



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

Demand the Appalachian Standard

September 2004



Inter-Industry Meeting Promotes Top Grades

HIGH POINT, NC - Yield Matters.

The latest promotion by Appalachian Hardwood Manufacturers, Inc. and the many benefits of the top grades of Appalachian Hardwoods will be the program for the 2004 Inter-Industry Meeting on Oct. 20 at The Village Inn, Clemmons, NC.

This meeting typically is the opportunity for lumber producers to make contact with buyers to discuss common issues, said AHMI President Mark Barford. A record crowd of buyers attended the 2003 session and an equal number are expected this year.

The keynote speaker is Dr. Phillip Mitchell, Wood Products Extension specialist at North Carolina State University. He has completed extensive work on wood products manufacturing and processing.

"We are very excited to have Dr. Mitchell schedule to speak with us about yield," Barford said. "Manufacturers know that yield is important and they focus on that in their processes. Some may not be as focused on their raw material and that is our emphasis with this promotion."

Unveiled at the 2004 Summer Conference, the Yield Matters campaign includes industry advertising, newsletters, and a new website www.appalachianfas.com.

"We will discuss all of these efforts at the Inter-Industry meeting when lumber producers and buyers get together," Barford said. "This is important to everyone in the hardwood business: how higher grades of lumber can impact yield of finished goods."

The meeting is on the final day of the International Home Furnishings Market in High Point. The market begins on Oct. 14 and Supplier Days are Oct. 18-20 with Tuesday, Oct. 19 the busiest day.

YIELD MATTERS
www.appalachianfas.com

"We encourage our members to come to High Point for Supplier Day at market and then stay for our meeting on Wednesday," Barford said. AHMI can assist with room reservations and maps by calling the AHMI office.

Meeting attendees are invited for golf at Tanglewood's Championship Course beginning at 12:30 p.m. The golf fee of \$55 must be paid to AHMI with registration.

A sporting clays tournament will be held at Friendship Sporting Clays just west of Clemmons beginning at 12 noon. The shooting fee of \$55 must be paid to AHMI with registration. Shooters must provide their own gun and shells.

A block of rooms has been reserved at The Village Inn. AHMI has a rate of \$59 per night and reservations may be made by calling The Village Inn at (336) 766-9121. The room cutoff date is **Sept. 19**.

The meeting registration fee is \$95 for members and \$195 for non-members. A form is included on page 6 of this newsletter. For more information, contact the AHMI office at 336-885-8315 or e mail to ahmi@northstate.net.

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 Inter-Industry Meeting

Oct. 20 - The Village Inn, Clemmons, NC

2005 Annual Meeting

Feb. 24-27 - The Sanctuary, Kiawah Island, SC

2005 Summer Meeting

July 24-26 - The Nemaconlin, Farmington, PA

Mark my words.....

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

With the recent down-sizing of the domestic furniture market, several sawmillers and distributors are taking a hard look at selling directly into China. Most have already learned the number one rule for doing business with the Chinese... be careful!

Unlike other overseas markets that the hardwood industry has enjoyed over the past 30 years, the Chinese market is unique in a number of ways:



Mark A. Barford

1) The Chinese primarily buy lower grades. They learned early that they could buy wood at a much lower cost by using the lower grades - a lesson learned well from the domestic furniture and flooring industries. Some of the first overseas traders learned that China ends up buying on price... not grade. They know how much they are willing to pay for a shipment of wood... the supplier needs to figure out what to include in that shipment to meet the price..... you sense a problem here?

2) The Chinese are great negotiators. They have been free market traders for most of their 2,000-year-old economy, and they are the premier businessmen throughout Southeast Asia. They are always looking for an angle, and will use market and social changes to their advantage. Most recently, trade has been disrupted due to furniture tariffs but before that there was the SARS epidemic, and before that shipping. Many domestic traders understand that it is the way they operate, and have adjusted operations accordingly.

3) The Chinese communist banking system is a mystery. All of their figures, assets and reports are confidential. Many outsiders say it is only a matter of time before there is a financial crisis, and the tying of their currency to ours is inherently unworkable in a true free world market.

4) The Chinese are not totally dependent on us. Yes, we do have a very strong market in China, and they do need our species to sell furniture into our market, but they are not totally dependent on the United States for wood, and many of our species, such as Oak can be found in other temperate forests throughout the world. The U.S. provides only 10% of the total hardwood consumption in China.

So for companies thinking about expanding into China, remember, it is not just as easy as changing the shipping order to head overseas instead of into North Carolina. One real option for producers is to look at companies who already have had some experience at dealing with the Chinese. These companies may be giving up some of the margin (small as it is), but the time and costs of learning how to deal with the Chinese might make it worth it. Whatever way you go, do your homework, and that probably includes a trip to China in the near future. You've got to see it to believe it.

Rex Lumber Workers Support AHMI Efforts

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. thanks the employees of Rex Lumber Co. for their recent donation of \$3,000 to the association.

The employees fund has contributed annually to AHMI to assist education and promotion programs. The fund collects donations from employees at each Rex operation and directors select causes that benefit the hardwood lumber industry.

"Rex Lumber has been a long-time supporter of AHMI and we again appreciate the confidence the employees have in our work," said Mark Barford, AHMI president. "This support will help up accomplish our new promotion this year educating wood consumers of the benefits of the top grades of Appalachian hardwood lumber."

Rex Lumber has yards in Englishtown, NJ; Acton, MA; South Windsor, CT; and Doswell, VA.

Lumber Buyer Sponsors Sought

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. is seeking lumber buyer sponsorships for the 2004 Inter-Industry Meeting. The sponsorship is \$150 and pays for a lumber buyer to attend the meeting and golf or shooting for free.

The AHMI Board of Trustees is asking AHMI Producer and Distributor members to participate. Sponsoring companies receive a list in advance of all of lumber buyers who will attend. The lumber buyers will receive a list of all sponsor companies, addresses, contact names and telephone numbers.

To become a consumer sponsor, contact the AHMI office at (336) 885-8315.

AHMI Promotes Appalachian To Masses At IWF

ATLANTA, GA - Appalachian Hardwood Manufacturers, Inc. staff distributed more materials than ever before at the 2004 International Woodworking Machinery & Furniture Supply Fair in Atlanta.

The show was held Aug. 26-29 and large crowds were evident the first two days of the show. The final days saw lower crowds but keen interest, reports Mark Barford, AHMI president.

"We had a terrific show this year, giving away hundreds of Resource Guides with our members information and answering questions about Appalachian hardwoods," he said. "We were in a connecting corridor and that helped flow traffic to us."

AHMI promoted its latest campaign, Yield Matters, to show attendees. The response was positive with people wanting more information on companies that can provide Appalachian species.

More than 10 AHMI member companies also participated in the show. Most reported traffic was steady and interest increasing in hardwoods.



AHMI's Mark Barford and Tom Inman in booth

For more information about the show, contact the AHMI office at (336) 885-8315.



PROMOTION

AHMI Readies For KCMA, NHLA, HDA

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. staff is preparing for three exhibits and presentations in September and October.

AHMI President Mark Barford will attend the Kitchen Cabinet Manufacturers Association's Management Conference and Expo in Sioux Falls, SD. He will promote the benefits of Appalachian hardwoods to cabinet producers. AHMI joined KCMA to have direct contact with this increasing consumer of hardwood lumber.

AHMI staff will participate in the National Hardwood Lumber Association convention in Toronto. Barford has been asked to speak to the Hardwood Distributors Association meeting during the NHLA convention.

AHMI staff is promoting "Yield Matters," a new campaign that highlights the top grades of Appalachian hardwood lumber. For more information on AHMI promotions, please visit the website www.appalachianwood.org or contact the AHMI office at (336) 885-8315.

J. Bruce Barnes Inc. Explains Roadless Rule In VA Newspaper

CHARLOTTESVILLE, VA - Carroll Conley stands beside a stack of Appalachian hardwood lumber in a photograph covering one-third of the page.

The article is on the "roadless rule" put in place in the final days of the Clinton Administration. It limited development and access to national forests, but was modified by the Bush Administration to allow greater utilization of federal land.

Conley was contacted by the alternative newspaper "The Hook" to explain the timber industry side of the issue. He said national forests were never meant to be locked away.

"National forests were set aside by our forefathers to harvest. They should be harvested like any other crop," Conley said. "The control over these forests has been taken away from the local communities by this roadless rule."

"It's a bad law, which (President) Bush is working to change into a good law," he said.

Congratulations to Carroll for speaking up on the issue and helping people understand the impact on local communities, said Mark Barford, AHMI president. He encourages all AHMI members to be more involved in local, state and federal issues.

Council Promotes 'Environmentally Friendly'

HIGH POINT - The Hardwood Council is a group of hardwood associations working together to promote the advantages of hardwoods, primarily to builders and architects.

The message has recently been targeted to highlight the environmental advantages of using wood, in particular how it compares to other materials that tout environmental advantages.

"Environmental friendliness in the building industry is taking on new importance, and the Hardwood Council is presenting the case for the advantages of hardwoods over other materials," noted AHMI President Mark Barford. "The Council utilizes the services of a top notch public relations firm out of Pittsburgh,

PA, under the watchful eye of Sue Regan, executive director of the Hardwood Manufacturers Association."

Barford participated in the mid-year conference call with the other partners of the Council, to review current activities and set direction for the remainder of the year. Their most recent project was the dissemination of wood samples to thousands of builders and architects interested in specifying wood.

AHMI has participated with an annual contribution since the Council's inception over 10 years ago. The majority of the funding for the project comes from HMA and the National Hardwood Lumber Association, and the total annual budget for the project is \$300,000.

The image shows the cover of a newsletter titled "Demand The Appalachian Standard". The cover features several columns of text and images. At the top left, there are three overlapping squares in shades of orange and brown. The main title "Demand The Appalachian Standard" is prominently displayed. Below the title, there are several paragraphs of text, including a quote from Gerald Grider, Ferche Millwork President. There are also two small photographs: one showing a person's face and another showing a wooden interior structure. At the bottom, there is a logo for "The Appalachian Hardwoods" and contact information for Appalachian Hardwood Manufacturers, Inc.

Newsletter Promotes Ferche Millwork

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. is promoting the benefits of the top grades to hardwood lumber users.

The latest "Demand the Appalachian Standard" newsletter features Ferche Millwork. The Rice, MN, company produces millions of board feet of millwork annually and specifies FAS and IF lumber.

Company President Gerald Grider was a keynote speaker at the 2004 AHMI Summer Conference and discussed the company's demand for Appalachian hardwoods.

The newsletter is distributed to more than 8,000 hardwood lumber consumers and designers across the United States. The group receives four mailings annually from AHMI.

For a copy of the newsletter, please contact the AHMI office at (336) 885-8315.

Community Involvement Workshop Set Sept. 14

You are cordially invited to attend a Community Involvement Program Training workshop at the Asheville Country Club in Asheville, NC on Tuesday, Sept. 14 at 3 p.m. The two-hour session will offer a manual, CDs and training on ways to educate the public. The format will include adequate time for questions and demonstrations.

The cost for the CIP Training program is \$20 per person and includes all materials and breaks. Advance registration is required and attendance is limited.

Please contact the AHMI office at (336) 885-8315 for registration materials.

This training session precedes the next meeting of the Appalachian Lumbermen's Club which gave a generous donation in 2004 to AHMI to assist in public education.

AHMI's Community Involvement Program was developed in 1994 and has assisted 70 member companies in completing successful campaigns in the communities around their sawmills and yards.

Cramer Promotes Sustainability

W.M. Cramer Lumber Co., Hickory, NC, is advertising forest sustainability on its trucks with full-color side curtains telling motorists "Trees: Our Renewable Resource." The promotion can be seen on the highways in North Carolina, Virginia and West Virginia.



Judge Extends Timber Ban In Wayne NF

CINCINNATI, OH - A federal judge in August extended indefinitely a ban on logging activities in the Wayne National Forest in Ohio.

The Forest Service has complained the delays could leave taxpayers with the bill to remove damaged trees. If the trees can be removed before they rot, a private contractor who could sell the timber as salvage would handle the job.

The dispute involves about 1,600 acres in the Ironton district, one of three sections of the Wayne National Forest in southern and southeastern Ohio.

U.S. District Judge Susan Dlott upheld environmentalists' arguments that logging and timber sales could destroy the habitat of the Indiana bat species before environmentalists have a chance to make their arguments before the court.

The judge estimated that her order could delay the timber sales for six months while she evaluates further arguments by both sides.

The government's management plan calls for thinning out trees in one part of the forest by burning or chopping them down and allowing a contractor to collect and sell trees damaged by a February 2003 ice storm.

Jefferson Forest Sales Generates No Interest

ROANOKE, VA - The U.S. Forest Service received no bids recently for the rights to log up to 700 acres of the Jefferson National Forest on scenic High Knob in Wise and Scott counties.

For years environmentalists have fought the plan but a federal judge threw out the suit and gave the Forest Service permission to open the land to logging. No timber companies have bid for the job.

Forest Service officials say the high asking price for the timber rights is likely one reason. "Sometimes what we think it's worth and what the producers think it's worth are going to be different," said Pat Eagan, contract officer for the George Washington and



FORESTRY

NC Asks Homeowners To Aid Oak Death Fight

ASHEVILLE - North Carolina is asking homeowners and landscapers to help keep an oak-killing pathogen out of the state.

In April, state agriculture officials discovered camellia plants infected with the disease known as sudden oak death at nine nurseries in the state. Sudden oak death has killed tens of thousands of oak trees in California, and experts say it could pose a threat to North Carolina's oak populations.

The N.C. Department of Agriculture is now testing plant samples submitted by homeowners and landscapers. The plants they are targeting are 5- and 7-gallon rhododendrons purchased from Lowe's Home Improvement stores between February 2003 and May of this year.

Those noticing a problem should collect leaf or twig samples and submit them to their local agriculture extension office. Only plants with signs of disease will be tested. Sudden oak death was first documented in California in the 1990s.

Jefferson National Forests.

The land in question is 165 acres known as the Joel Branch tract, part of the 700-acre Bark Camp land in Wise and Scott that environmentalists and federal forest officials have wrangled over since 1997.

The Forest Service wanted a minimum bid of \$213 per 100 cubic feet of red oak and \$108 per 100 cubic feet of white oak.

Eagan said several timber companies report the steep terrain would require a "cable logging" method that few local companies are equipped to use, and the Forest Service's high asking price for the timber rights would make logging less profitable.

REGISTRATION FORM



APPALACHIAN

Hardwood Manufacturers, Inc.

Inter-Industry Meeting

Oct. 20, 2004

The Village Inn, Clemmons, 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 for \$59 per night. Call (336) 766-9121 to reserve a room before Sept. 19.**

MEETING REGISTRATION FEE: \$95 for members / \$195 for non-members

The AHMI meeting registration fee will be refunded on cancellations before Sept. 20. Cancellations after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S MEETING

NAME: _____ **BADGE NAME:** _____ **FEE: \$95/\$195**

NAME: _____ **BADGE NAME:** _____ **FEE: \$95/\$195**

Company: _____

Address: _____

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

PLEASE REGISTER THE FOLLOWING FOR GOLF

Tanglewood Championship Course, Clemmons, NC 12:30 p.m. \$55 per person

GOLF: _____ **HANDICAP** _____ **FEE: \$55**

GOLF: _____ **HANDICAP** _____ **FEE: \$55**

PLEASE REGISTER BELOW FOR SPORTING CLAYS TOURNAMENT

Friendship Sporting Clays, East Bend, NC, at 12 noon. \$55 per person

SHOOTING: _____ **FEE: \$55**

SHOOTING: _____ **FEE: \$55**

(Shooters must provide their own gun and shells)

TOTAL: _____

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