



Since 1928

The Standard

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.



April 2009

Appalachian Gains Promotion In China

Appalachian Hardwood Manufacturers, Inc. participated in its first exhibit in China recently at the International Woodworking Machinery & Furniture Raw Materials Fair on March 27-30 in Guangzhou, China.



The sixth annual event attracted more than 40,000 furniture, flooring and cabinet manufacturers from across southern China. AHMI had a space in the Appalachia USA Pavilion that was organized by the Appalachian Regional Commission.

"The show was very well attended the first two days and we gave out hundreds of AHMI promotional pieces and Export Guides," said AHMI President Tom Inman. "We fielded dozens of questions about Appalachian species and the benefits for manufacturing products."

Six AHMI member companies also exhibited in the Appalachian USA section and four others participated in the AHMI space.

"Many of the leading wood furniture manufacturing companies in China sent representatives to the show," said Inman. "We printed materials in Chinese and our member companies had representatives in our space who spoke Chinese so we were able to communicate our message very well."

A list of trade leads gathered at the AHMI space will be sent to AHMI Export Division members for followup contact.

Inman also worked in the American Hardwood Export Council booth which was a few spaces away. The booth highlighted American Oak and Maple and staff distributed hundreds of brochures on American hardwood grades, species and characteristics.



Matt Harris of Edwards Wood Products gives AHMI materials to a Chinese buyer

Inman also traveled to Dongguan to visit the lumber markets and furniture companies in what is proclaimed to be the largest furniture manufacturing area in Asia. He was hosted by representatives from Tides International, the parent company of AHMI member Tides and Times Lumber.

"The warehouses we visited were near capacity with Appalachian member companies' lumber," Inman said. "I saw many packs of Appalachian Poplar, (See China on page 3)"

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APPALACHIAN Future Meetings

2009 Summer Conference - Aug. 1-4
The Homestead, Hot Springs, VA
2010 Annual Meeting - Feb. 24 - Feb. 28
Long Boat Key Club, Long Boat Key, FL

The way I see it...

By Tom Inman, AHMI President

...segments of the world's wood manufacturing industry have life heading into the second quarter of 2009. A few markets for hardwoods are surviving the global economic crisis and others are beginning to report marginal increases in business after a dismal first quarter.

This analysis is based on a recent trip to China and dialogue with dozens of AHMI members who export to markets around the globe. They report that a few species and grades are moving but at an extremely low price. At least some product is moving.

I recently traveled to Guangzhou and Dongguan on my first trip to China. I found many lumber distribution centers full, workers waiting on orders and about half of the furniture manufacturing plants idle.

The working half, however, are making office, hospital and commercial furniture, flooring and millwork that is selling in nontraditional markets around the world. Some of those markets are very close to home in China as the demand for hotel and apartment space is steady. The working class continues to improve its economic status in China.

Markets in the Middle East, parts of Europe and South America are buying goods, according to recent American Hardwood Export Council reports.

Couple that with decreased hardwood production from the United States, Canada, and Indonesia and you can begin to see stabilization. We may not have reached bottom but many are reporting they are settling in to the new levels of production and business.

That is good news compared to the past 90 days.

...there is more good news from Mark Barford on his wife Michelle's battle with cancer. She recently underwent surgery at the M.D. Anderson Cancer Center in Houston, TX, and Mark says the doctors believe they were able to remove all of the tumors in her abdomen. The recovery process will take months but the report is very positive. Please keep them in your thoughts and prayers as she recovers.

...plans are shaping up for another excellent Summer Family Conference at The Homestead in Hot Springs, VA on Aug. 1-4. Our speaker lineup will be announced soon so please put the dates on your calendar. The Homestead continues to be an AHMI member favorite destination and recent upgrades at the facility will have it in excellent shape to host our event. Mark your calendar today!



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

Consumer

Havco Wood Products

Bruce Baber

PO Box 1342

Cape Girardeau, MO 63702

Winfield Manor

Joe Kaylor

PO Box 520

Conover NC 28613

ALC Assists Promotion

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. recently received financial support for its promotion programs from the Appalachian Lumbermen's Club.

The club donated \$1,500 to support AHMI's promotion program in 2009. The money will be used to specifically target domestic wood manufacturers with key messages about Appalachian Hardwoods.

"AHMI thanks the Appalachian Lumbermen's Club for its continued support of our work on behalf of the industry," said AHMI President Tom Inman. "Our effort this year is to promote Appalachian Hardwoods to every hardwood customer in the world."

Kincaid Gets Greener

HIGH POINT — Kincaid Furniture has achieved Sustainable by Design from the American Home Furnishings Alliance.

Kincaid, a Hudson, N.C.-based La-Z-Boy division, is a member of Appalachian Hardwood Manufacturers, Inc. and joins another AHMI member, C.R. Laine, as manufacturers and importers that have attained the SBD status. Kincaid's case goods operation in Lenior, N.C., and its upholstery operation in Taylorsville, N.C., completed the AHFA's environmental management system in September and passed the criteria for SBD in March.

Kincaid said that 87% of its domestic lumber is certified by the Forest Stewardship Council and another 10% is from forests within the Appalachian Hardwood Verified Sustainable Program.

China from page 1

Oak, Maple, Ash, and even Hackberry."

Furniture manufacturing in China has been dramatically impacted by the economic slowdown around the world. Approximately half of the plants in southern China were not operating and others were at reduced capacity.

"It really is slow everywhere but there were bright spots in China for hotel and office furniture," he said. "These companies were displaying at the show and I had good conversations with them about their needs for the remainder of 2009. They were optimistic."

Questions were also fielded about the Lacey Act and its requirements that all wood products reveal the country of origin for raw materials. Many buyers were aware of the revisions in 2008 and were seeking sources of wood from America, Inman said.

Inman also distributed Appalachian Hardwood materials to every wood manufacturer at the Interzum Guangzhou show. Followup information will be sent to the contacts throughout the year.

For more information on Interzum Guangzhou, please contact Inman at the AHMI office at tom@appalachianwood.org.



AHMI President Tom Inman stands with Jenny Wang of Tides International in their Dongguan, China warehouse. Lumber from at least 10 AHMI member companies (like Augusta and Gutches above) was seen in the markets around Dongguan. Many of the warehouses were near capacity as manufacturing has declined in recent months.

Fire Marshals Offer New Fire Ratings For Pallets

A proposal by the National Association of State Fire Marshals (NASFM) to radically alter existing compliance standards for pallets would cost billions of dollars to already struggling industries, and will not improve safety.

The move, being fast-tracked by NASFM, would have significant negative consequences for all companies that use or receive pallets including product manufacturers, agriculture, trucking companies, warehouses and retail stores.

The National Fire Protection Association (NFPA) and the International Code Council develop fire and electrical codes; neither has made code changes related to pallets, but NASFM is in the process of "re-interpreting" the long-established codes and proposing new compliance measures, which they will encourage their members, senior fire officials from each state, to adopt.

"Our industry supports standards that will contribute to workplace safety," said Bruce Scholnick, President and CEO of the National Wooden Pallet and Container Association (NWPCA). "But to date, the NASFM has presented no body of evidence to suggest the need for such changes. It seems to us the massive costs that would result to companies already economically stressed require a technical

justification for the reinterpretation of codes around which warehouse sprinkler systems have been designed and installed – and that are working."

Despite the success of existing codes, NASFM is proposing a two-grade increase for fire ratings for wood block pallets and says it will re-examine ratings for all other wood pallets. Compliance would require warehouses to spend enormous amounts for new sprinkler systems. "I was told by a safety engineer from a national food distributor the cost to his company would be approximately \$2 billion, and that's just one company" said Scholnick.

In addition to increased fire ratings, the NASFM draft enforcement standard proposes a new certification requirement for all pallets. "Because of the vast number of wood species used and the component variations such as wood thickness of deck boards and such, this simply would not be possible," said Edgar Deomano, Ph.D., NWPCA Technical Director.

Of the 1.2 billion pallets in circulation in the U.S., 93% are wood, less than 1% are certified. "This requirement would obviously provide a lucrative new revenue source to a certification entity," said Scholnick. "But it would be at the expense of businesses trying to stay afloat in a troubled economy."

Hispanic Workforce Training Session Scheduled

The USDA Forest Service's Wood Education and Resource Center and Virginia Tech's Sloan Foundation Forest Industries Center are pleased to cosponsor a diversity management workshop designed to improve your management skills in working with the growing Hispanic workforce. The interactive workshop will focus on meeting the cultural, communication, and legal challenges associated with hiring and managing this multicultural workforce.

The workshop is designed for employers and managers in the forest industries, from primary producers to secondary manufacturers, who employ or who are considering employing members of the Hispanic workforce.

The goals are:

To assist employers in managing the legal aspects of employing Hispanic workers.

To overcome the language barrier.

To guide employers in creating a business culture that values diversity and that provides a supportive environment for Hispanic employees.

To provide the latest resources and the most up to date information related to managing the Hispanic

workforce.

To create a forum for employers in the forest industry to share their solutions to common management problems in the areas of hiring, training, retaining, and managing this multicultural workforce with the goal of identifying best practices for the forest industries.

The workshop fee is \$300 which covers registration, instructional materials, continental breakfasts, coffee breaks, and lunch. To register, go online to www.forestindustries.vt.edu. You may also pre-register by calling 540-231-2161. Your registration should be received no later than Friday, April 24th, 2009

Registrations are limited to the first 45 applicants.

For additional information, contact Marina Cogo at 540-231-2161 or email cogom@vt.edu.

Send completed pre-registration forms to:

Marina Cogo
3069 Pamplin Hall
Virginia Tech University
Blacksburg, VA, 24061



Hardwood Lumber Grading Short Course, May 12-14, NCSU Campus, Raleigh, NC. This workshop is both an introduction and refresher course to the NHLA grading rules. The course covers log quality and how to process lumber for maximum value. This is a hands-on course flipping lumber and using tally sticks. This is a great course for graders, edgers, trimmers, mill managers and sales personnel. \$250 reg. fee. Contact Harry Watt, NCSU Wood Products Extension, Phone 704-880-5034; Fax 919-515-8739; Email: harry_watt@ncsu.edu; Web: ces.ncsu.edu/nreos/wood.

Drying Hardwood Lumber Update-Improving Lumber Quality, May 21 at the NCSU Campus, Raleigh, NC. This workshop covers the key methods of drying lumber flat, free of stain and of the bright color needed in today's competitive lumber markets. Dry kiln schedules are covered that use low temperatures and wider wet bulb depressions. \$45 reg. fee. Contact Harry Watt, NCSU Wood Products Ext., Phone 704-880-5034; Fax 919-515-8739; Email: harry_watt@ncsu.edu; ces.ncsu.edu/nreos/wood.

Workshop Focuses On Hardwood Components

The Department of Wood Science and Forest Products at Virginia Tech will host "Remaining Competitive in Hardwood Components Production," April 20-21, at the U.S. Forest Service's Wood Education and Resource Center in Princeton, WV.

This workshop is designed to give hardwood industry managers an opportunity to assess the current economic situation, learn of business opportunities, compare their efforts with others in the industry, and discuss issues with industry experts. Sponsors are the Forest Service's Wood Education and Resource Center, the National Hardwood Lumber Association, the Wood Component Manufacturers Association, and Wood Digest Magazine, and organized by Virginia Tech's Department of Wood Science and Forest Products.

For more information or to register for the "Remaining Competitive in Hardwood Components Production" workshop online at www.woodscience.vt.edu/woodcomponents/ or contact Urs Buehlmann at buehlmann@gmail.com or call at (540) 231-9759.

Redoutey Logging Wins National Honor

ROCKVILLE, MD – The Forest Resources Association honored Redoutey Logging as the 2009 National Outstanding Logger recently.

The company is located in McDermott, Ohio and operated by August, Ryan, and Reg Redoutey, and Aaron Daniel. They were honored for adopting innovative harvesting methods that promote sustainable forest management and safety.

August Redoutey started the company as a sole proprietorship in 1982, using conventional harvesting methods. Since the late 1990s, Redoutey Logging has specialized in "low impact logging," employing the correct piece of cut-to-length equipment with properly trained operators for the specific timber, terrain, and ground conditions.

The Forest Resources Association Inc. is a non-profit trade association concerned with the safe, efficient, and sustainable harvest of forest products and their transport from woods to mill. FRA represents wood consumers, logging contractors, and wood dealers.

AHEC Investigates Australian Market

Provided by the American Hardwood Export Council

The structure of the timber trade in Australia is distinctly divided along state, product and functional lines. Some importers work nationally, and some only in one or a few states.

Many wholesalers and almost all distributors (merchants) do not import wood. They are heavily committed to domestic and/or structural hardwoods only and are not involved in imported species. A few merchants "buy in" small quantities of American hardwoods from importers.

There is no import duty payable on American hardwood lumber or veneer in Australia. The reduction from 5% under the trade agreement between USA and Australia is conformed as having given a competitive edge to US suppliers over some other countries, especially in veneer.

Most imported hardwoods are referred to in the market as "exotic", including American species. There are some issues of species nomenclature in Australia that could adversely affect prospects for American oak and ash, largely by the undercutting of

Inman Attends HMA National Conference

CHARLOTTE, NC - Appalachian Hardwood Manufacturers, Inc. President Tom Inman recently attended the Hardwood Manufacturers Association Annual Conference here.

About 110 people participated in the conference and heard from speakers on spark detection systems, the economy, markets for hardwoods, forest certification and its annual Trend Tracker report on industry trends. The report said items to watch include declining log and lumber exports, the decline of Chinese exports, introduction of smaller houses, availability of credit and growing government intervention.

Inman talked with several AHMI members and prospective members. "We have a few mutual members and many HMA members are outside the Appalachian region," he said. "It is good to talk with producers and distributors from across the United States to learn what is happening in their areas."

HMA recently named Linda Jovanovich as director of operations following the departure of Executive Director Gil Thurm.



EXPORTS

cheaper substitute species.

It is surprising how little seems to be known of American yellow poplar/tulipwood, which may also be a problem related to name. Whereas most importers know red oak from the past they have almost no knowledge of tulipwood, its performance credentials or sustainability. Subject to competitiveness, there may be opportunities to develop this species in Australia.

Some wood importers are represented by the Australian Timber Importers Federation (ATIF) which has a total of only 20 members, located in most states except Western Australia. Merchants are represented by the Timber and Building Merchants Association (TABMA) in NSW and Queensland, possibly to be joined shortly by Victoria.

There is little or no understanding, or acceptance, and even confusion about NHLA grading rules in Australia except among specialist importers, who clearly need assistance in educating the market. This is huge hurdle for market development. Hardwood markets in Australia are said to be strongly price driven.

AHMI Forestry Division, AHFRA Plan Meeting

PRINCETON, WV - Appalachian Hardwood Manufacturers, Inc.'s Forestry Division and the Appalachian Hardwood Forest Research Alliance will hold a joint meeting May 19-20 to receive an update on silvicultural prescriptions and guidelines for managing degraded upland hardwoods.

The program will be held at the Wood Education Resource Center in Princeton, WV. There will be a program on May 19 and tours set for May 20.

The research is directed by Dr. Jeffrey Stringer, a forestry at the University of Kentucky. He was awarded an AHFRA research grant in 2007 to develop silvicultural and management guidelines for rehabilitating degraded hardwood stands.

The project looks at the significant acreage in the region which has been exploitatively managed or neglected. Most silviculture and management research has focused on well-stocked lands or ways to avoid degradation rather than how to rehabilitate stands.

The research work found ways to identify the root causes of stand degradation and ways to initiate positive change in stand composition, quality and value.



The program will begin on May 19 at 1 pm with classroom analysis of the research. There will be a reception and dinner that evening at the Pipestem State Park with a program on forest management certification.

The group will tour degraded forest stands on May 20 to apply techniques. A workshop on forest management certification will be held on May 20 at 1 pm.

AHMI has applied for Society of American Foresters Certified Forester Education credits for the workshops. Eight hours of education will be available.

AHFRA was founded in 2005 to oversee research throughout the region. The coalition of forest land management companies received a U.S. Forest Service grant to fund the research work.

More information and registration forms for the meeting will be mailed to AHMI Forestry Members soon. If you would like to be included, please contact the AHMI office or check the website at www.appalachianwood.org.

**Appalachian Hardwood Manufacturers, Inc. Forestry Division &
Appalachian Hardwood Forest Research Alliance
Annual Meeting & Tour - May 19-20 at
Wood Education Resource Center, Princeton, WV**

Tuesday, May 19

Workshop at 1 pm, Reception at 5:30 pm, Dinner at 6:30 p.m. Program at 7:15 pm

Wednesday, May 20

Forest Tour at 8 am

Certification Workshop at 1 pm

*Registration also available online at
www.appalachianwood.org/meetings.htm*

MEETING FEE: \$65 per person *(includes workshops, reception, dinner, tour lunch)*

NAME: _____ BADGE NAME: _____ **\$65**

NAME: _____ BADGE NAME: _____ **\$65**

COMPANY: _____

ADDRESS: _____

Visa/MC _____

Expires _____

Please send payment with registration