



Since 1928

The Standard

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.



January 2009

Financial Matters Are Focus Of 2009 Agenda

PONTE VEDRA, FL - The economy and its impact on the hardwood lumber industry is the agenda for the 2009 Annual Meeting of Appalachian Hardwood Manufacturers, Inc.

The theme is "Will Economic Recovery Come in 2009?" and is based on the changing forecast from economists and other financial leaders. AHMI will gather Feb. 25-March 1 at the Ponte Vedra Inn and resort, Ponte Vedra, FL.

The agenda includes presentations from a credit insurance specialist representing EulerHermes; financial services market specialist from Cobank; a University of Florida economist, and a hardwood certification expert.

"We have developed an outstanding business program that will provide valuable information from the prospective of the hardwood sawmill and distribution yard," said AHMI President Tom Inman. "I un-



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

Room Block Ends Jan. 28
Early Registration Deadline Jan. 30
Available Online at
www.appalachianwood.org/meetings.htm

derstand that business is difficult now and that is why we have kept business solutions available at our sessions."

The Business meetings are Friday, Feb. 27 and Saturday, Feb. 28 from 9 to 11:30 a.m. There will be two speakers each day, recognition of AHMI membership anniversaries, a report from the Chairman and explanation of the program of work for 2009.

There are sporting events and receptions planned each afternoon and evening. There is ample time built into the program for networking among attendees.

The Ponte Vedra Inn & Club has completed a major renovation since AHMI's last visit. 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. "I encourage members to sign up now for the best rooms, dining and spa reservations."

The room block is available until Jan. 28. For more information about the resort, please visit www.pvresorts.com or contact the AHMI office at (336) 885-8315.

Meeting registration is available online at www.appalachianwood.org/meetings.htm or you can complete the form on page 6 of this newsletter. There is also a link online to make resort reservations.

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

...most people were glad to tear off December 2008 from their calendar and move into 2009. Over the past several weeks, AHMI members have said they had their lowest number of orders in years. "December," as I heard one person call it, will not be missed.

We start the new year with new hopes and new ideas. What will the year bring? You can pick your forecaster to receive a wide variety of predictions. *National Hardwood Magazine's* annual forecasts found the concensus was a slow start to the year and a pick up in the third and fourth quarters. That's safe.

Safe is usually good. I am conservative by nature and the temptation to "ease" into new things is strong.

But safe and slow will not keep Appalachian Hardwood Manufacturers, Inc. members and their products at the forefront in 2009. So your association will reach out to new groups through new avenues to promote and market Appalachian products globally.

We are making plans to take Appalachian Hardwood Verified Sustainable (AHVS) to the next level in educating wood buyers. AHMI will promote AHVS in more domestic shows and for the first time in almost two decades will have an Appalachian space in international shows.

Why? We are the best suited for telling the Appalachian message to wood consumers. There is a place for cooperative marketing with other groups but there are also times for a focused approach to set Appalachian apart from the crowd.

The hardwood marketplace continues to be filled with wood from around the world. The American Hardwood Export Council is doing an excellent job educating consumers about the legality and sustainability of the American hardwood resource. AHMI will continue to work with AHEC and then focus on the promotion of the finest hardwoods from that American forest - Appalachian.

One of the association's strongest supporters is former chairman Emmet "Buck" Vaughn who says we must make certain wood buyers know what they are getting. The consummate salesman, Buck will tell you right now that you can buy any wood, but when you can have the best, you should buy the best, Appalachian.

As Oscar Wilde once said: "I have the simplest tastes. I am always satisfied with the *best*."



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

Distributor

Missouri Walnut
Steve Arnold
11417 Oak Road
Neosho, MO 64850

Appalachian Hardwood Manufacturers, Inc. 2009 membership renewal is due on Jan. 31 for all divisions except Producers who pay on a monthly basis. For the 17th consecutive year, AHMI dues have remained at the same level for all divisions.

Membership in the association assures the promotion of Appalachian hardwood lumber and products will continue around the world. AHMI signed up 22 new members in 2008 and grew to its largest membership on record.

The association has also mailed information for the 2009 Appalachian Hardwood Resource Guide. The directory is published annually and distributed to thousands of lumber buyers around the world. It lists each member of the association and details about the company and its offerings

For more information about membership or participation in the Resource Guide, please contact Tom Inman at the AHMI office at (336) 885-8315.

AHMI Mourns Death Of Ralph Elliott

GREENSBORO - AHMI is saddened to report the death of Ralph E. Elliott, Sr., of Greensboro, NC, on Dec. 18.

Elliott was owner and operator of Elliott Lumber Company and up until his sudden illness was still working as a lumber broker and consultant with DLH Nordisk. He was a former president of the Appalachian Lumberman's Club and served many years as social coordinator. He was a veteran of World War II, serving in the United States Army Air Corp.

Survivors include a daughter, two sons, three brothers, six grandchildren and four great-grandchildren. In lieu of flowers, memorial contributions may be made to Hospice and Palliative Care at Greensboro, 2500 Summit Ave., Greensboro, NC 27405.

2009 Annual Meeting Speakers

Confirmed Speakers for the 2009 Annual Meeting of Appalachian Hardwood Manufacturers, Inc.:

Antony Bahr, CoBank Senior Managing Director of Capital Markets, is responsible for structuring, pricing, and marketing large corporate and middle market transactions. He is a member of CoBank's Senior Leadership Team and edits CoBank's *Outlook*, a monthly newsletter on macroeconomic trends, interest rate forecasts, and risk management techniques. He will speak on credit availability in 2009.

Edward Arnold, M&T Insurance Director of Credit Insurance, has extensive experience in both international business and finance and represents multiple carriers of credit insurance including EulerHermes. M&T Insurance Agency, Inc. is a subsidiary of M&T Bank. Arnold has a doctorate in Economic Geography and masters in International Business and has worked in Germany, Poland and traveled to markets in 36 other countries on business. Credit insurance has changed dramatically in the past 12 months and the presentation will explain this change and a forecast for 2009.

Dr. David A. Denslow, Jr., is a Distinguished Service Professor and the Director of the Bureau of Economic and Business Research at the University of Florida's Warrington College of Business. A Yale University trained economist, he is a former chairman of the Governor's Council of Economic Advisors in Florida. He will speak on the U.S. and world economies in 2009.

Scott Berg is president of an international forestry consulting firm and has prepared 100 organizations for SFI®, FSC, Tree Farm & ISO 14001 certification. He has served as SFI Lead Auditor for internal and independent audits, accredited Tree Farm Lead Auditor and developed pre-packaged SFI, FSC, & PEFC Chain of Custody Programs. He lead certification workshops for AHMI in 2008 and will provide analysis of certification systems.

Judd Johnson, editor of the *Hardwood Market Report*, will speak to the Distributor's Division on *HMR's 2008 Year at a Glance* and hardwood lumber markets. HMR is the nation's oldest weekly report on hardwood lumber pricing.

2009 Annual Meeting Agenda

Wednesday, Feb. 25

6 p.m. Early Bird Reception

Dinner on your own

Thursday, Feb. 26

4-6 p.m. Registration

6-7 p.m. Welcoming Social

Hardwood Federation *Shoot For The Pin Contest*

Sponsored by Hardwood Market Report

Dinner on your own

Friday, Feb. 27

7:30 a.m. AHMI Board Breakfast Meeting

9 a.m. General Session

81st Annual Meeting - Chairman's Report, Member

Anniversaries - Rick Armstrong

Credit Insurance Crisis in 2009

Credit Availability in 2009

Lunch on your own

1 p.m. Golf Tournament *Ocean Course*

1 p.m. Sporting Clays *WW Sport. Clays*

6-7 p.m. Reception

Dinner on your own

Saturday, Feb. 28

8 a.m. Producers Meeting

8 a.m. Distributors Session

Chairman David Kay - presiding. Remarks

by Judd Johnson, *Hardwood Market Report*

9:15 a.m. General Session

Will Economic Recovery Begin In 2009 - Dr.

Dave Denslow, UF professor and economist

Forest Certification Analysis - Scott Berg,

president of R.S. Berg & Associates

AHMI Certification Plans - Tom Inman

Lunch on your own

1 p.m. Golf Tournament

2 p.m. Tennis Tournament

6-7 p.m. Reception *Great Lounge*

Dinner on your own

**Sunday, March 1 - NO FORMAL BUSINESS -
HAVE A SAFE TRIP HOME**

Exporting Seminar Offers Key Information

The U.S. Department of Commerce North Carolina office, the Small Business Administration, Appalachian Hardwood Manufacturers, Inc. and others are sponsoring a one day seminar on hardwood lumber exporting on Tuesday, Jan. 13 in Hickory, NC. The session is from 8 a.m. to 4 p.m. and includes lunch.

The agenda includes ways to:

- 1) identify growing large and niche markets for hardwood lumber,
- 2) learn international buyer expectations,
- 3) examine trends in current market,
- 4) review logistical issues with shipping,
- 5) update your understanding of international heat-treating requirements for wood products,
- 6) develop insurance and financing strategies that maximize working capital while controlling export payment risk.

The conference will be held in the Crown Plaza Hotel in Hickory, NC, at exit 125 off I-40. The program will precede the January meeting of the Appalachian Lumbermen's Club and conference attendees are

encouraged to stay for the club meeting (registration is required with www.lumberclub.org).

The cost is \$60 and includes lunch and bound seminar materials. To register, please visit <http://www.buyusa.gov/northcarolina/lumberexporting.html>

Confirmed Presentations and Panelists.

- Financing: The Small Business Administration, SunTrust, BB&T, and a Tennessee Bank.
- Insurance: Global Business Solutions, NC; and Export Financial Services, Inc, SC.
- Logistics: Hipage, Kuehne+Nagel, Inc (forest product division), LoadMatch Logistics, Inc
- Buyer's Panel Presentation and Discussion: Phil Lowndes, Brooks Lumber, UK; Ebeu Olcay, U.S. Embassy, Istanbul, ASIAN MARKET – Presenter TBD
- Global Markets Forecast: Dan Meyer, Appalachian Editor, Hardwood Publishing
- Lunch Time Speaker: George Barrett, Publisher and Editor Hardwood Publishing

More information is available from the AHMI office at (336) 885-8315.

AHMI Participates In AHEC PR Workshop

Appalachian Hardwood Manufacturers, Inc. President Tom Inman participated in the American Hardwood Export Council's European Public Relations Workshop in Madrid, Spain on Dec. 15-16.

Representatives from four public relations companies and AHEC's European office gave reports on activities in 2008 and made plans for 2009. The work included trade shows, hundreds of press releases, design contests, lumber grading seminars and a outdoor exhibit build from poplar for a festival in the United Kingdom.

"AHEC is doing a terrific job promoting American hardwoods across Europe and teaching these architects, designers and consumers," Inman said.

The conference included an architectural seminar with more than 425 architects from across Spain and Portugal attending. Two leading European architects discussed their use of American hardwood and AHEC Director Mike Snow gave a presentation on the legality and sustainability of U.S. hardwoods.

There were also meetings with the Spanish Timber Importers Association and a dinner with the Spanish trade press.

"The Spanish economy is suffering from the credit crisis just like what is happening here in the United



EXPORTS



From left: AHEC's Mike Snow, NHLA's Kevin Ketchum, Spanish Timber Import Association Director Alberto Cagigal, and AHMI's Tom Inman discuss American hardwoods in Spain

States," Inman said. "They were upbeat, however, that 2009 will be better."

Spain has been a strong market for American hardwoods for furniture and flooring for years. AHEC and the timber importers are promoting the use of American species for other products and construction.

Furniture Report Calls World Economy Uncertain

MILAN, Italy — A new "World Furniture Outlook 2009" report from the Italian market research and consulting firm CSIL finds that furniture demand is expected to decrease next year in 15 countries (including the United States and much of Europe), grow moderately in 29 countries (with China, Egypt, Russia, India and Kuwait growing more than 3%) and remain stable in 11 countries.

CSIL noted that the world economic outlook is "exceptionally uncertain." The report is based on data collected through Nov. 20. More information on CSIL and the new report is available at www.csilmilano.com.

WVU Awards Bennett Scholarship At WVU

MORGANTOWN, WV - The West Virginia University Foundation has awarded the Howard D. Bennett / Appalachian Hardwood Manufacturers, Inc. Scholarship to Daniel Kozel. The award was made during the fall semester.

Lumber CD Available

WEST LAFAYETTE, IN - Dan Cassens, Purdue University professor of forestry and natural resources, has helped create a new CD "Lumber From Hardwoods." The disc features 35 hardwood species with photographs and information on species selection, decay resistance, mechanical properties, the production process, purchasing and selling hardwood lumber, shrinkage of lumber, steam bending, understanding lumber and wood machining properties.

The CD can be ordered for \$25 from Purdue Extension Education Store by calling (888) EXT-INFO or online at www.extension.purdue.edu/store.

Lumber Grading Courses

The National Hardwood Lumber Association Lumber Grading Courses will be held at the West Virginia Wood Technology Center in Elkins on the following dates:

March 23 - June 26, 2009 14 Week Course

July 28-30, 2009 Short Course

August 3 - Nov. 6, 2009 14 Week Course

November 18-20, 2009 Short Course

Anyone interested in signing up for these courses should contact James W. Barnett, Jr. at the WV Wood Technology Center at 304-637-7500.



MARKETS

Home Remodeling Declines

The National Association of Homebuilders reported recently that residential remodeling was down in the third quarter of 2008.

The Remodeling Market Index measures current and future demand for remodeling projects. A number above means that conditions are improving and below indicates decline.

The index for current markets dropped from 41 to 33 while the index for future projects dropped from 38 to 27. The service also reported that the indicator for additions was down as well as maintenance and repair.

"Customers are cutting back," one official said.

Cabinet Sales Decrease

According to the Kitchen Cabinet Manufacturers Association's Trend of Business Survey, cabinet sales for the first 10 months of 2008 were down an average of 17% from the same period in 2007. Stock sales, semi-custom and custom were all down 16-19 percent for the period.

SFI Hires Green Building Manager

Rob Worthington, former marketing business development manager for JELD-WEN Windows and Doors, has joined the Sustainable Forestry Initiative® program (SFI Inc.) as director, green building. He will be responsible for leading SFI's green building outreach initiatives, including stakeholder relations, marketing, and encouraging growth of SFI labeled products in the solid wood sector.

"I am thrilled to have Rob join the SFI team and pleased he will play an important role in the market acceptance of the SFI program," said SFI President and CEO Kathy Abusow. "Green building is not a niche and neither is sustainable forestry. I'm looking forward to working with Rob to bring these congruent forces even closer together and helping architects, builders and policy makers meet their sustainability goals."

Worthington has a business management degree from the University of Redlands and has over 30 years working in the forest product and building sector. He is a National Association of Home Builders' Certified Green Professional.

Will Economic Recovery Begin In 2009?

APPALACHIAN Hardwood Manufacturers, Inc.

2009 Annual Meeting Feb. 25 - March 1 Ponte Vedra Inn & Club, Ponte Vedra, FL

To reserve your room at Ponte Vedra Inn & Club, call 1-800-234-7842
Deluxe Oceanfront Guest Rooms are \$290 and AHMI's block cutoff is Jan. 28, 2009

To plan functions and include all participants on the Registration List, please complete this form and return with your check to: AHMI, P.O. Box 427, High Point, NC 27261 or register online at www.appalachianwood.org/meetings.htm

Please Note: You will receive your meeting packets on site at the meeting

Full registration fee refunded on cancellations received by Jan. 30, 2009. Cancellations received after that time will be subject to 50% forfeiture.

Registration before Jan. 30, 2009:

AHMI MEMBER - \$330 per person

GUEST - \$430 per person

MEMBER SPOUSE - \$220

GUEST SPOUSE - \$220

Add \$50 to any registration fee after Jan. 30, 2009

PLEASE REGISTER THE FOLLOWING FOR AHMI'S 2009 ANNUAL MEETING

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

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

Company: _____

Address: _____

City/State/Zip: _____

GOLF (Medal Play Friday 1 pm Ocean Course; **New** Two-Man Scramble Saturday 1 pm Lagoon Course)

Name: _____ Hdcp _____ FEE: _____
Please check: Friday (\$190) Saturday (\$160)

Name: _____ Hdcp _____ FEE: _____
Please check: Friday (\$190) Saturday (\$160)

SPORTING CLAYS at WW Sporting Clays (Friday 1 p.m.) (100-shots, ammunition, and gun rental included)

Name: _____ FEE: \$90

Name: _____ FEE: \$90

TENNIS (Saturday at 2 p.m. Ponte Vedra Club Courts)

Name: _____ FEE: \$30

Name: _____ FEE: \$30

TOTAL \$ _____

Check # _____ Received _____