



# The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

*Demand the Appalachian Standard*

February 2004

Since 1928



## 2004 Annual Meeting Registration Grows

PONTE VEDRA BEACH, FL - Registrations continue to pour in for the 2004 Annual Meeting of Appalachian Hardwood Manufacturers, Inc.

"We have sold out our room block and are very pleased with registrations thus far," said Mark Barford, AHMI president. "This is shaping up to be a great meeting."

The convention is Feb. 26-29 at the Sawgrass Marriott Resort at Ponte Vedra Beach, FL. The keynote speaker is a top political advisor to President George Bush. Collister "Cuddy" Johnson, national field director for Bush-Cheney04, will discuss the campaign during the Friday business session.

Johnson has served in the Bush Administration since January of 2001 as Associate Director of Political Affairs for the White House, overseeing political activity in nine Appalachian and Central states.

Other speakers are Mullican Flooring President Neil Poland. He will discuss hardwood lumber utilization in the flooring industry. Wood Promotion Net-

work President Kelly McCloskey will give attendees an update on WPN's recent survey of builders and architects about hardwood lumber.

### Politics 2004 & The Hardwood Lumber Industry

The weekend will include an array of social and sports activities, with a special opportunity to play on the famed TPC golf course which includes the difficult 17th Island Hole.

The AHMI room block at the Sawgrass Marriott has ended but rooms still may be available. Please contact the hotel at 1-800-457-4653.

AHMI registration forms are available online at [www.appalachianwood.org](http://www.appalachianwood.org). Please print, complete and return with your check as soon as possible.

For more information on the speakers and the meeting agenda, see page 2 of this newsletter.

## AHMI Resource Guide Deadline Is Feb. 10

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. will publish its first Demand the Appalachian Standard Resource Guide in 2004.

The book will replace the annual Membership Directory as the association's main promotional piece for Appalachian hardwood lumber. It will detail the key aspects the Demand the Appalachian Standard promotion that began in late 2002.

It will also list company and contact information for all AHMI members and advertisements. This same information will be posted on the AHMI website, [www.appalachianwood.org](http://www.appalachianwood.org).

"We are excited about this new approach to pub-

licizing our members to potential customers around the world," said AHMI President Mark Barford, CAE. "We have more than 9,000 wood consumers in our Demand database that receive this information and use it to guide their wood buying decisions."

The deadline for all materials to be included is Feb. 10. Materials may be mailed or sent in electronically to Tom Inman at AHMI, P.O. Box 427, High Point, NC 27261 or [tom@appalachianwood.org](mailto:tom@appalachianwood.org).

More than 10,000 copies will be published and distributed to wood consumers around the world. For more information, please contact the AHMI office immediately at (336) 885-8315.

AHMI, P.O. Box 427, High Point, NC 27261  
phone: 336-885-8315 fax: 336-886-8865  
e mail: [ahmi@northstate.net](mailto:ahmi@northstate.net) web:  
[www.appalachianwood.org](http://www.appalachianwood.org)

### APPALACHIAN Future Meetings

#### 2004 Annual Meeting

Feb. 26-29 - Sawgrass Marriott Resort, Ponte Vedra, FL

#### 2004 Summer Meeting

July 18-20 - The Grove Park Inn, Asheville, NC

#### 2004 Inter-Industry Meeting

Late Oct. - North Carolina

## **Mark my words.....**

**By Mark A. Barford, CAE, CF  
President**

Pallets. That is a word not heard very often in the Appalachian Hardwood Manufacturers, Inc. newsletter because we are a grade promotion association. Yet the importance of pallets to members cannot be overstated, as pallet manufacturing consumes up to 40 percent of hardwood production.

The good news is, pallet demand and corresponding prices have been on the increase over the past year. Dr. Mark White of the pallet and container Lab at Virginia Tech, reports an average increase of 11% in the price of pallet grade lumber, and with no change in that trend anytime soon.

Of course, there are challenges ahead, too. One concern we have been following is the new international rules for insuring that pallets are "phytosanitized" through heat or chemical treatment.

Early indications were that pallet producers would require lumber suppliers to treat the wood. That would have been very expensive, and frankly impractical with some of the large timbers that would require treatment. The pallet industry has determined that the most practical way to deal with the issue is heat treatment of the finished pallet.

The potential overall effect these regulations have on the demand for pallets is still up in the air. Dr. White reports that the pallet industry is only running at 58% of their capacity, and that the total use of hardwoods has decreased in the past several years. He notes that there are more plywood and softwood pallets being made, and that the pallet recycling market is huge and growing. Also, we may be starting to see more pallets coming in from off-shore (sound familiar?).

In the end, the pallet industry still loves using hardwoods, and due to log shortage problems, spring should see a continuation in an increase in the demand for pallet lumber. Like all of our markets, there will be some changes to watch for in the coming years, and AHMI staff will add pallets to our watch list. Who knows, maybe someday they too will need to learn the distinct advantages of Appalachian lumber in their operations!



**Mark A. Barford**

## **2004 Meeting Agenda**

### **Thursday, February 26**

**3-6 p.m. Registration** *Heritage Desk*  
**6:30 p.m. Welcoming Social** *Champs Deck*  
*Dinner on your own*

### **Friday, February 27**

**7:30 a.m. Registration Opens** *Heritage Desk*  
**7:30 a.m. Producers Meeting** *Heritage Ballroom*  
**7:30 a.m. Distributors Meeting** *Gallery Ballroom*  
Speaker: Emmet P. Vaughn, Jr.  
**9 a.m. General Session** *Heritage Ballroom*  
Annual Meeting and 2004 Plan of Work  
Speaker: Collister "Coddy" Johnson, Associate Political Director, Bush White House, on the 2004 Election and the Hardwood Lumber Industry  
**1 p.m. Golf Tournament** *TPC Stadium Course*  
Shotgun Start - Medal Play  
**6:30 p.m. Lumbermen's Underwriting Alliance Reception** *100th Hole*  
*Dinner on your own*

### **Saturday, February 28**

**7 a.m. Board of Trustees Meeting** *Stadium Rm.*  
**9 a.m. General Session** *Heritage Ballroom*  
Speakers: Neil G. Poland, president of Mullican Flooring on "The Future of Flooring" and Kelly McCloskey, president Wood Promotion Network on "Influencing Builders/Architects Toward Wood."  
**1 p.m. Golf Tournament** *TPC Valley Golf Course*  
Captains Choice  
**1 p.m. Sporting Clays Tourn.** *WW Sporting Clays*  
**2 p.m. Tennis Tournament** *Marriott courts*  
**6:30 p.m. Chairman's Reception** *Heritage Ballroom*  
**7:30 p.m. Chairman's Banquet** *Heritage Ballroom*

### **Sunday, February 29**

NO FORMAL BUSINESS

## **2004 Annual Meeting Speakers**

**Collister "Coddy" Johnson** is the national field director for Bush-Cheney 04 and has served since January of 2001 as Associate Director of Political Affairs for the White House. In that capacity, he oversaw all Administration political activity in nine Central states: Indiana, Kentucky, Kansas, Missouri, North Carolina, Ohio, Tennessee, Virginia and West Virginia.

**Neil G. Poland** is the President of Mullican Flooring, Johnson City, TN, the nation's second largest producer of unfinished and prefinished hardwood flooring. He has been with Mullican Flooring for five years.

**Kelly McCloskey** is President and CEO of Wood Promotion Network (WPN). He was instrumental in the development of the North American-wide coalition that evolved into the WPN.

# Gary White Reflects On Term As Chairman

The following is a question and answer session with Appalachian Hardwood Manufacturers, Inc. Chairman of the Board Gary White on his term from 2002-2004.

## **1) What has been a highlight of your term as chairman?**

I have a real sense of accomplishment. When I became President (now Chairman) my goals were to provide seamless continuity of volunteer leadership from Jim Hamer's term through mine. I also wanted to review and revise the legal and operating structure of Appalachian Hardwood Manufacturers, Inc. (AHMI) to bring the Association in line with current association governance. Another task that has been accomplished has been to provide a formal process to receive input from the membership as to their needs and expectations of AHMI. I believe the Association has also broadened our working relationships with other wood products related associations and maintained membership level through difficult times.

## **2) What goals did you set and have they been accomplished?**

The newly elected officers of my term met very early with our immediate past Presidents to discuss the overall direction of AHMI. Our group pledged to build upon the accomplishments of our predecessors and provide continuity of leadership for several years to come. This is generally a weakness in volunteer leadership in associations. Most associations are pushed and pulled in new and various directions by new leadership. This is not in the long-term best interest of AHMI nor its members.

The bylaws of AHMI were reviewed and revised to reflect more current legal and operating structures. This was an open and collaborative process providing opportunities for member suggestions and comments with input from outside legal council. The resulting revisions were ratified by the membership and the new structure should serve the Association well for several years.

We held a professionally facilitated forum at our 2002 Summer Conference that was most productive in identifying our members' priorities for AHMI and challenges they face in their everyday operations. This information assisted us in setting direction and priorities for our staff and the Association in general. In addition, this baseline data is now available for periodic update and revision based on the

changes in the industry.

As a result of the data collected in the forum, we determined a need to re-initiate our efforts to work with similar and complementary wood related groups in areas of mutual interest and concern. This initiative has led to a closer working relationship with several associations and quasi-political groups. Overall, we have increased the visibility of AHMI among its members, our customers, political leaders and the public in general.

As with any association, the only true measure of success and accomplishment is the growth and maintenance of its membership over the long term. Clearly, AHMI is a continuing success by this measure. While there have been changes in individual memberships, overall, the number of members and their corresponding financial support have been maintained through arguably one of the more difficult financial downturns in recent history.

## **3) What are the current strengths of AHMI?**

The strength of this and any association is found in its members. AHMI has a heritage of strong, mostly entrepreneurial, members connected through common goals in a family atmosphere. In my opinion, therein lies our greatest strength.

There is also strength in the "Appalachian Hardwood" name. AHMI takes pride in representing the producers of the finest hardwoods in the world. An association is likewise only as strong as the industry it represents.

Perhaps the greatest strength of AHMI lies in its history. It has survived many and varied financial and market cycles in the hardwood industry, attempts to merge or dissolve it into other organizations in an effort to dilute or eliminate the "Appalachian" name and other circumstances that have led to the demise of many trade associations nationally. Despite these adversities, it has not only survived, but also grown.

## **4) What is the future of Appalachian Hardwood Manufacturers, Inc?**

AHMI will continue to be recognized as one of the leading trade Associations in the hardwood industry.

AHMI will continue to promote and protect the identity of "Appalachian Hardwoods."

AHMI will continue to provide strong leadership and representation for its members and the industry in the more challenging times facing the hardwood industry in the future.

## AHMI Trustees Discuss Long-Term Programs

HIGH POINT - The Board of Trustees of the Appalachian Hardwood Manufacturers, Inc. met for an extended retreat in January to discuss long term future plans for the association.

The board normally meets 3-4 times per year to set work plans and develop policy for the association. This retreat meeting was designed to look more at the long term goals of the group.

"With the change in leadership that will be taking place at our upcoming annual meeting, and with the new challenges the industry is facing, this seemed like a great time to ask board members to meet for an extended session," said AHMI Chairman Gary White.

The session was facilitated by White, who utilized the comments and suggestions that membership provided during the 2002 AHMI Summer Conference roundtable discussions. Staff also offered new program ideas that they have been developing to get some good feedback.

"Although no formal actions were taken at the meeting," said AHMI President Mark Barford, "the discussions were very helpful in solidifying the needs of the industry, and what role the association can take in assisting the Appalachian to stay competitive and profitable."

The trustees will meet again at the 2004 Annual Meeting on Feb. 28.

## Barford Details World Markets At IHLA

INDIANAPOLIS, IN - Appalachian Hardwood Manufacturers, Inc. President Mark Barford recently made a presentation to the Indiana Hardwood Lumberman's Association Annual meeting.

The title of the talk was "The Global Economy's Effect on Domestic Secondary Wood Manufacturing," and focused on the effect of imports on the overall domestic demand for hardwoods.

"I always like to begin my talks with the hardwood forest inventory figures that show that we are not only growing more hardwoods than we are cutting, but that we have a tremendous stockpile of usable trees in our forest," Barford said. "The question is how much of that forest we will be able to cut."

Most of the presentation centers on the surge of Chinese imports, and how the domestic industry is responding. Chinese imports currently supply 52% of the domestic furniture market, with no signs of

reducing in size. The American furniture industry has responded in three ways that Barford details.

"The first is to give up and give in, and sell out to foreign manufacturers. The second and most common is to integrate overseas parts into domestic furniture production. The third is to overhaul the way domestic furniture production is done, by reducing costs, speeding up delivery, and developing smaller niche markets."

The conclusion of the presentation is a review of the problems the Chinese are beginning to encounter, and some of the inherent strength that should help American producers to become more competitive.

"In the end," Barford concludes, "I believe we will still have a strong domestic industry, that will be smaller and more efficient, and using solid hardwoods to an even greater extent," he said.

## Senate Bill Requires Better Science For ESA

WASHINGTON, DC - U.S. Sen. Gordon Smith (R-OR) has introduced legislation which would require greater weight be given to field-tested and scientifically reviewed data when making decisions under the Endangered Species Act (ESA).

In recent years, a number of cases have been exposed where federal agency scientists either demanded actions not supported by scientific data, or actually fabricated the data itself. The Sound Science for Endangered Species Planning Act (S. 2009) includes provisions that would:

Require the Secretary of the Interior and the Secretary of Commerce to give greater weight to scien-

tific or commercial data that has been field-tested or peer-reviewed.

Establish a mandatory independent scientific review requirement for all ESA listing and delisting proposals as well as biological opinions to ensure the use of sound science and provide a mechanism for resolving disputes during the rulemaking process.

Require the Secretary of the Interior to solicit and obtain data from stakeholders to assist in developing recovery plans, including recovery goals.

Require the Secretary to solicit recommendations from the National Academy of Sciences in order to maintain a list of qualified reviewers.

## USFS Releases Southern Appalachian Plans

ATLANTA - Maintaining healthy, resilient and productive mountain forests remains the highest aim for the newly revised Southern Appalachian Land Management Plans released in January.

The U.S. Forest Service concluded scientific analysis and considered more than 12,000 public comments on the draft plans. These will guide forest management on five Southern Appalachian National Forests for the next 10-15 years.

The new plans, which are expected to be implemented by March 1, create a blueprint aimed at improving forest health, productivity and the enjoyment of mountain forests, said Regional Planning Director Chris Liggett. "While the overall forest management direction of these forest decisions did not change from last year's draft plans, forest specialists have worked hard over the last few months to make key changes and adjustments that respond to public comments, address local concerns and incorporate additional scientific analysis," he said.

The revised plans allow land managers to use an array of forest management tools to address threats from invasive insects and disease, wildland fires, unmanaged recreational activities and urban sprawl. Meanwhile, the plans enhance the rich bio-

## Bush Administration Relaxes Forest Survey Requirements

WASHINGTON, D.C. - Under a new Bush administration proposal, logging on federal land will no longer require a detailed survey of the forest life.

For years, the forest products industry has opposed these mandatory surveys, which requires a study of the effects of logging on about 300 plant and animal species. Company foresters complain the rules are overly intrusive and take years to complete.

The rule change is part of a larger legal strategy by Northwest logging companies to remove barriers that have largely kept them out of the old-growth forests in Washington, Oregon and California since the mid-1990s, according to industry strategy documents.

The timber groups have repeatedly sued the Bush administration over rules that prevent access to trees. The administration - rather than fight the suits - settles the cases by agreeing to change those rules.

Federal forest managers will no longer have to do the survey before logging on land designated for timber harvest by the U.S. Forest Service or the Bureau of Land Management.



## FORESTRY

logical diversity on the 3.2 million national forest acres in the Southern Appalachians.

The five forests include the National Forests in Alabama, Chattahoochee and Oconee National Forests in Georgia, Cherokee National Forest in Tennessee, Jefferson National Forest in Virginia, and the Sumter National Forest in South Carolina.

Copies of the plans and executive summaries are available electronically, as well as in print. Interested people should contact the following for more information:

Alabama National Forests - Mary Gaines (334) 241-8173

Chattahoochee and Oconee National Forests - Karen McKenzie (770) 297-3061

Cherokee National Forest - Terry McDonald (423) 476-9729

Jefferson National Forest - Donna Wilson (540) 265-5177

Sumter National Forest - Stephanie Neal Johnson (803) 561-4091

## Bush Seeks Millions For Forest Thinning

WASHINGTON - The Bush administration is set to ask Congress for \$760.4 million to remove brush and small trees that serve as kindling for catastrophic wildfires on public lands.

Bush officials included the request to fully fund the new Healthy Forests law in the 2005 budget proposal they sent to Congress last week. If approved, the request will more than double federal spending on forest-thinning projects.

Mark Rey, the Agriculture Department official who oversees the Forest Service, said that about \$80 million to \$100 million would be additional money from Congress. The bulk of the money, however, would have to be shifted from other Agriculture and Interior programs.

"The decision to provide this level of funding is a reflection of the president's commitment to reaching the goals of this act. The rationale behind the decision was very simple and very direct," Rey said.

## AHMI Seeks Survey Help At Furniture Market

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. is asking members to help survey wood usage and design at the Spring International Home Furnishings Market.

AHMI is responsible for a furniture market survey that has tracked wood trends since 1934. The survey is the basis for a furniture market news analysis prepared by AHMI staff.

"This is the only survey of its type that tracks wood use at market," said AHMI Director of Communications Tom Inman. "It is interesting to look back at previous markets and watch trends develop for species and design styles."

The spring market is April 22-28, 2004. AHMI is seeking volunteers to walk through furniture showrooms and view all wood furniture on display. The participants tally the species, the design and its manufacturing origin on scoresheets.

AHMI compiles the data and publishes an annual report which is used by the media and the furniture industry to track trends.

"This is a terrific opportunity for lumber sales staff

to see what the furniture market is all about," Inman said. "They will see a lot of furniture and probably see their own wood on display in a finished form."

The survey dates are Monday, April 26 and Tuesday, April 27 beginning at 8 a.m. Participants are paired with another volunteer and assigned a block of showrooms. A detailed training session is held each morning.

The survey dates precede Supplier Days at market when showrooms are open to suppliers to the industry. This is an excellent opportunity to call on purchasing people from hundreds of furniture manufacturing companies.

In 2003, 14 AHMI member companies sent individuals to assist AHMI with the survey. Many of these participants visited furniture market for the first time and were able to make new contacts in the furniture industry.

AHMI has a block of rooms available at an area hotel. To register, please contact Inman at the AHMI office at 336-885-8315 or e mail to [tom@appalachianwood.org](mailto:tom@appalachianwood.org).

### AHMI Mourns Death Of Charles Woodard

SYLVA, NC - Appalachian Hardwood Manufacturers, Inc. is saddened to report the death of Charles D. Woodard age 71.

He was the former director of the Southern Appalachian Multiple Use Council and spent many years with the U.S. Forest Service. He died Jan. 19, 2004, at his residence.

### Chinese Beetle Eating Ash Trees

TOLEDO, Ohio - A Chinese beetle that crept into Ohio after killing millions of ash trees in Michigan is eating away at the tree industry.

Scientists believe the emerald ash borer arrived in the United States from its native China with wood used to pack cargo. The beetle has infested or destroyed about 6 million ash trees in southeast Michigan, mostly near Detroit, and has been found in northwest Ohio and Maryland.



### COURSES

### Advanced Sales Training Workshop Set At VA Tech,

BLACKSBURG, VA - The Center for Forest Products Marketing and Management at Virginia Tech will conduct its annual workshop on Advanced Sales Training April 1-2 at the Virginia Tech campus in Blacksburg.

The program is designed for sales people and managers who want to improve their ability to relate to customers. It is written for those currently selling products and want to improve their communication, time management and negotiation skills.

The program will be held in the Donaldson Brown Hotel and Conference Center. Lodging rooms are available by calling the hotel at 1-877-200-3360 and mention the name of the short course for the discounted room rate of \$76.

For more information or registration materials, contact Bob Smith, CFPMM, Department of Wood Science and Forest Products, 1650 Ramble Rd., Blacksburg, VA 24061-0503 or (540) 231-5876 or e mail to [rsmith4@vt.edu](mailto:rsmith4@vt.edu).