



Since 1928

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

November 2008



Demand For Lumber 'Certification' Rising

More than 200 participants in the Dollars and Sense of Going Green conference recently learned that demand for forest and product certification systems will continue to increase as consumers emphasize "green."

What defines green or certification is as broad as the markets that were represented at the program hosted by Purdue University and *Wood and Wood Products* magazine. Appalachian Hardwood Manufacturers, Inc. was one of 14 trade associations cooperating in the program in Indianapolis.

More than 20 speakers from primary and secondary wood manufacturing, certification programs, building groups and architects spoke at the two-day summit. The forum offered frank discussion of hardwood certification and details about what secondary manufacturers require from wood suppliers.

AHMI agreed to participate as a cooperator to give Appalachian members the opportunity to hear from a wide range of customer groups. AHMI President Tom Inman served as a moderator for a panel discussion on secondary manufacturing.

"Many secondary manufacturers and their associations are developing certification programs to address their resources and also their plant operations," Inman said. "On the resource side, most give credit for all of the certification programs without really considering what this means to lumber suppliers who have difficulty providing certified wood.

"It was clear that if lumber manufacturers want to continue to sell into some of these 'green' markets, we will have to provide documentation of sustainability," Inman said. "The Appalachian Hardwood Verified Sustainable program has been accepted by the furniture manufacturers and we continue to dis-



AHMI's Tom Inman (center) moderates panel on secondary manufacturing's need for certified hardwood lumber

cuss this with the other groups."

The National Wood Flooring Association detailed its Verified Renewable program and partnership with the Forest Stewardship Council. Beginning in 2009, FSC will be the only certified wood scheme accepted into the NWFA program.

FSC and the LEED building program dominated many of the sessions as more commercial projects move in that direction. Speakers said the hardwood industry must adapt to consumer demands with one citing the Americans With Disabilities Act as an example of what at one time was considered impossible but has now become a part of doing business.

"AHMI will continue to stay at the front of these issues and has a committee working now on the next phase of AHMI's Verified Sustainable that we believe will help address our members needs," Inman said.

AHMI, P.O. Box 427, High Point, NC 27261
phone: 336-885-8315 fax: 336-886-8865
e mail: info@appalachianwood.org
web: www.appalachianwood.org

APPALACHIAN Future Meetings

2009 Annual Meeting - Feb. 25 - March 1
Ponte Vedra Inn & Club, Ponte Vedra, FL
2009 Summer Conference - Aug. 1-4
The Homestead, Hot Springs, VA

The way I see it...

By Tom Inman, AHMI President

...forest and wood product certification of some kind is here to stay this time. Both have been talked about for more than 15 years and a few sawmills and yards have been in and out of the schemes.

The Dollars and Sense of Going Green Conference recently in Indiana proves that North American lumber manufacturers and secondary wood processors are engaged. More than 200 people from across the Midwest and Appalachian regions participated.

The take-aways:

Pressure on lumber companies from their customers to show green sustainability is rising

Few companies receive premiums for their products

Costs to become certified are stable

Time to become certified is between three weeks to six months

The good news: the United States and specifically the Appalachian Region is at a huge advantage in world markets because buyers know our lumber is legally harvested. Buyers also know the U.S. forest is sustainable and the Appalachian forest leads the way. The American Hardwood Export Council and the U.S. Forest Service have proven these points.

I believe there will continue to be a myriad of "certification" programs. If a customer has a green streak, they will demand FSC and more lumber companies are making it part of their offering. If a customer just wants documentation for another entity that the lumber is sustainable, AHMI members can provide it through AHVS.

I was visiting a major domestic furniture manufacturer this week who said retailers just want an assurance for their customers. AHVS does that and customers are responding positively. Not every customer but no one can please all of the people all of the time.

The AHMI Board of Trustees is committed to maintaining our program and expanding it to the next level that we believe will meet the increasing pressure for proof of what we say. It is clear that "some" are demanding it and that is putting pressure on others.

We must adapt and provide these consumers with what they need or think they need.

Zig Ziglar sums it up: "It's not what you've got it's what you use that makes a difference." Let's keep using every resource available to sell our sustainable Appalachian lumber to the world!



MEMBERSHIP

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

Producer

Turman Lumber Company
Mike Turman
555 Expansion Drive
Hillsville, VA 24343

Consumer

Vaughan-Bassett Furniture Co.
Doug Bassett
300 E. Grayson St.
Galax, VA 24333

AHMI Members Receive Survey

Appalachian Hardwood Manufacturers, Inc. members have the opportunity to assist with a research study about certification and the steps a company goes through in determining whether or not to be involved.

As more people become environmentally conscious, more forest products manufacturers have begun to look at chain-of-custody certification. However, many obstacles deter these manufacturers from actually obtaining certification.

Because there are many differences between hardwood and softwood forest products, current certification systems may not fit the unique demographics of the hardwood industry. This research will be extremely beneficial to you no matter where you are in the decision process.

AHMI Producer and Distributor members were mailed a confidential survey. Each questionnaire has been marked with an identification number that will allow to track the return of the questionnaires.

A self-addressed stamped envelope has been provided for you to return your questionnaire. All questionnaires should be mailed to 241 Mercer Springs Road, Princeton, WV 24740. Please return all questionnaire materials in this envelope.

A summary of the research results will be available on the Appalachian Hardwood Manufacturers, Inc. website after the completion of the study.

AHMI Takes Green Message To Market

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. continued its sustainability campaign with attendees at the High Point Furniture Market in October.

The association exhibited in the Eco-Pavilion section of market and touted the Appalachian Hardwood Verified Sustainable program. The area receives wide promotion around the furniture market with seminars on green design and purchasing.

"We had decent traffic by the space and dozens of Resource Guides and other educational pieces were taken by visitors," Inman said. "I help people understand that our Appalachian forests are sustainable and we show them the data and our definition."

AHMI Consumer members who have a space at market were given a framed AHVS certificate for display in their space. All were pleased to show their participation in the program.

"Green is in at furniture market and the more we can help our members and others who are using Appalachian hardwood sell it to consumers, the better for everyone," Inman said. "We saw the AHVS logo on other advertisements and promotional pieces so it has value to furniture makers."

AHMI completed its Annual Wood Species and Design Survey at the fall market. The details of the survey will be available later this month online and in the December newsletter. For more information, contact Inman at the AHMI office.



AHMI's Tom Inman meets with Joe Kaylor, Carl Gustafson and Jeff Kaylor, all with AHMI member Winfield Manor of Newton, NC

Wood Pieces Increase Slightly At HP Market

HIGH POINT - Wood furniture buyers at the High Point Furniture Market found styles in bedroom and dining that were targeting a younger audience.

With expectations low for market attendance and purchasing, many manufacturers scaled back the volume of introductions. Most collections had fewer pieces to help manufacturers manage production.

Traffic in showrooms was estimated at 10-30 percent below one year ago. Retailers were interested in pieces for younger consumers who may have money to spend but are living in smaller homes or condos.

Stanley Furniture is launching an 80-piece coastal cottage-inspired lifestyle collection called Coastal Living. The group is offered in maple and poplar solids with 14 finish options.

Vaughan-Bassett Furniture expanded its Alexander Julian line of solid hardwood and veneers made in the USA.

Century Furniture's Milan collection is a contemporary group made from American walnut veneers in a clear finish that highlights the grain pattern.

Winfield Manor, an upholstered chair and sofa maker, promoted its solid Appalachian frames to customers at its first maker.

Kincaid Furniture unveiled a bedroom and dining room group in oak at market that was well-received by attendees, officials said.

Pinnacle Design Winner
AHMI's Tom Inman presents the 2008 Pinnacle Award to furniture designer Jonsara



Ruth at the American Society of Furniture Designer's Annual Meeting in High Point. The group was called Stella Stackables and was produced by Q Collection Jr. The wooden furniture could be arranged in a variety of configurations.

President-Elect Obama & The Hardwood Industry

*Deb Hawkinson, Executive Director
Hardwood Federation*

President-elect Barack Obama brings a mix of results on issues of interest to the hardwood industry. Both McCain and Obama proclaimed support for small family-owned businesses (predominant in the hardwood industry) throughout their campaigns. A closer look at Obama's stand on specific issues and what to expect in the new administration:

Lacey Act - Original co-sponsor of HF-supported Lacey Act amendment and supported final enactment

Energy - \$150 billion investment in renewable and clean energy sources over 10 years

- Reduce greenhouse gas emissions 80% from 1990 levels by 2050 via a cap-and-trade system in which all pollution credits will be auctioned

Health Care - Mandate employers, excluding small businesses, to offer "meaningful" coverage or contribute percentage of payroll toward costs of public plan

- Small businesses eligible for a refundable tax credit of up to 50% of premiums paid on behalf of employees if "meaningful share" of a "quality health plan" is paid by employer

- Create National Health Insurance Exchange
- Small businesses could enroll in new plan or in approved private plans

Taxes/Spending - Eliminate capital gains for small businesses and startups

- Simplify tax filings significantly
- Provide workers tax relief through tax credit of up to \$500 per person (\$1,000 per working family)
- Reduce budget deficit over first four years

Housing/economic recovery - Supported the \$700B rescue plan and calls for "rescue plan" for middle class

- Halt foreclosures for 90 days

Labor - Supports "Card Check" (non-secret ballot) for union elections, the top issue for major labor organizations.

- Believes employees in many non-unionized sectors should have the right to work together to build stronger and safer workplaces

- Joined union efforts to get large employers to improve working conditions, wages and health coverage

Immigration - Allow undocumented workers to become citizens (with taxes and fines)

- Strengthen enforcement against employers hiring illegal immigrants

Trade - Amend NAFTA to protect US jobs

- Use trade agreements to spread improved labor and environmental standards around the world

- Opposed Central American and Caribbean free trade agreements due to labor/environment issues

Civil Lawsuits/Tort Reform - Voted for Class Action Fairness Act (CAFA) of 2005 supported by US Chamber of Commerce

Election Results for Appalachian candidates supported by the Hardwood Federation

Senate Races

- AL – Sessions (R) wins
- GA – Chambliss (R) undecided
- KY – McConnell (R) wins
- NC – Dole (R) loses
- SC – Graham (R) wins
- TN – Alexander (R) wins

House Races

- KY-3 – Candidate Northup (R) loses
- NC-8 – Rep. Hayes (R) loses

Hardwood Council Exhibits At Greenbuild

The Hardwood Council will be exhibiting at the U.S. Green Building Council's Greenbuild, in Boston on Nov. 18-20. More than 25,000 green building professionals will attend the conference with the theme "We Are Revolutionary Green."

AHMI is a member of the Hardwood Council and the U.S. Green Building Council. The USGBC administers the LEED program and its mission is to have green building concepts for all residential and commercial construction in the next generation.

Greenbuild includes over 100 educational ses-

sions featuring world renown speakers, LEED workshops, off-site educational sessions, and Green Building tours of local Boston sites.

The Hardwood Council has received 75 complimentary VIP Expo passes. These passes will get you, or guests, in for one day, either the 19th or 20th. For both days, please complete the form twice. Please register at <https://register.greenbuildexpo.org/portal/registration/thegw4s6>

If you have questions, please contact Tom Inman at AHMI at 336-885-8315.

ALC Invites AHMI Members To Meeting

The Appalachian Lumbermen's Club (ALC) has invited all Appalachian Hardwood Manufacturers, Inc., members who are not affiliated with ALC to attend the next meeting as a guest of the club.

ALC is a social club, encouraging members and their guests to fellowship, exchange ideas, conduct informal business discussions, and support each other and the hardwood industry. The club is bound by antitrust laws which can be found on its web site www.lumberclub.org.

"We would like to extend to members of AHMI an open invitation to attend any of our regular meetings, as a guest of the club itself," said Jamie Straka, ALC vice president.

The next meeting is November 11 at the Rock Barn Country Club in Hickory, NC. A meeting registration form is available from the AHMI office by calling 336-885-8315 or you can register online www.lumberclub.org/meetings.htm.

NHLA Participants Hear AHVS Message

Appalachian Hardwood Manufacturers, Inc. staff promoted the benefits of Appalachian Hardwood Verified Sustainable (AHVS) at the 2008 National Hardwood Lumber Association Convention.

AHMI exhibited at the convention and devoted the booth to the AHVS program. Dozens of distributors and lumber buyers received information about the program and collected Appalachian Hardwood Resource Guides with detailed information on AHMI members.

The AHVS campaign began in July 2007 to educate wood consumers about the sustainable hardwood lumber resource available from AHMI members. Lumber buyers are accepting the details of the program and purchasing lumber from AHMI members who provide the certificates.

AHMI President Tom Inman also spoke at the Hardwood Distributors Association breakfast about AHVS.

More than 800 people attended the convention including 50 international buyers and media that were part of an American Hardwood Export Council delegation. The 2009 NHLA Convention is set for Sept. 30 - Oct. 3 in Boston, MA.



MARKETS

Inman Promotes Verified Sustainable To Millwork Company

Appalachian Hardwood Manufacturers, Inc. President Tom Inman recently presented training workshops to both purchasing and sales staff of new AHMI member Ring's End Millwork.

The Darian, CT-based company is one of Connecticut's most prominent retail lumber, millwork and building specialties companies. The company was founded in 1902 but in recent months purchased a millwork facility and is expanding operations using more hardwoods.

Inman spoke to the sales staff about the benefits of Appalachian Hardwood Verified Sustainable. Ring's End will provide certificates with millwork sourced from the AHMI territory.

Inman also spoke with purchasing staff about the Producer and Distributor members of AHMI and helped them understand the species from the Appalachian Region.

"This was an excellent opportunity to reach the staff of a Consumer member and help them market their products which come from the lumber of AHMI members," Inman said.



Survey Crew

AHMI's Tom Inman stands with Georgia Tech students at the High Point Furniture Market for the 2008 Species and Design Survey. Details of the survey will be announced later this month.

AHMI thanks the students for assisting with this project.

Annual Meeting Focus: Will Economic Recovery Come In 09?

PONTE VEDRA, FL - Appalachian Hardwood Manufacturers, Inc. is making plans for the 2009 Annual Meeting set for Feb. 25-March 1 at the Ponte Vedra Inn & Club.

The theme is "Will Economic Recovery Come in 2009?" and is based on the ever-changing forecast from economists and other financial leaders. The agenda will include presentations from credit insurance specialists, an economist, and industry experts on hardwood markets.

"Economic issues will continue to be at the forefront in early 2009 and we want to prepare AHMI members with strategies to succeed," said Tom Inman, AHMI president. "There are so many variables that are constantly changing. We will look at a few key areas and offer insight for meeting attendees."

The Ponte Vedra Inn & Club has completed a renovation since AHMI's last visit and there are renowned restaurants, championship golf, a world-class spa and a wide range of activities and amenities. The Inn & Club offers new dining options and completely redesigned and redecorated guest rooms.

"Ponte Vedra is a favorite destination for its outstanding facility and proximity to our members," said Inman. "We have an exceptional rate and registration materials will be sent out in the next few weeks to members who will get first chance at the accommodations."

There will be an extra emphasis on the receptions and social times this year along with golf, tennis, and sporting clays. Please view more information about the resort at www.pvresorts.com or contact the AHMI office at (336) 885-8315.



Ponte Vedra Inn & Club offers oceanfront accommodations on Florida's Atlantic Coast

Program

Economic Expectations

Credit Insurance Changes

Hardwood Lumber Markets

Certification Analysis

Plus Sportings Events, Receptions, Networking

