



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

Demand the Appalachian Standard

May 2004



Hardwood Millwork Leader Scheduled To Speak

HIGH POINT, NC - The president of the nation's top hardwood millwork producer will discuss the benefits of the top grades for wood consumers at the Appalachian Hardwood Manufacturers, Inc. 2004 Summer Family Conference.

Ferche Millwork Co. President Gerald Grider will speak at the Monday morning business session on July 19. He joins a representative from BushCheney '04 as the keynote speakers for the conference.

Ferche is headquartered in Rice, MN, and produces more than 5,500 items from hardwoods. Founded in 1958, Ferche Millwork has been a member of AHMI since 1993.

"We are excited that Mr. Grider has agreed to offer remarks from the hardwood millwork and moulding industry," said AHMI President Mark Barford. "This area has seen dramatic growth in the past decade with the boom in home construction."

Ferche Millwork uses a majority of Appalachian hardwood species in its production. The company specifies the top grades to maximize yield.

The summer conference is planned July 18-20 at the Grove Park Inn, Asheville, NC. The Inn recently completed an extensive renovation and expansion including a new spa.

"The Grove Park Inn has made major improvements and I think our members will be pleased with the look," said Barford. "Our summer conference is a family gathering and we encourage members to bring their entire family to Asheville for this meeting."

The conference begins with welcoming social sponsored by Volvo Construction Equipment North America. The equipment maker has offices and manufacturing facilities near Asheville.

The Monday morning business session will include Grider and a representative from the Bush-

2004
AHMI
Summer
Family Conference



Cheney'04 campaign. A representative was scheduled to attend the 2004 Annual Meeting of AHMI but cancelled because of weather.

Hardwood Federation Lobbyist Grace Terpstra of Terpstra & Associates, Washington, DC, will discuss key legislative issues for 2004. AHMI is a member of the Federation.

Monday afternoon will offer golf, tennis and shooting tournaments. A reception is set for Monday evening and AHMI Trustees will meet Tuesday morning.

Volvo Construction Equipment invites AHMI members to tour its demonstration site and view the Volvo line of equipment for sawmills, distribution yards and forestry operations. The site is minutes away from the Grove Park Inn and Volvo will shuttle attendees to the facility for a tour and lunch. Please check the appropriate line on the registration form.

AHMI members and guests are encouraged to make your room reservations immediately by calling the Grove Park Inn at 800-438-5800 or mailing the enclosed reservation form. The room rate is \$199 and the AHMI room block cut-off is June 17.

Registration forms are printed on pages 5 and 6 of this newsletter. Please complete and mail to AHMI at your earliest convenience. For more information, contact the AHMI office 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
web: www.appalachianwood.org

APPALACHIAN Future Meetings

- 2004 Summer Meeting**
July 18-20 - The Grove Park Inn, Asheville, NC
- 2004 Inter-Industry Meeting**
Oct. 20 - The Village Inn, Clemmons, NC
- 2005 Annual Meeting**
Feb. 24-27 - The Sanctuary, Kiawah Island, SC

Mark my words.....

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

With the Spring Furniture Market now complete, we are left with the usual optimism when we see such a large crowd of people placing orders for wood furniture. Have no doubt about it, the retail market for furniture is strong, and expected to grow even more.

Unfortunately, as we are aware, over 50% of that furniture now comes from China, and the domestic furniture manufacturing industry continues to decline. A comparison of where our hardwoods will go in 2004 versus seven years ago tells the story of the effect on the domestic hardwood industry:



Mark A. Barford

- In 1997, the hardwood industry produced over 13 BBF, with 3.4 BBF to the furniture industry.

- In 2004, total hardwood production is about 11.5 BBF, and the domestic furniture industry will utilize about 1.4 BBF... that's a reduction of about 60% of consumption in the furniture industry!

How has the hardwood industry responded? First and foremost, reduced production through mill closings. Second, new engagement with other buyers of hardwoods through promotion, adapting production output, and traveling the world. Unfortunately, the world has not responded and lumber exports have remained constant for the past 10 years. Log exports, primarily to Canada, have increased significantly.

Other domestic markets have taken up the slack, with increases in the flooring, cabinet and moulding industries leading the way. AHMI's Appalachian promotions have shifted with greater emphasis on these manufacturers, and increased participation with their trade groups. Staff has already participated in wood-working and flooring shows, with cabinets next.

The important thing to remember is that despite the dramatic shifts, furniture still remains a very important market for the Appalachian hardwood industry. The domestic furniture industry is here to stay, as it is now leaner and better prepared to take on the world. The nimble manufacturers in the industry will survive, and continue to make the best furniture in the world... using the best resource in the world, Appalachian hardwoods. Let us not forget our friends in the furniture industry and continue to help them be the best the world has to offer.

Barford Talks At VA, MA Meetings

AHMI President Mark Barford recently made presentations to two groups about the improving hardwood industry.

He spoke to the Virginia Forestry Association and at the Northeastern Loggers Association equipment show. Both presentations centered on recent drastic changes to hardwood markets as furniture manufacturing and other hardwood users move off shore. These market changes are also changing the way the hardwood industry operates, and has caused a major down sizing in the industry.

"Most people are making the assumption that since the hardwood industry is changing, it is also headed for elimination," Barford said. "Nothing could be further from the truth. The tremendous growing hardwood forest resource combined with the rapid modernization of the industry bodes well for the long term future of the domestic hardwood industry... and people need to hear that message."

The presentations detailed importance of quality, and the natural characteristics of mountain grown hardwoods that give Appalachian lumber producers and sellers an advantage in an increasingly competitive worldwide market.

"We have found that some in the domestic industry assume there is nothing we can do to be competitive on a worldwide basis, and are surprised to learn that the American hardwood industry will be a consistent and reliable source for their companies for many years to come," Barford said.

Leadership Conference Set

STATE COLLEGE, PA - A professional development conference for leaders in the hardwood industry is planned May 24-26 at Penn State University.

Sponsored by the Pennsylvania Wood Products Productivity Program, the conference will focus on "Competitiveness in the Global Marketplace." Speakers include industry leaders, consultants, educators and U.S. Forest Service officials. Business sessions are planned from 8 a.m. to 5 p.m. each day.

Registration is open through mid-May online at conferences.cas.psu.edu and click on Natural Resources and then the "Hardwood Industries Leadership Conference. You may also contact Chuck Ray, assistant professor, Wood Products Operations, at 814-865-0679 or e mail cdr14@psu.edu.

Rooms are available at the Penn Stater Conference Center Hotel at 800-233-7505. More information is available from the AHMI office at 336-885-8315.

Crowd Returns To High Point Furniture Market

HIGH POINT - The furniture retail buyers are back and buying is the report from the Spring 2004 International Home Furnishings Market here.

The market is held twice annually in High Point and concluded its spring edition April 28. Manufacturers report it was one of the best markets in years.

"When we went to furniture market on opening week we could tell immediately things were good because the halls and showrooms were very busy," said Appalachian Hardwood Manufacturers, Inc. President Mark Barford. "When we talked with manufacturers, we learned that not only was traffic up but people were ordering more furniture than they had in several markets.

"That was extremely good news and one that should translate into more business for suppliers to the furniture industry," he said.

Housing sales and low interest rates continue to have a positive influence on the furnishings industry in 2004, said industry analyst Jerry Epperson of Mann, Armistead & Epperson of Richmond, Va. "There's almost nothing but good news," he said.

Market attendees were optimistic that 2004 is going to be a good year for business. Many retailers have allowed store and warehouse inventories to decline but are preparing for increased sales this year.

Dozens of major manufacturers offered new lines and additions to existing lines at market. The volume



Hooker Furniture's Lewis Canter (left) at market with AHMI's Tom Inman

of introductions reflected manufacturers' optimism.

Epperson said there were more new styles introduced in April than at any market since 1998. Manufacturers reported that introductions were well-received and order-writing in many showrooms increased 50 to 75 percent over 2003.

The volume of furniture imports continued to rise at this market. An increasing number of foreign manufacturers have their own exhibit space at market to sell directly to retail stores.

The anti-dumping petition filed by a group of manufacturers against Chinese bedroom manufacturers is now being considered by the U.S. Department of Commerce. It calls for duties on bedroom furniture imports from China. A few retailers and manufacturers have formed a group to oppose it.

AHMI Members Tally Furniture Species, Design

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. thanks the individuals and member companies for participating in the wood usage and style design survey at the Spring International Home Furnishings Market.

AHMI administers a survey each spring of every showroom to walk through furniture showrooms and 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 industry to track trends.

Survey participants were: Cliff McKittrick, **McKittrick Lumber**, Camden, SC; Hal Tester and Mike Cooper, **Taylor-Ramsey Corp.**, Lynchburg, VA; Derick Shuler, **Beard Hardwoods**, Greensboro, NC;- Andy Johnson, **Weekly Hardwood Review**, Charlotte, NC; Karl Brohammer and Alan Harp, Georgia Tech Advanced Wood Products Laboratory, Atlanta, GA. The survey data will be reported soon.



Survey participants were (from left) Tom Inman, Cliff McKittrick, Karl Brohammer, Mark Barford, Mike Cooper, Alan Harp, Hal Tester. Not pictured Derick Shuler and Andy Johnson.

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At the
Union
Church
Millworks (a
division of
Bennett
Logging &
Lumber)
booth are
Lacy
Broughman,



AHMI's Mark Barford and Kim Bennett Powers

AHMI Contacts Wood Flooring Producers

CHARLOTTE, NC - Appalachian Hardwood Manufacturers, Inc. staff attended the 2004 National Wood Flooring Association Education Conference and Wood Flooring Expo April 15-16.

More than 300 exhibitors participating in the show featuring lumber suppliers, hardwood flooring producers, and flooring equipment manufacturers. AHMI President Mark Barford and Director of Communications Tom Inman worked the exhibit hall talking with AHMI members, prospective members and wood consumers about the benefits of Appalachian hardwood lumber.

"This was our first flooring show like this and was very beneficial in getting our message out to these wood consumers," Barford said.

AHEC Plans To Expand Overseas Programs

The American Hardwood Export Council (AHEC) Board of Directors met recently in Washington, DC for their Spring Board meeting. AHEC's general promotion work continues to expand, with a program and staffing budget of \$6 million.

Appalachian Hardwood Manufacturers, Inc. President Mark Barford serves on the AHEC board. He said AHEC membership has remained steady.

"AHEC is discussing enhancements of overseas staff, including specific training about the American industry," said Barford. "The future of AHEC looks bright, but funding is over 90% dependent on the yearly federal budget, so sudden changes are always a possibility. As AHEC has become almost exclusively a general promotion group, much more of their efforts are targeted toward the end users of hardwood throughout the world."

One of the great successes of AHEC has been the ability to inform the world of the natural sustain-

AHMI Plans Spain Show

Appalachian Hardwood Manufacturers, Inc. will attend the ZOW Wood Industry Show in Madrid, Spain June 8-11. This show will allow staff to gather trade leads and distribute Appalachian Resource Guides directly to the industry.

"The Spanish wood using industry has been one of the largest consumers in Europe for a number of years - primarily White Oak to the door and window manufacturers," said AHMI President Mark Barford, who will be travelling to the show. "Although the market has been steady, expanded production from Eastern Europe threatens our share of the market, and promotion efforts need to be on-going."

AHMI invites and encourages any members who may be in Spain to stop by the booth. For more information about the show, contact Barford at 336-885-8315 or ahmi@northstate.net.

Staff Attends ALC Meeting

MYRTLE BEACH, SC - Appalachian Hardwood Manufacturers, Inc. staff recently attended the 2004 Spring Beach Meeting of the Appalachian Lumbermen's Club.

More than 210 ALC members and their families attended the meeting. The receptions are an excellent opportunity to talk with members and prospective members, said AHMI President Mark Barford.

AHMI member Dave Redmond of **Highland Hardwoods**, Augusta, GA, took over at ALC president.

ability of American hardwoods. The United States is unique in that it has over five million individual landowners that manage their lands following extensive environmental laws that ensure that the forests will be protected for all time.

This message is crucial in the overseas markets that are insisting on certification and environmentally friendly materials, Barford said. American hardwoods meet both criteria, and that is an important message that AHEC delivers to the world.

"AHMI has remained very active with AHEC, and will continue to support their efforts not only as a group, but with the many individual companies who are also direct members of AHEC," Barford said. "There will continue to be opportunities for AHMI to do individual promotion of the Appalachian industry overseas, but the enormous job of general promotion continues to succeed due to the collaborative efforts of the hardwood industry through AHEC."

APPALACHIAN

Hardwood Manufacturers, Inc.



Summer Family Conference The Grove Park Inn, Asheville, NC July 18-20, 2004

To accurately plan the functions and make sure all participants 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.

To reserve your room at The Grove Park Inn, call 1-800-438-5800.
The cut-off date for AHMI's room block is June 18, 2004.

REGISTRATION FEE:

AHMI MEMBER - \$225 per person

GUEST - \$325 per person

MEMBER SPOUSE - \$125

GUEST'S SPOUSE - \$225

CHILDREN UNDER 16 FREE!

*Full registration fee will be refunded on cancellations received by June 30, 2004.
Cancellations received after that time will be subject to 50% forfeiture.*

PLEASE REGISTER THE FOLLOWING FOR AHMI'S SUMMER FAMILY CONFERENCE

Name: _____ Badge Name: _____ FEE: \$ _____

Name: _____ Badge Name: _____ FEE: \$ _____

Name: _____ Badge Name: _____ FEE: \$ _____

Name: _____ Badge Name: _____ FEE: \$ _____

Company: _____

Address: _____

City/State/Zip: _____

Signed

Date

(more on reverse)

Sporting Events & Other Activities

APPALACHIAN

Hardwood Manufacturers, Inc.
Summer Family Conference
The Grove Park Inn, July 18-20, 2004

PLEASE REGISTER FOR GOLF (*Grove Park Inn Monday at 12:30 pm Medal Play*)

Name: _____ Hdcp _____ FEE: \$170

Name: _____ Hdcp _____ FEE: \$170

Name: _____ Hdcp _____ FEE: \$170

Name: _____ Hdcp _____ FEE: \$170

PLEASE REGISTER FOR TENNIS (*Monday afternoon*)

Name: _____ FEE: \$25

Name: _____ FEE: \$25

PLEASE REGISTER FOR SPORTING CLAYS

(*Applewood Sporting Clays, Edneyville, NC, Monday at 1:30 p.m.*)

(**One round of 100 targets - Bring your own gun and minimum of 5 boxes of shells**)

Name: _____ FEE: \$35

Name: _____ FEE: \$35

TOTAL \$ _____

Check # _____ Received _____

Volvo Construction Equipment Demonstration Site Tour

On Tuesday, July 20, Volvo Construction Equipment has invited AHMI members and guests to participate in a tour of its demonstration site in north Asheville. The tour includes all of Volvo's equipment available to sawmills, distribution yards and logging operations. Participants can talk with manufacturing personnel and operate equipment on the demonstration site. Please check below if you will participate in the tour and lunch.

Yes, I will plan to join Volvo for the demonstration tour and lunch.

No, please send me more information about Volvo Construction Equipment.



(more on previous)

Reservations Request Form for Appalachian Hardwood Manufacturers, Inc.

Note: GROUP RUN-OF-HOUSE RATES HAVE BEEN NEGOTIATED. HOWEVER, WE CANNOT GUARANTEE BED-TYPE, SLEEPING ROOM LOCATION, SMOKING/NONSMOKING OR VIEW.

Conference Dates	Sat, 7/17/04 - Wed, 7/21/04	Rates:	Single	<u>\$199.00</u>
			Double	<u>\$199.00</u>
			Extra Person	<u>\$ 40.00</u>
			Club Floor	<u>\$ Rack</u>

*All Rates European Plan, no meals included. Subject to state and local taxes.

(Please Type or Print Neatly)

Name: _____

Address: _____ Phone No. (____) _____

City: _____ State: _____ Zip: _____

Please reserve: # of rooms _____ # of adults _____ # of children under 16 _____

Arrival Date: _____ Departure Date: _____

RELEASE DATE FOR THE GROUP BLOCK: Thursday, June 17, 2004

Reservations requests received by The Grove Park Inn Resort & Spa after this date are subject to Resort guest availability at prevailing rates. Reservation requests are subject to contracted block availability prior to release date.

DEPOSIT – CONFIRMATION

A deposit equal to one night's sleeping room rate or a major credit card (listed below) is required to confirm your reservation. Reservations cancelled less than 7 (seven) days prior to arrival date will be charged a fee equal to the first night's room rate.

CHECK-IN/CHECK-OUT

Our check-in time is after 4 p.m. and our check-out time is before 11:00 a.m.

Visa/MasterCard/Discover/American Express #: _____ Exp. Date: _____

Signature

Date

PLEASE READ CAREFULLY and send this completed form along with deposit or credit card number per room to:

**The Grove Park Inn Resort & Spa
Reservations Department
290 Macon Avenue
Asheville, NC 28804
(828) 252-2711 Ext. 1010 or 1-800-438-5800
Fax Number (828) 210-8314**

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