



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

Demand the Appalachian Standard

July / August 2007



Appalachian Hardwood Forest Keeps Growing

"We have a rather large savings account in the Appalachian Hardwood Forest and right now we are not even removing the interest that is accruing every year," reports U.S. Forest Service Research Analyst Chris Oswalt.

The conclusion was drawn following his presentation at the 2007 Appalachian Hardwood Manufacturers, Inc. Summer Conference at The Greenbrier. Oswalt has been the lead researcher on an AHMI-requested study of the growth to removals ratio in the region.

"The difference between the inventory accumulation and removal is increasing slight every year," Oswalt said, "but we are certainly growing quite a bit more wood than is being removed."



The growth versus removal ratio for the Appalachian Region as defined by AHMI is 2.29 based on Forest Inventory and Analysis data. USFS figures also show that the 65.4 million acres of Appalachian Hardwood Timber has a standing inventory of 115 billion cubic feet of standing timber resource.

Oswalt said the age classes of the timber resource in the Appalachian Region is changing slightly as the forest matures. He said there have been minor changes in species composition as well.

AHMI sought the analysis as a basis for a campaign unveiled at the Summer Conference titled "Appalachian Hardwood Verified Sustainable." AHMI will issue documents to Producer and Distributor mem-



From left: USFS's Chris Oswalt, AHMI's John Crites and USFS's Bill Burkman at meeting

bers that certifies their membership in AHMI and defines sustainable as "capable of sustaining or being able to continue into the future."

AHMI verifies the ability of the Appalachian Hardwood Forest to sustain into the future based in part on the U.S. Forest Service research that growth exceeds removals by more than two to one.

"This is a common sense approach to the resource question 'are we running out of trees?'," said AHMI President Tom Inman. "Our members continue to hear from their customers questions about sustainability of the forest and this will give AHMI members another tool to explain that the Appalachian Hardwood Forest is banking trees for the future."

Oswalt said the timber acreage in AHMI's 344 counties has increased in the past 15 years. The number of timberland acres grew to 65.4 million with more than 115 billion cubic feet of inventory.

"That is a very large number and when you consider only a small percentage was harvested last year, that is very good news," Oswalt said.

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APPALACHIAN Future Meetings

2007 Inter-Industry Meeting - Oct. 16-17

Carnegie Hotel, Johnson City, TN

2008 Annual Meeting - Feb. 20-24

Marco Island Marriott, Marco Island, FL

2008 Summer Family Conference July 27-29

The Grove Park Inn, Asheville, NC

The way I see it...

By Tom Inman, AHMI President

...the AHMI Summer Family Conference at The Greenbrier was exceptional. Chairman John Crites and I worked diligently to prepare an informative program with timely speakers and our work paid off. More than 235 people participated in the conference, an increase of more than 10 percent from last year.

What brought these folks to The Greenbrier? Obviously the location is a draw but during lean economic times, you must have more than a nice place.

The Monday business session offered details on the sustainability of our Appalachian Hardwood resource. We have known that the Appalachian forest grows more trees than are being harvested but have not developed a campaign to promote it.

AHMI has linked with the U.S. Forest Service to take the only data available and analyze it specifically for our region. The results are outstanding.

AHMI is turning this research into the "Appalachian Hardwood Verified Sustainable" campaign. We will begin by providing Producer members with letters, certificates and decals to send to customers and prospective customers that Appalachian Hardwoods are sustainable based on a simple definition. Detailed information about the program is available on a new website www.appalachianhardwood.info.

More hardwood customers are asking about green, sustainable, healthy forests and certified. AHMI is adding another offering to the list of acceptable claims for environmental stability. We believe it will provide an alternative for many.

...the next meeting of AHMI is set for Oct. 16-17 in Johnson City, TN at the Carnegie Hotel. This is a premiere facility near the university and extremely close to two tour opportunities.

The program for the first day will include sporting events and an afternoon AHMI board meeting. We will have an evening reception, dinner and business program by Ed Korczak, executive director of the National Wood Flooring Association, who will speak on trends in the industry. The second day will include tours of Mullican Flooring's finishing plant that is within sight of the hotel and then on to the ABS truss plant which is about a mile away. We could almost make this a walking tour.

Please see the story on page 4 and registration on page 6 of this newsletter. We hope to see you in Johnson City.



MEMBERSHIP

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. welcomes the following new members to the association:

Producer

Penn-Sylvan
Jay Reese
44942 Farrington Rd.
Spartansburg, PA 16434

Supplier

United Bank
Brad Ritchie
500 Virginia St. East
Charleston, WV 25301

New members are the lifeblood for all organizations. If you know of a company that should be a member of AHMI, please contact Tom Inman at (336) 885-8315.

Appalachian Sustainable Document Available

AHMI wants to help Producer members promote the new Appalachian Hardwood Verified Sustainable campaign to customers. We are offering you a letter from the association that explains the designation and a certificate that you can include with every pack of lumber or invoice that leaves your office. The certificate verifies your members in AHMI and states that you are producing Appalachian Hardwood Timber from a sustainable forest as defined by AHMI based on growth and removal data from U.S. Forest Service.

These letters and certificates are customized for your company and include an AHMI membership number. They are available in quantities of 100 for \$18. There are also rolls of 100 stickers available for \$10. Please contact the office at (336) 885-8315 to order.

AHMI has also established a new website, www.appalachianhardwood.info to explain our verified sustainable promotion to consumers.



Certification Auditor Reports On Procedure

Forest certification systems and which program best serves the industry is up to the individual company, reports a certification auditor.



Brian Callaghan

At the 2007 Appalachian Hardwood Manufacturers, Inc. Summer Conference, Brian Callaghan, lead auditor of Bureau Veritas of Ontario, Canada, gave a detailed presentation on the two leader certification programs. Bureau Veritas audits participants in both the Forest Stewardship Council and the Sustainable Forestry Initiative programs.

Callaghan offered insight into each system, explaining the similarities and differences. He said both programs have the goal of insuring forest sustainability through management and sound forest practices while differing in the requirements.

Auditing companies simply make certain that participants are following the guidelines of each system. The process begins with a pre-assessment of

the company's work, the audit and then periodic reviews of progress.

"Auditors seek out and assess the performance of a company compared to the standards of the program," Callaghan said.

The presentation included a comparison of forest management and chain of custody certification. The first begins in the forest and continues through the manufacturing process. The second maintains certification of the product through the operation.

Callaghan said forest management certification costs start at \$40,000 depending on the size of the operation. Chain of custody audits begin at approximately \$10,000.

"The benefits of certification are improved operations at your company, greater customer satisfaction and increased prices for your products in the future," he said.

"This was valuable information on each program and specifically the costs," said AHMI President Tom Inman. "Certification is a hot topic right now."

More information on the presentation and handouts are available from the AHMI office.

AHMI / HMA Tour Successful In Western PA

More than 200 hardwood lumber industry people participated in the second annual joint tour in the Appalachian Region by Appalachian Hardwood Manufacturers, Inc. and the Hardwood Manufacturers Association (HMA).

The tour was held in Pennsylvania in early June to give participants an inside look at lumber mills and manufacturing. The stops included:

Allegheny Wood Products sawmill in Marble, PA

Appalachian Wood Products cabinet manufacturing facility in Clearfield, PA

Matson Lumber Co., Brookville, PA

PW Hardwoods, Brookville, PA

Brookville Wood Products, Brookville, PA

"This was a terrific tour to see a variety of operations, new equipment and processes," said AHMI President Tom Inman. "This cooperative effort between the associations benefits everyone."

AHMI Chairman John Crites along with HMA President Jimmy Jones participated and were pleased with the large crowd. Both said the joint tour allows for greater participation.

The tours were highlighted by displays of new

From left: Jimmy Jones, John Crites and Pat Crites pause during the tour at Allegheny Wood Products in PA



equipment in operation. Participants were intrigued by optimizing scanner at Allegheny Wood Products and the computerized tally system at PW Hardwoods.

"Most participants spent time asking questions and analyzing what they saw because every company is looking for new and better ways to operate," Inman said. "These host companies took the time to open their doors and let others see how they do it."

The next HMA tour is set for late September in Alabama. AHMI plans to participate in the Appalachian region tour again in 2008.

Inter-Industry Focuses On Flooring Issues

JOHNSON CITY, TN - The 2007 Appalachian Hardwood Manufacturers, Inc. Inter-Industry Meeting and Tour will center on hardwood flooring trends and environmental concerns.

The meeting is set for Oct. 16 and 17 at the Carnegie Hotel in Johnson City, TN. The keynote speaker is Ed Korczak, executive director of the National Wood Flooring Association, in St. Louis, MO, who will discuss trends in the hardwood flooring industry.

His remarks are expected to include information on the NWFA Life Cycle Analysis for hardwood flooring. The association initiated the study in response to changes in building codes to include environmental statements.

The analysis is expected to show very positive results for hardwood flooring in building.

The Inter-Industry tours are set for Mullican Flooring's finishing operation and ABS Truss Plant, both in Johnson City. AHMI first held tours in conjunction with the Inter-Industry meeting in 2006 and had favorable results.

Mullican Flooring produces hardwood floors in both unfinished and prefinished. The Johnson City facility finishes the solid wood product in an unique process.

ABS Truss is owned by AHMI member John Graybeal who also owns McCloud Lumber. The truss



plant manufactures walls and trusses for residential and commercial building.

"Our members should find our program to be extremely interesting as hardwood flooring continues to be an integral part of our hardwood markets," said AHMI President Tom Inman. "The National Wood Flooring Association has become the leader in the flooring industry and this information should help us better supply their needs."

AHMI is planning sporting events for Tuesday in the area. More details will be announced in the next few weeks.

The AHMI Board of Trustees will meet that afternoon. A reception will begin at 6 p.m. and dinner at 7 p.m. with the program to follow. The tours the next day will conclude before lunch.

Please see page 6 of this newsletter for registration or visit online www.appalachianwood.org. For more information, call the AHMI office at (336) 885-8315.

Summer Tourney Winners

The winners of events at the 2007 AHMI Summer Conference at The Greenbrier were:

Golf

Men: Low gross: 1) John Winkler, 2) Chris Jacobson , 3) Jesse Lowe

Low net: 1) Steve Morris, 2) John Foley, 3) John Crites

Long drive: Chase Armstrong

Ladies: Low gross 1) Courtney Borntraeger; 2) Bert Barrett

Long drive: Courtney Borntraeger

Sporting Clays

1) John Patterson, 2) Matt Begley, 3) Tim Borntraeger

Tennis

Ladies - 1) Lauren Burnett, 2) Iris Carr

Men - 1) Kent Carr, 2) Todd Carr

Baker Furn. Merges Plants

MOCKSVILLE, N.C. — Baker Furniture has announced the closing of two plants here, with the production moving to its plant in Hildebran, N.C. The two plants have more than 300,000 square feet of space and employ about 200 workers.

This announcement comes one year after parent company Kohler announced that Baker was moving its headquarters from Grand Rapids, Mich., to Hickory, N.C. The Hildebran plant is known primarily for its case goods, but Todd Weber, manager of public relations for Kohler's kitchen and bath division, said, "Actually the facility does handle fabric and upholstered products in addition to the wood operations."

The company said in a press release, "This strategic initiative allows Baker to fully maximize available manufacturing capacity in its newer Hildebran plant." "The furniture industry continues to be extremely competitive," said Kevin Ward, president of Baker.



WORKSHOPS

Forest Products Technology Conference Set In Sept. At VT

The Virginia Forest Products Association and Virginia Tech are sponsoring a Forest Products Industry Technology Conference on Sept. 7-8 at Virginia Tech.

The conference is designed to offer technical seminars on business issues and coincides with Wood Week 2007 at Virginia Tech. The conference agenda includes presentations on the Globalization of the Forest Products Industry; Biofuels-Biomaterials: The Role of Renewable Energy; and Workforce Development.

Activities begin at the Inn at Virginia Tech with a reception and student awards recognition at 6 p.m. on Sept. 7. The business program begins on Sept. 8 at 7:45 a.m.

The cost of the conference is \$100 and registration is available until Aug. 31. Please contact VFPA at (804) 737-5625.

Hotel reservations may be made at the Inn at Virginia Tech by calling (540) 231-8000 and asking for the Forest Products Industry room block.

IHLA Hosts Grading Course

A hardwood lumber grading shortcourse will be held Sept. 25-27 at the Forest Discovery Center in Starlight, IN, hosted by the Indiana Hardwood Lumbermen's Association.

The popular workshop gives yardmen, sawyers, edgers and sales staff an introduction into lumber inspection. The seminar fee includes registration, course materials, NHLA Rules Book, a certificate of completion and lunch each day.

The instructor is Kyle Hilligoss, a National Hardwood Lumber Association national inspector. The cost is \$345 for IHLA members and \$395 for non-members.

Lodging is available at the Holiday Inn Clarksville, IN, at (800) 544-7075 for a rate of \$71.95 per night.

To register, contact IHLA at the website www.ihla.org or (800) 640-4452.

AWP Names Rodgers CFO

PETERSBURG, WV - Allegheny Wood Products, Inc. (AWP) recently appointed Larry W. Rodgers as Chief Financial Officer. Rodgers brings over 20 years of experience as a certified public accountant.

"We are fortunate to have such an outstanding individual join our company," said John W. Crites, AWP Chairman of the Board. "Having specialized in natural resources industries, pension plans, and income taxation, Larry's qualifications will greatly benefit AWP."

Rodgers has a bachelor's degree in Philosophy from Goshen College in Goshen, IN and a Masters of Divinity Degree from Associated Mennonite Biblical Seminars. He is married with two children and one grandson.

Rodgers fills the vacancy of James C. "Jim" Cole who retired after 21 years of service to AWP.

SFI Names New Executive

ARLINGTON, VA - The Sustainable Forestry Initiative, Inc. announced that it has named Kathy Abusow as president and chief executive officer.

SFI, Inc. is the fully independent organization responsible for the Sustainable Forestry Initiative® Program. The SFI® program is a comprehensive and rigorous sustainable forestry certification system that encompasses more than 133 million certified acres across the U.S. and Canada and includes over 200 program participants.

For the past 15 years Abusow has operated Abusow International Ltd., a successful forest certification and market acceptance consultancy. She is highly respected internationally as both a technical expert on certification standards and on related marketplace issues such as procurement policy design and green building rating tools acceptance of wood and certified products.

Abusow said, "I am committed to growing SFI's recognition and importance among conservation groups, buyers, forest managers, industry, and policy makers. Forest certification is a significant tool in the marketplace and among policy setters and so it is essential to keep certification programs relevant and in tune with changing landscapes, as well as market expectations. I look forward to working with staff to build upon SFI's reputation in a responsive, rigorous, and innovative manner."

Abusow replaces William H. Banzhaf, who has led SFI, Inc. since 2002.



APPALACHIAN Hardwood Manufacturers, Inc.



Inter-Industry Meeting - Oct. 16-17, 2007 Carnegie Hotel, Johnson City, TN

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 Carnegie Hotel, Johnson City, TN, for \$92 per night. Call (423) 979-6400 to reserve a room before Sept. 15. Ask for the AHMI room block to receive the special rate.

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

The meeting registration fee will be refunded on cancellations before Oct. 1. After that, subject to 50%.

Register Online at www.appalachianwood.org/meetings.htm

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

Location TBA in Johnson City, TN. Tee times beginning at 9 a.m. and includes lunch. Medal play.

GOLF: _____ **HANDICAP** _____ **FEE:** \$95

GOLF: _____ **HANDICAP** _____ **FEE:** \$95

PLEASE REGISTER THE FOLLOWING FOR SHOOTING EVENT

Johnson City, TN. Five-stand beginning at 10 a.m. Bring your own gun and shells.

SHOOTING: _____ **FEE:** \$25

SHOOTING: _____ **FEE:** \$25

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