

October
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 Inter-Industry Meeting

Oct. 24 - Tanglewood, Winston-Salem, NC

2003 Annual Meeting

Feb. 27-March 2 - The Hilton Sandestin, Destin, FL

2003 Summer Meeting

July 20-22 - The Greenbrier, White Sulphur Springs, WV

Inter-Industry Meeting Offers Buyers, Sellers Chance To Talk

HIGH POINT, NC - The buyers are coming! The buyers are coming!

That is the chant of the 2002 Appalachian Hardwood Manufacturers, Inc. Inter-Industry Meeting on Oct. 24. The session will be held at Tanglewood, just west of Winston-Salem, NC.

"We have a great group of lumber buyers who have already registered and expect more in the next few weeks," said Mark Barford, AHMI executive vice president. "This is why we hold the Inter-Industry meeting, to bring together buyers and sellers in the hardwood industry."

Keynote speaker is Reggie Propst, vice president of manufacturing for

Kincaid Furniture Co. He will offer insights from the 2002 International Home Furnishings Fall Market. The seven-day market ends the day before the Inter-Industry meeting.

Propst will discuss the results of the furniture market for Kincaid Furniture as well as overall trends from the semiannual show. He has been employed with Kincaid for eight years and was named vice president of manufacturing earlier this year.

"This will be timely and valuable information for all of our members, especially hardwood producers, dis-
(See Meeting on page 2)

Furniture Market Prepares For Fall

HIGH POINT - Furniture manufacturers are excited about a long list of introductions for the Fall 2002 International Home Furnishings Market that will hopefully excite furniture retailers and consumers.

The semi-annual market begins Oct. 17 and has manufacturers ready to unveil dozens of new pieces in all categories. The report from pre-market in September was positive.

The fall market runs Oct. 17-23.

AHMI members are reminded that Supplier Days are Tuesday, Oct. 22 and Wednesday, Oct. 23. These are days when industry suppliers can visit and call on the manufacturers' purchasing staff.

For more information or assistance at the October furniture market, please contact the AHMI office at 336-885-8315. Our office can serve as an information resource on housing, transportation and location of showrooms.



Contact AHMI:

P.O. Box 427, High Point, NC 27261
phone: 336-885-8315 fax: 336-886-8865
e mail: ahmi@northstate.net
website: www.appalachianwood.org

Mark my words.....

By Mark A. Barford, CAE
Executive Vice President

We have just completed two focus group meetings with wood consumers to talk about our newest promotion campaign - Demand the Appalachian Standard.

The element of the standard that seemed to garner the most response was sustainability. AHMI researched the most recent data from the U.S. Forest Service for the 344 counties that comprise the Appalachian area, and looked at growth, mortality and harvest. The amount of growth vs. harvest is staggering - on average nearly three times more volume growing than is being harvested!



Mark A. Barford

message will serve to drive that point home.

The message that our forests are naturally sustainable serves as a counter balance to the forces that advocate certification. Advocates for certification say that without regulated cutting practices and management schemes, the resource is doomed. The figures show that the resource in the Appalachians is doing just fine, and we can document just how much the forest is increasing in size.

The past few months have been relatively quiet regarding environmental activist. The fallout from September 11 and the recent explosion of fires in our national forests have illustrated to the general public the errors of their tactics.

They have again reappeared and will be making their pitch that to save the forest we need to stop cutting it. Through this campaign and our other educational efforts we can respond with confidence that our forest can be used and still expanded for future generations.

The message that we have plenty of trees needs to get out there loud and clear. We learned that some folks who work within the furniture and flooring industry are feeling guilty about using wood. They think that by making wooden products they are causing the destruction of the forests. Nothing could be further from the truth, and the sustainability mes-



MEMBERSHIP

HIGH POINT, NC - AHMI welcomes the following new members to the association:

Distributor

James "Jamie" V. Straka
Lawrence Lumber Co.
P.O. Box 750
Maiden, NC 28650

Consumer

William Gittler, Jr.
Catawissa Lumber & Specialty Co.
P.O. Box 176
Catawissa, PA 17820-0176

Meeting from page 1

tributors and consumers," Barford said.

AHMI will also present an update on its latest promotion "Demand The Appalachian Standard." This effort introduces new standards to wood consumers to influence buying decisions.

The Inter-Industry Meeting reception begins at 6:30 p.m. and dinner is at 7:30 p.m. Both are set in the Tanglewood Clubhouse.

Attendees are invited for golf on the Tanglewood Championship course beginning at 11 a.m. The golf fee of \$45 is payable to AHMI with registration.

A sporting clays and wobble trap tournament will be held at Friendship Sporting Clays in East Bend beginning at 1 p.m. The shooting fee of \$50 is payable to AHMI with registration.

Directions to the golf, shooting and meeting events are available from AHMI upon registration. Each are located just minutes off I-40 west of Winston-Salem, NC.

A block of rooms has been reserved at The Village Inn Golf and Conference Center in Clemmons for Oct. 23 and 24. AHMI has secured a rate of \$58 per night and reservations may be made by calling The Village Inn at (800) 554-6416. Rooms are still available.

The meeting registration fee is \$85. A form is included on page 8 of this newsletter.

A printable registration form is available online at www.appalachianwood.org.

Focus Groups Help AHMI Shape Message

HIGH POINT - Two focus groups of wood consumers are assisting Appalachian Hardwood Manufacturers, Inc. in its latest promotion.

The "Demand the Appalachian Standard" promotion began in September to educate wood consumers about the benefits of choosing Appalachian hardwoods. The effort highlights the four key aspects of lumber from the Appalachian Region: sustainable, consistent quality, greater yield and made in the United States.

Advertisements and press releases began in September in major trade publications. The program is an extension of AHMI's successful "Height of Beauty" campaign.

The focus groups included lumber buyers from furniture companies and flooring manufacturers. The buyers were shown a multimedia presentation, a se-



PROMOTION

ries of advertisements and the public relations plans for 2002-03.

"Their input was extremely valuable in allowing us to understand what influences their buying decisions," said Mark Barford, AHMI executive vice president. "We will increase the emphasis on a couple of areas and modify others to address their responses."

AHMI staff will continue the advertising and public relations efforts and soon begin making personal contact with wood manufacturers.

"We have a terrific message and we must make certain the people influencing the buying decisions hear it," Barford said.

"Appalachian Standard" Ad Campaign Begins

HIGH POINT, NC - Hardwood lumber buyers have a new set of standards to look for in their lumber products and all add up to Appalachian.

Appalachian Hardwood Manufacturers, Inc. began its fall advertising campaign in September titled "Demand the Appalachian Standard." The effort introduces four elements that hardwood buyers should demand of their suppliers - standards that are easily met by AHMI members.

The four are: sustainable, consistent quality, greater yield and made in the USA. While lumber from other regions of the country and world may meet one or two of the standards, only Appalachian hardwoods combine to offer all four.

"This is a message AHMI has developed to educate wood consumers who make buying decisions," said Mark Barford, AHMI executive vice president. "This message is based on our history and research within the industry on what sets Appalachian apart and we believe above other lumber resources."

A newsletter introducing the campaign was mailed to more than 9,000 wood consumers that are included in the AHMI database. Advertisements and press releases were published in September in trade publications to reach thousands more.

"The message has been well-received so far and we have found that a large number of this audience did not know our Appalachian forests truly are sustainable," Barford said. "This is based on U.S. For-



Wood consumers who require quality should demand The Appalachian Standard from their hardwood lumber supplier. Hardwood lumber from the Appalachian region is sustainable, provides consistent properties, increases yield and is Made in the USA. Call Appalachian Hardwood Manufacturers, Inc. today at 336-885-8315 or visit www.appalachianwood.org for a list of hardwood suppliers who can provide you with The Appalachian Standard.



Copy of AHMI advertisement

est Service data and people are impressed by that."

The campaign runs through February 2003. For more information or to schedule a visit in your area, contact the AHMI office at (336) 885-8315.

Barford Speaks About Hardwood Markets

VIRGINIA BEACH, VA - Appalachian Hardwood Manufacturers, Inc. Executive Vice President Mark Barford spoke about the "Future of Hardwoods" at the Virginia Forest Products Association meeting.

Barford said the hardwood lumber industry in 2002 has reduced its production to 12 billion board feet annually, down about 20% from historic highs. The primary market for hardwoods is pallets followed by furniture.

"As the domestic furniture business has been significantly reduced in size, the consumption of hardwoods for furniture has also decreased," Barford said. "Furniture still remains number two and a growing segment is exports to overseas furniture manufacturing."

Lumber export levels are about 10% of the total hardwood lumber produced, but where that lumber is being shipped to has changed dramatically. Exports to China have increased by one third in 2002, while lumber to Europe and Japan has fallen.

"The demand for flooring and cabinets has increased significantly filling in some of the void of the

lost domestic furniture business," he said. "The long term outlook for hardwoods remains strong, but the specific markets where lumber is shipped will continue to change."

The summary of expected hardwood markets for 2002 is: (*source: USDA Forest Service*)

Pallets	4.2 Billion Board Feet (BBF)
Furniture	2.4 BBF
Exports	1.1 BBF
Millwork	1.3 BBF
Cabinets	1.0 BBF
Flooring	1.6 BBF
RR Ties	0.7 BBF

"The global impact on the hardwood industry is going to continue as hardwood suppliers from around the world will compete," Barford concluded. "New markets that we are just learning about will increase the demand for the finest hardwoods in the world - Appalachian."

NHLA Convention Mood Optimistic

CHICAGO - While attendance was down from recent years, the mood was cautiously optimistic at the 2002 National Hardwood Lumber Association Convention here recently.

AHMI Executive Vice President Mark Barford said participants report that the industry is on the verge of turning the corner toward profitability. Much of the hardwood industry was represented.

The keynote address was offered by Kelly McCloskey, president of the Wood Promotion Network, who gave an upbeat talk about its success in the first 18 months. Several AHMI members participated in the business meeting including **Wendell Cramer, W.M. Cramer Lumber Co.** who spoke about the accomplishments of the Hardwood Political Action Committee and reminded folks of the upcoming elections that are crucial to our industry. **Pat Kenny, Georgia Pacific Corp.**, presented new member awards. Elected to leadership positions within NHLA were **Orn Gudmundsson, Sr., Northland Trading** as First Vice President; and **Ted Rowe, Sr., Aurora Timberland Wholesale Hardwoods Lumber LTD.**, as Second Vice President.

AHEC Offers Plans For 2003 Promotion

CHICAGO - The American Hardwood Export Council held its annual meeting in conjunction with the NHLA Convention.

The session included a series of roundtable discussions by country on the promotion strategies for 2003. The AHEC budget for next year is \$4 million, with the industry donating about 10%, and the government contributing the balance.

The majority of the funding is used in the European and Southeast Asian offices, and AHEC has opened a new office in Shanghai, China.

"AHEC continues to increase their emphasis on general promotion of American hardwoods throughout the world," said AHMI Executive Vice President Mark Barford, who serves on the AHEC Executive Committee. "The committees agreed that tradeshow and direct customer servicing should be de-emphasized as other services like the website and advertising campaign are expanded."

The AHEC fall schedule includes the European Convention in Lisbon, Portugal Oct. 24-25. For more information, contact Barford at the AHMI office at 336-885-8315.

Vandalized NC Chip Mill Is Back In Business

UNION MILLS, NC - The Broad River Forests Products chip mill here is operating once again.

Vandals struck on Labor Day causing an estimated \$500,000 in damage to the mill. It is owned by Weyerhaeuser Corp. and leased by Broad River Forest Products.

The operation produces wood chips from low grade logs from throughout western North Carolina. It went back online in late September.

The damage was extensive to the crane drive and control room, electrical motors and circuit breakers and boxes. The vandals smashed equipment, cut and ripped out wiring and dumped acid into motors.

Electricians worked 20-hour days to repair and replace equipment, company officials said. It was first

believed the plant would be offline for 30 days.

Both State and Federal Bureaus of Investigation are working on the case. No arrests have been made but extra security has been installed.

Broad River Forest Products had received no prior threats or communications. The company's relationship with environmental extremists was believed to be "pretty good." A sign left following the vandalism, however, said "No Wood - We Win."

There are seven employees at the mill and about 25 loggers who provide the resource. The operation continued to take logs so that loggers would not be adversely affected.

"We just started our winter buildup a little early," one official said. The investigation continues.

Survey Finds Furniture Orders Up 4 Percent

HIGH POINT, NC - For the first seven months of 2002, furniture orders were running 4% ahead of 2001 and shipments were up 2%.

The findings were reported recently by analyst BDO Seidman. More than 60 percent of participants in the survey said orders were up for the year to date.

Factory orders totalled \$1.8 billion in July 2002 and shipments were \$1.7 billion. From January-July 2002, orders were \$14.5 billion and shipments were \$14.6 billion.

In July, orders were down 5% from July 2001.

Keller Closes VA Operation

CORYDON, IN - Keller Furniture announced plans recently to close its 174,000-square-foot plant in Culpeper, VA, in late November.

The facility produces bedroom and dining room furniture. The production will be consolidated into plants in Corydon and New Salisbury, IN.

Keller officials said streamlining was the basis for the decision to close the plant. The recently expanded New Salisbury plant is set for future growth.



CONSUMER

Thomasville Closes NC Plant

THOMASVILLE, NC - Thomasville Furniture Industries announced recently plans to close its 240,000-square-foot factory here in December.

The facility produces bedroom furniture and wall units and employs 300 people and another 125 people in support operations. The decision was based on efforts to control costs and balance domestic and offshore production, said Chris Pfaff, president and chief executive officer.

Equipment Sales Rise

For the first and second quarters of 2002, sales of woodworking equipment increased from 15 to 211 percent in 14 equipment categories, reports Equipment Data Associates.

The largest increase in sales over 2001 was lathes followed by rip saws, jointer, planers and machining centers. Only wood presses saw a decrease in sales, down 16 percent from the same period in 2001.

AHMI Mourns Death Of Jack Tillinghast

RIPLEY, WV - Appalachian Hardwood Manufacturers, Inc. is sad to report the death of John F. "Jack" Tillinghast on Aug. 27. He was 89.

Tillinghast was the founder of Tillinghast & Neely, a consulting forester group in West Virginia. He was active with AHMI's Forestry Division for many years

and was instrumental in the establishment of the AHMI research forest in West Virginia.

"Jack was a giant in the introduction of forest management to the Appalachians," said Dan Parker, Tillinghast & Neely president.

Forestry Division Plans WV Watershed Tour

MORGANTOWN, WV - The Forestry Division of Appalachian Hardwood Manufacturers, Inc. will study U.S. Forest Service research into timber management and watershed issues.

The annual Forestry Division woods tour is set for Oct. 15 at the Fernow Experimental Forest, Parsons, WV. Forestry Division Chairman Trenor Hypes of MeadWestvaco Corp., said the station is one of the nation's oldest watershed research facilities.

"They have been actively studying different cut levels on several watersheds on their property," he said. "They can show active and controlled management and its impact over a long period of time."

The tour is timely following flooding earlier this



FORESTRY

year in West Virginia and southwest Virginia. Some blamed logging for the volume of floods.

"It should be interesting to look at their research into this issue," Hypes said.

The one day program will be from 10 a.m. to 3 p.m. The tour is open to all AHMI members. Forestry Division members received a letter and registration form with this newsletter or anyone can use the form below. For more information, contact the AHMI office at 336-885-8315.

AHMI Forestry Division Tour - Oct. 15

Fernow Experimental Forest Station, Parsons, WV

Registration Form

Please be sure all members and guests are included on this form and return it with your check to: Appalachian Hardwood Manufacturers, Inc., P. O. Box 427, High Point, NC 27261.

MEETING REGISTRATION FEE: \$25.00 PER PERSON

NAME: _____ **BADGE NAME:** _____

NAME: _____ **BADGE NAME:** _____

NAME: _____ **BADGE NAME:** _____

NAME: _____ **BADGE NAME:** _____

COMPANY: _____

ADDRESS: _____

CHECK FOR \$ _____ ENCLOSED



New Appalachian Shirts, Hats Available

HIGH POINT, NC - "Appalachian Hardwoods: The Sustainable Resource" shirts and hats are now available.

Appalachian Hardwood Manufacturers, Inc. staff designed the merchandise to go with the "Demand the Appalachian Standard" promotion. The first standard that Appalachian hardwoods meet is sustainability.

Staff wore the shirts and hats at the 2002 Summer Family Conference. The response was positive and several members asked AHMI to make the merchandise available.

"A lot of people liked our shirts and hats so we had more produced and are making them available to our members," AHMI Executive Vice President Barford said. "These are an excellent way to promote Appalachian everyday to everyone you encounter."

The shirts are available in green with tan trim and in a khaki and blue combination with blue trim. They are available in large, extra large and 2X sizes. The costs are \$30 each plus shipping.

The hats are khaki with a green brim. The costs are \$10 each plus shipping.

All will be available at the AHMI Inter-Industry Meeting on Oct. 24 or from the AHMI office at 336-885-8315.

Send Company Info For Website

AHMI encourages member companies to send company information for the association's website.

All member companies can submit up to 200 words of copy. When a potential customer visits the AHMI website, they can click on the company name and read the copy you provide.

Please submit this copy to ahmitom@northstate.net or fax to 336-886-8865. If you have questions, contact AHMI Director of Communications Tom Inman at (336) 885-8315.



Editors listen to Coastal Lumber Co. Forester Walt Graham in a PA log yard

Hardwood Council, HMA Host Editors

PITTSBURGH, PA - Editors from 17 industry trade publications and news services participated in the 2002 Hardwood Information Center Forest to Finished Products Tour.

The event is sponsored by the Hardwood Council and the Hardwood Manufacturers Association. Appalachian Hardwood Manufacturers, Inc. is a member of the Hardwood Council and AHMI Director of Communications Tom Inman participated.

The tour included visits to an active logging site, a forest that was harvested five years ago, a Coastal Lumber Co. sawmill and wood treatment facility and tours of two Frank Lloyd Wright designed homes. Few of the participants had ever seen any of these operations and facilities.

"This tour was an excellent way to get the people who write about homes and commercial buildings out into the woods and industry to see how it all begins," Inman said. "They were amazed at the professionalism of the people in the forest products industry and what is involved in providing the wood we use everyday."

A highlight of the visit was the logging site where a large red oak tree was harvested, moved to the log yard, trimmed and loaded for transport to the mill. At the sawmill, the editors viewed an optimization system that assisted sawyers in determining the maximum utilization of each log.

"Few realized the amount of computerization and mechanization of the modern sawmill," Inman said. "They were impressed with the technology employed to increase yield and production."

AHMI provided each of the participants with specific information about Appalachian hardwoods.

REGISTRATION FORM

APPALACHIAN

Hardwood Manufacturers, Inc.

Inter-Industry Meeting - Oct. 24, 2002

Tanglewood, Winston-Salem, NC

To accurately plan the functions and ensure all members and guests are included on the Registration List, please complete this form and return it with your check to: **AHMI, P.O. Box 427, High Point, NC 27261.**



AHMI has reserved a block of rooms at The Village Inn, Clemmons, NC, for \$58 per night. Call (800) 554-6416 to reserve a room.

MEETING REGISTRATION FEE \$85 per person

PLEASE REGISTER THE FOLLOWING FOR AHMI'S MEETING

NAME: _____ **BADGE NAME:** _____ **FEE: \$85**

NAME: _____ **BADGE NAME:** _____ **FEE: \$85**

Company: _____

Address: _____

City _____ **St.** _____ **Zip** _____

PLEASE REGISTER THE FOLLOWING FOR GOLF

Tanglewood Championship Course 11 a.m. Shotgun Start, \$45 per person

GOLF: _____ **HANDICAP** _____ **FEE: \$45**

GOLF: _____ **HANDICAP** _____ **FEE: \$45**

PLEASE REGISTER BELOW FOR SPORTING CLAYS & WOBBLE TRAP

Friendship Sporting Clays, East Bend, NC, 1 p.m. Start, \$50 per person

SHOOTING: _____ **FEE: \$50**

SHOOTING: _____ **FEE: \$50**

TOTAL: _____

Check for \$ _____ encl. Date: _____ By: _____