture market."

The spring market runs April 18-25. AHMI members are reminded that Supplier Day is Wednesday, April 24. This is set up for industry suppliers to visit and call on the manufacturers' purchasing staff.

For more information or assistance at the April furniture market, please contact the AHMI office at 336-885-8315.

## AHMI Seeks Help With Furniture Tally

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. is asking members to help survey wood use April 22-23 at the Spring International Home Furnishings Market.

The AHMI Promotion Committee recently approved a plan to take over the furniture market survey from another association. The survey tracks wood trends and dates back to 1934.

AHMI is seeking volunteers to walk through furniture showrooms and view all wood furniture on display. The participants tally the species and its manufacturing origin. AHMI will compile the data and will publish an annual report.

"This is an excellent way to visit and learn about market," said AHMI's Tom Inman. To register, please call the AHMI office at (336) 885-8315.



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## Mark my words.....

By Mark A. Barford, CAE  
Executive Vice President

Having been around the sawmill business for over 25 years, I have lived through a number of economic downturns. In the past, the export business has been able to carry us through slow domestic markets, and overseas markets have been the first to pull the price of lumber back up to profitability.

Even today, a lot of companies are counting on following the furniture industry to China to regain their profit levels. As I have written before, the same furniture in China is using far less American lumber as the Chinese have easy access to many other suppliers, which raises some doubts.



**Mark A. Barford**

Even more disturbing is the slow recovery of the European and Japanese markets for American hardwoods which have for a long time been an important source of profits. During the lumber recession of the 1970s, I worked for a sawmill in Massachusetts which sold red oak to the German furniture industry. We made most of our profit on that one market.

Unfortunately, those days are over. The American Forest and Paper Association recently reported that U.S. hardwood exports to Europe declined 16.8% in dollar value from last year. Log values were down a modest 3%.

The report reveals that while Asian countries have been taking up the slack in volume, the value of that lumber shipped is 30% less. The report found lumber sold into the European Union was \$1,435/MBF, while lumber to Asia sold for \$1,020/MBF.

Traders say the lower price is because the U.S. is getting established into these markets, and must be competitive to get a foothold. Significant increases may be long in coming from a market that is being courted by wood suppliers from throughout the world.

Will exports be the balloon that provides the lumber business a fast recovery from recession? Maybe. If we can get consumers in this country and our friends in Europe and Japan to insist that their furniture be made from our hardwoods, then furniture and wood manufacturers everywhere in the world will buy more American hardwoods. Time will tell.



## '02 Summer Meeting Set At The Homestead

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. is returning July 14-16 to the popular Homestead in Hot Springs, VA, for the 2002 Summer Family Conference.

The Homestead has been the host for this well attended meeting in the past, and the board decided to return to this beautiful resort, but with an altered schedule, reports Mark Barford, AHMI Executive Vice President.

The meeting will begin with a welcoming social hour on Sunday evening, July 14, and finish with a board meeting on Tuesday morning, July 16. There are a limited number of rooms reserved on Saturday night as well for those who may wish to come in earlier in the weekend.

"We went back to the Sunday - Tuesday format at the Greenbrier two years ago, and had a record attendance," Barford said. "By coming in early in the week we are able to secure a better room rate and the preferred meeting space.

"In addition, we were able to reserve the prestigious Upper Cascades Golf Course for our tournament Monday afternoon," he said. There will also be a tennis tournament and shooting competition.

### Make Reservations Early

Barford suggests members make their room reservations early (the hotel registration form is on page 6 of this newsletter), as there are only a very few rooms available.

"During our conference, members of the Rolls Royce motor club will also be meeting," Barford said. "The Rolls Royces will make for some entertaining viewing, but the owners will likely fill the available rooms quickly."

Detailed information about the meeting will be mailed out to members in the coming weeks. If you have questions or immediate needs, contact the AHMI office at 336-885-8315.

# AFMA Conference Promotes Stewardship

CHARLOTTE, N.C. – U.S. furniture manufacturers should go beyond simply complying with environmental laws – they should be integrating an active environmental system into their overall business strategy, according to the American Furniture Manufacturers Association.

The Association's Environmental Affairs Committee unveiled an environmental management system called EFEC – "Enhancing Furniture's Environmental Culture" – at its annual environmental conference recently. Stanley Furniture, based in Stanleytown, Va., and Drexel Heritage of Drexel, N.C., served as pilot sites for the system.

"Development of the EFEC program required several hundred hours of work by dedicated environmental professionals within the furniture industry," said Dave Maddox, Stanley's director of environmental engineering. "Implementing the pilot program required Stanley to take a close look at our procedures and formalize them."

AFMA developed the EFEC program to promote and reward environmental excellence among home furnishings manufacturers. In development since 1999, the program's main purpose is to challenge U.S. furniture manufacturing operations to strengthen their commitment to the environment by going beyond compliance with environmental laws to developing proactive environmental systems.

Environmental issues came to the forefront in the furniture industry following the 1990 amendments to the Clean Air and Clean Water Acts. Since that time, manufacturers have struggled to balance the needs



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of manufacturing operations with an ever-expanding body of environmental regulations and public issues. The regulations being addressed included the much-anticipated Environmental Protection Agency (EPA) rules on industrial boiler operations (Boiler Maximum Achievable Control Technology).

The proposed Boiler MACT will likely make it economically unfeasible for many furniture manufacturers to continue operating boilers fired with wood left over from the furniture manufacturing process.

"Over the years, many state authorities have encouraged the use of such wood-fired boilers by the furniture industry as an environmentally sound policy," said Bill Perdue, AFMA's director of environmental and technical affairs. "But the EPA has determined that some industrial boilers may be major sources of hazardous air pollutants covered by the 1990 amendments to the Clean Air Act. The problem is that they want to treat small, wood- and coal-fired boilers that produce insignificant emissions in the same manner as large utility boilers fueled by coal, oil or natural gas. This move would force furniture makers to retrofit their boilers with costly emissions control equipment – equipment that could easily cost hundreds of thousands of dollars."

AFMA is working closely with the EPA and other important regulatory agencies to minimize the rule's economic impact on U.S. furniture manufacturers.

# Virginia Tech Awards Marketing Scholarships

BLACKSBURG, VA - The Center for Forest Products Marketing and Management at Virginia Tech recently awarded 16 scholarships to students pursuing degrees in marketing.

The presentations followed the annual meeting of the center and reports on its work in 2001. The facility worked to expand membership within the forest products community, completed research on a host of projects, offered continuing education courses and began teaching courses online.

For 2002, the center plans to develop a market update newsletter which will track important issues, concerns and developments in a variety of markets for wood products. The newsletter will report the results of a quarterly survey of 24 industry and 12 as-

sociation representatives.

Research priorities for the year include markets and strategies for low-grade hardwood lumber, forest products industry management, issues for treated wood and markets for wood-based structural panels.

Speaker for the annual meeting banquet was George Barrett of Hardwood Review, Charlotte, NC. He discussed the role of technology in the future of hardwood lumber marketing.

The center plans to focus on recruiting new students as enrollment has declined to 51. For more information, contact Smith or Tracee Radford at the center as 540-231-5876 or visit online to [www.cfpmm.vt.edu](http://www.cfpmm.vt.edu).

## PA Governor Honors Lewis Lumber Company

HILLSGROVE, PA - On behalf of Gov. Mark Schweiker, Pennsylvania Agriculture Secretary Sam Hayes announced Dwight Lewis Lumber Co., Inc., Hillsgrove, PA, as a 2002 Agribusiness Award winner during the AGRO 2002 International Dinner.

According to co-owner Marc Lewis, receiving this award is an honor which could not have been achieved without the hard work, dedication and foresight of everyone who has and is working at Dwight Lewis Lumber Co.

The Agribusiness Award is based on sales, employment and participation in the development and expansion of Pennsylvania agribusiness and adherence to state and federal regulatory standards. Three companies were recognized and Dwight Lewis Lumber was the only forest products company.

Dwight Lewis Lumber Co. is a third generation company which began in 1941 and currently produces six million board feet per year. Logs for this production come from company timberlands, managed forests and state forests.

The sawmill is a bandsaw headrig feeding two linebar band resaws. Recently an optimizing edger was installed to increase yield.

Dwight Lewis Lumber has its own dry kilns and specializes in black cherry, soft maple, hard maple and red oak. Committed to the long-term health of Pennsylvania's forests, the company has two foresters certified by the Society of American Foresters and other forest technicians to insure proper forest regeneration.

The distribution arm of Dwight Lewis Lumber Co. is Lewis Lumber Products, Inc. in Picture Rocks, PA. Lewis Lumber Products has a hardwood lumber distribution yard and component manufacturing facility.



**(L to R) Gov. Mark Schweiker, Senator Roger Madigan, Co-owner Mel Lewis, Co-owner Marc Lewis, Agriculture Secretary Sam Hayes and Co-owner Keith Atherholt**

Lewis Lumber Products offers kiln-dried rough lumber, ripped blanks and mouldings. Recently, the company installed an optimizing ripping and chopping system to maximize yields and pick-up efficiency in production. Both companies are participants in the FSC/Smartwood certification program.

AGRO 2002 is Pennsylvania's international celebration of agriculture and the many products Pennsylvania companies market. International guests from over 60 countries participated in the week-long event, meeting with export-ready companies from across Pennsylvania.

Agriculture is Pennsylvania's leading industry and forest products plays a large part. Over 90,000 Pennsylvanians are employed in the forest products industry. This represents approximately 10% of all manufacturing jobs in Pennsylvania.

Lewis Lumber Products is a Distributor's Division member of AHMI.

## North Carolina Builder Wins Truck From WPN

ATLANTA, GA - The "Wood - Key to Your Bottomline" Giveaway held more than 2,000 attendees at the International Builders' Show in breathless anticipation as they watched finalists try to open the door of a new 2002 Ford F-150 Super Crew truck.

In the end, it was the key of Dorin Dragomir of Weaverville, NC, that opened the door. The objective of the giveaway was to drive traffic to the 22 Wood Promotion Network partner booths, where builders learned the facts about our forests and wood and had an opportunity to win the Ford truck.

The goal was reached as thousands of attend-

ees turned in their key wood facts for a chance to win. The majority of people had all 22 keys showing they had visited every exhibiting partner.

The winner, who along with his father-in-law, builds single-family wood-framed homes. "There were so many people that participated, I didn't really think there was a chance," said Dragomir.

Officials from Ford Motor Company, the latest WPN partner, were impressed with the co-branded event. WPN President Kelly McCloskey said Ford is sharing support for wood and the Wood Promotion Network.

## Property Rights Group Honors Legislators

WASHINGTON - The League of Private Property Voters (LPPV) recently announced its Congressional Champions for legislative action protecting private property rights.

A "champion of property rights" is a legislator who voted with LPPV over 75% of the time. Honorees from states in the Appalachian region are:

GA - Collins, Deal, and Kingston

KY - Northup and Rogers

NY - Reynolds

NC - Ballenger, Myrick, and Taylor

OH - Boehner, Chabot, Hobson, LaTourette, Oxley, Pryce, Regula, Tiberi and Traficant

PA - Peterson, Pitts, Sherwood, and Toomey

SC - Brown, DeMint and Graham

TN - Bryant, Hilleary, Jenkins, Tanner, and Wamp

VA - Cantor, Davis, J., Forbes, Goode, Goodlatte, and Wolf.

The league asks constituents in these districts to thank these representatives for voting "for the protection of private property rights for all citizens in the United States."

## Forest Service Considers Bids From Enviro Groups

WASHINGTON - The U.S. Forest Service has proposed allowing environmentalists and others to be awarded timber contracts in the national forests even if they aren't going to log.

"If they are the highest bidder, we will take their money," said Mark Rey, undersecretary of agriculture for natural resources and the environment.

The Forest Service, which manages more than 190 million acres of federal land, indicated in its budget request to Congress earlier this month it would pursue changes in federal law to allow timber sales to environmental groups.

"Proposed legislation would alter the requirement for timber harvesting, allowing recreation or conservation groups to participate in auctions of timber harvest rights," the Forest Service said in a one-sentence description of what it has in mind.

Rey, who oversees the Forest Service from the Department of Agriculture, said the legislation hasn't been written but would involve amending the National Forest Management Act, which currently bars such sales.

## Virginia Tech Offers Workshops

BLACKSBURG, VA - The Center for Forest Products Marketing at Virginia Tech will offer sales and wood technology courses in April and May.

The marketing workshop will introduce the basics of marketing to new personnel and update current staff on changing factors affecting the industry. The workshop will be held at the Virginia Tech campus in Blacksburg April 16-17.

The program will concentrate on the fundamental principles of marketing and salesmanship as they apply to the forest products industry. Instructors are Bob Smith, Bob Bush, and Tom Hammett from the Department of Wood Science and Forest Products.

The 16th annual short course in Wood Technology is May 6-8 at the Donaldson Brown Hotel and Conference Center at Virginia Tech. The short course is designed for people who make technical decisions regarding the processing of wood. The instructor for this course will be Fred Lamb.

For registration materials or additional information on either course, contact: Bob Smith, Center for Forest Products Marketing and Management, Department of Wood Science and Forest Products, 1650 Ramble Road, Blacksburg, VA 24061-0503 or telephone 540-231-5876 or e mail to rsmith4@vt.edu.

## Court Rejects Lawsuit

A March 6 court ruling deals a major victory to conservation organizations seeking to protect the ability of wildlife managers to actively manage public lands for biodiversity, game species populations, and overall ecosystem health.

The Ruffed Grouse Society fought a lawsuit filed by the Sierra Club against the Michigan Department of Natural Resources (MDNR) and the U.S. Fish and Wildlife Service (USFWS). Judge Richard Enslin ruled against the Sierra Club and its complaints about land management issues, including forestry practices that benefit game species such as white-tailed deer, wild turkey and ruffed grouse, as well as non-game animals.

"This court decision is a reaffirmation of a common sense approach to the management of our public forests," said Dan Dessecker, Ruffed Grouse Society, senior biologist. "It's an important victory for millions of sportsmen and other dedicated conservationists, not just in Michigan, but across the nation."