



Since 1928

The Standard

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.



July 2009

Meeting Offers Market Updates, Certification

Appalachian Hardwood Manufacturers, Inc. members and guests have a few days remaining to reserve rooms for the 2009 Summer Conference at The Homestead.

The meeting is planned for Aug. 1-4 at the world-class Hot Springs, VA facility and the room block ends July 10. The agenda includes informative business sessions, networking with associates and customers and sporting events.

The Monday business session will offer presentations on domestic and international markets from a panel of AHMI members and Michael Snow, executive director of the American Hardwood Export Council. The panel will offer insight into their operations and markets as they see it.

Snow will discuss developing markets for American Hardwoods around the world. AHEC has recently completed research on markets in India, Australia and the Middle East and he will discuss this and offer reports on existing markets in Europe, Asia and Mexico.

AHMI will announce a partnership with three organizations to offer group forest land and chain of custody certification to AHMI member companies. The Southern Forest Network, the WoodNet Market

**Appalachian
2009 Summer
Conference**
August 1 - 4



Room Block Ends July 10 - Reserve Today

Council, and Foresters Inc. will provide services to AHMI members seeking Forest Stewardship Council certification. The initiative will provide forms and a template approach for completing the process and paperwork involved with group certification.

Hardwood Federation Political Action Committee Chairman Brad Thompson of Columbia Forest Products will address attendees about participation in 2009. The PAC has goals for both fundraising and membership participation in 2009.

The conference begins with an informal reception for early arrivals on Saturday, Aug. 1 in the Chairman's Suite at 6 p.m. On Sunday, Aug. 2, registration will open at 4 p.m. with all meeting materials distributed on site. The Welcoming Reception is at 6 p.m. on Sunday.

The business session begins Monday morning at 8:30 a.m. with golf, tennis and sporting clay tournaments Monday afternoon. A reception is scheduled for Monday evening. The AHMI Board of Trustees will meet Tuesday at 8:30 a.m.

The AHMI group rate is the Modified American Plan and includes two meals each day. **Please make your room reservations by July 10 to be included in the block.**

A meeting registration form is included in this newsletter on page 6. Both registration forms are available online at www.appalachianwood.org.



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 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

....hardwood lumber markets are finally reacting to Economics 101. When demand exceeds supply, the price of goods increases.

It has taken a while, but in recent weeks there are reports that a few species in certain grades have seen demand surpass supply and thus increase the green price.

Sawmills have curtailed production as demand for lumber has declined for the past 12 months. They are reporting that the demand/supply ratio is pushing price up ever so slightly.

Has production reached the low point? That's difficult to answer in July when demand is usually low.

Will there be shortages of lumber in coming weeks? The overwhelming majority of production and distribution people believe there will.

One furniture manufacturer buyer called the AHMI office before July 4th seeking information on the number of mills that have closed and the prediction for the next six months. I did not have an answer for either request.

I did assure him that most members I talk with are anticipating lower production into the fall. Timber supply, the availability of loggers and cash flow will all be factors.

Lumber buyers see it differently and have become more accustomed to fully stocked warehouses and low prices. Some say talk of lumber shortages is just that, talk.

We will see...The give and take of the hardwood lumber industry is amazing.

...hardwood lumber markets domestically and internationally will be two of the topics for the 2009 Appalachian Hardwood Manufacturers, Inc. Summer Conference. Please make your room reservations **TODAY** for The Homestead on Aug. 1-4.

Knowledgeable speakers, great networking and an outstanding facility all add up to a terrific conference. The Homestead rate includes two meals each day at the facility's Main Dining Room or Snead's Tavern or for a small upcharge, the 1766 Grille, which is new since AHMI last visited the property.

Registration can be completed online at www.appalachianwood.org/meetings.htm. The Homestead form is available as well as a link to their website for online registration. Be certain to enter the group code APPALACHIAN.

Please plan to join us in August.

2009 AHMI Summer Conference Agenda

Saturday, Aug. 1

6 pm - Early arrival reception in Chairman's Suite

Sunday, Aug. 2

10 am *Optional* Golf for early arrivals (contact the AHMI office for details)

4-6 pm - Registration open for materials

6-7 pm - Reception

Dinner on your own

Monday, Aug. 3

8:30 am - General Session

International Markets For American Hardwoods - Michael Snow, AHEC

Domestic Markets and Operations - Panel of AHMI members

Forest and Chain of Custody Group Certification Programs - WoodNet Market Council, Southern Forest Network and Foresters, Inc.

Hardwood Federation Challenge - Brad Thompson, Columbia Forest Products

12 noon - Golf Tournament

1 pm - Sporting Clays Tournament

2 pm - Tennis Tournament

6-7:30 pm - Reception

Dinner on your own

Tuesday, Aug. 4

8:30 a.m. AHMI Board of Trustees Meeting

Special thanks to the following 2009 AHMI Summer Conference sponsors:

Business session speaker - Pennsylvania Lumbermen's Mutual Insurance

Business session coffee break - BB&T Insurance Services

Golf Tournament Refreshments - SII Dry Kilns

Golf Tournament Prizes - LUA Insurance

Sporting Clays Tournament - Farm Credit of the Virginias

Tennis Tournament - U*C Coatings Corp.

FSC Certified Markets Forum Attracts Crowd To NC

Appalachian Hardwood Manufacturers, Inc. co-sponsored the first "Growing Green Wood Markets: A forum on FSC certified forest product markets" on June 23 that attracted more than 65 people from all aspects of the forest products industry.

Participants included primary and secondary products companies, TIMOs, landowners, green builders, and non-governmental organizations. The panels discussed current markets and opportunities to expand markets for FSC certified forest products in the South and Appalachian regions.

The forum was hosted by AHMI, The Community Forestry Business Alliance, Southern Forests Network, NCSU Forestry and Environmental Outreach Program, and Rainforest Alliance

"We were extremely pleased with the number of attendees but also the broad representation from landowners to finished goods manufacturers," said Tom Inman, AHMI president. "Many had excellent questions and offered valuable input into current and potential markets for certified wood products."

The program began with a technical workshop on chain of custody certification. It was followed by panel presentations on existing markets for FSC certified products; market development; organizing sup-



The forest land panel included AHMI member Jim Sitts (second from left) of Columbia Forest Products

ply from forests and primary mills; strategies, opportunities, and challenges for facilitating a reliable supply of FSC certified solid wood products; facilitating local value - added processing- manufacturing and distribution; and strategies, opportunities, and challenges for connecting with local buyers.

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

Hardwood Council Defines Focus Under HMA

The Hardwood Council is undergoing major changes as funding and interest have declined in recent years, reports Chairman Pem Jenkins.

In a recent teleconference of Council participants, Jenkins reviewed the financials and revised income budget. He noted the budget reduction is indicative of the overall downturn in the industry and may also signal the lack of confidence that members have in the Council.

Jenkins stressed the need for all Council members to do a better job, share resources, and generate more funding for future Council activities. He acknowledged that the Council is in transformation and the future shape of the new entity is yet to be determined.

Moving forward, the Hardwood Manufacturers Association will take over the day-to-day operations of the Council. The public relations firm Yearick-Millea will be used on a contract-basis.

The action plan for 2009 includes:

- Ongoing feature story placement, press re-

leases and correspondence with media reporters.

- Evaluation of other outlets to promote CEU completions.

- Redesign of Council website to split away from Hardwood Information site.

- Creating a section on the website of Case Studies to showcase the many applications of North American hardwoods, including interviews from the architects, designers and builders specifying the project.

- Research other trade show venues.

- Distribution of 12,000 Sustainable Solutions brochures through Wood Design & Building magazine's summer issue.

- Creation of membership development strategy based on the a HMA study to refine the HC project scope and suggest ways to seek sponsoring partners to support new projects.

Jenkins reminded members that during the transition it will be important to rely on in-house resources.

Inman To Share AHMI Verified Sustainable Message At Workshop

Highland Craftsmen, Inc. of Spruce Pine, NC, announces a forest/product certification workshop on July 29 at Mayland Community College near Spruce Pine, NC, from 8 a.m. to 3 p.m.

The morning agenda includes presentations on sustainable forestry practices and favorable wildlife habitat, the North Carolina Forest Stewardship Program and a discussion of the impact of forest certification on private forest landowners. Dr. Fred Cabbage, NCSU College of Natural Resources, will moderate a panel of speakers on forest certification systems including the Forest Stewardship Council (FSC), the Sustainable Forestry Initiative (SFI) and the American Tree Farm System (ATFS/PEFC).

The afternoon agenda includes a presentation by Tom Inman, AHMI president, on AHMI's Verified Sustainable program. Other topics include the N.C. Pro Logger Program and logger training and a live demonstration of sustainable bark procurement practices by Highland Craftsmen, Inc. on the college campus.

The workshop is provided free of charge and lunch will be on your own at the college cafeteria. The agenda will be submitted to NCSAF for CFE Credits for NC Registered Foresters attending the entire workshop.

Advance registration is required and available at (828) 765-7351 ext. 249. More details are posted at www.barkhouse.com or AHMI office (336) 885-8315.

House OKs Funds For Hardwood Pests, Biomass For Fuel

Report from the Hardwood Federation

The House Appropriations Committee passed Fiscal Year 2010 bill including significant increases in programs aimed at addressing emerald ash borer, sudden oak death, and other hardwood-specific pests. Subcommittee Chairman Rosa DeLauro (D-CT), in addition to supporting these increases, is also working with Hardwood Federation in encouraging the Animal Plant and Health Inspection Service to consider alternative inspection programs for export lumber certificates, addressing the proposed doubling of fees levied by USDA.

Important MAP and FMD funding that support marketing programs such as the American Hardwood Export Council are included and appear to be secure.

The U.S. House of Representatives passed H.R.



FORESTRY

Forest Service Budget Clears House

The House voted 254-173 recently to approve the \$32.3 billion appropriations bill for the Department of the Interior, the Environmental Protection Agency, and related agencies. The bill included \$10.97 billion for the Forest Service, an \$897 million increase over current funding. For the first time in more than a decade, no amendments were offered on the House floor that would have cut funding for timber sales or prohibited road building.

The House rejected, on mostly party line votes, efforts to cut several programs, and an effort to add \$2.5 million to the hazardous fuels account was withdrawn by its sponsor, Rep. Greg Walden (R-OR). The Senate Appropriations Committee approved its version of the bill with the slightly lower total of \$32.1 billion.

The bill includes \$3.66 billion for Interior's and the Forest Service's wildland fire management operations, \$165 million more than the administration requested. That includes \$357 million for a contingency reserve fund called for by the administration, which would only be tapped if federal agencies exhausted regularly budgeted money for wildfires. The Forest Service and Interior would also receive \$611 million for hazardous fuels reduction. Funding for the timber sale program is relatively flat at \$336.7 million.

2454, the American Clean Energy & Security Act. The measure included improvements to the definition of biomass and the offsets program that states biomass includes, "residues or byproducts from wood, pulp, or paper products facilities," thus ensuring that the industry's renewable energy is fully included in the renewable electricity standard, the renewable fuel standard, and the cap-and-trade program.

Additionally, oversight of the offsets program was moved from the EPA to the US Department of Agriculture and managed forests and forest products were explicitly included in the offsets program. The focus now moves to the Senate leading up to the Environment and Public Works Committee's expected action in July followed by a floor vote in the fall.

Studies Support Truck Weight Increases

The Agricultural Transportation Efficiency Coalition (AgTEC), which supports increasing the overall gross vehicle weight limits for trucks, has analyzed and made available 11 independent studies, affirming the safety and economic benefits of bringing U.S. truck-weight limits closer to Canadian and European standards, and quantifying the relationship between truck weights and road and bridge wear. Government agencies conducted or endorsed each study.

"AgTEC's proposal to raise gross vehicle weight limits on the Interstate System reflects conclusions the Federal Highway Administration and several state DOTs have reached independently," stated Richard Lewis, president of the Forest Resources Association, an AgTEC member.

AgTEC strongly supports Congressman Mike Michaud's (D-Maine) "Safe and Efficient Transportation Act of 2009" (HR 1799), which would grant states the option of raising the current 80,000-pound gross vehicle weight limit on their Interstate highways to 97,000 pounds, for trucks equipped with a sixth axle, with the assessment of a new dedicated fee to support bridge repair and maintenance.

AgTEC is working to ensure the inclusion of this bill's provisions in the 2009 Highway Reauthorization Bill, which will set federal infrastructure improvement priorities for the coming five years.

AgTEC has archived the 11 studies at <http://ag-haul.org/research.html>, with summaries encapsulizing each study's highlights and relevant conclusions.

The Federal Motor Carrier Safety Administration's 2008 Large Truck Crash Facts, for instance, documents a steady decline in fatalities associated with collisions involving large trucks over the years, from 4.58 per 100 million vehicle miles traveled in 1975 to 1.94 in 2006.

Judge Dismisses Suit over Foundation Payments

Judge Richard A. Jones of the Seattle federal court ruled on June 23 that the Forest Stewardship Council-United States, Conservation Northwest, and the Center for Biological Diversity lacked standing to challenge the federal government's decision to give \$350 million to forestry foundations. The U.S. Endowment for Forestry and Communities (USEFC) and the American Forest Foundation (AFF) received \$200 million and \$150 million respectively as part of a \$1 billion Softwood Lumber Agreement (SLA) between the U.S. and Canada in 2006.

Judge Jones concluded that the three groups failed to show they any right to compete for the funds, that they were harmed by the distribution to the foundations, or that the payments caused any environmental degradation. The Associated Press reported that neither Corey Brinkema, President of FSC, or Peter R. Goldman of the Washington Forest Law Center, lawyer for the three groups, have decided whether to appeal.

Zink-Sharp To Lead VT Wood Science Department

BLACKSBURG, VA - Audrey Zink-Sharp has been appointed as interim head of the Department of Wood Science and Forest Products in Virginia Tech's College of Natural Resources.

Zink-Sharp will begin her official duties July 10, filling in for department head Paul Winistorfer, who will succeed the retiring Dean Mike Kelly on Aug. 1.

"In her roles as associate department head and institute director, Dr. Zink-Sharp has shown herself to be both a very capable fiscal manager and program leader. I sincerely appreciate Audrey's willingness to assume additional duties during this period of leadership transition, and know that the wood science department will be in good hands," said Kelly.

AHMI Verified Sustainable Materials Available

AHMI members are reminded that 2009 Appalachian Hardwood Verified Sustainable materials are available from the AHMI office. These include certificates for each load of lumber or products, letters from AHMI and from the U.S. Forest Service explaining the program and decals for use on packaging or invoices.

These materials can be delivered to your company within a few days of placing your order. Please contact Dinah Farrington at the AHMI office at (336) 885-8315 to place your order.





APPALACHIAN Hardwood Manufacturers, Inc.



2009 Summer Family Conference

The Homestead, Hot Springs, VA Aug. 1-4, 2009

To accurately plan the functions and make sure all participants are included on the Registration List, please complete this form and return it with your check or complete the credit card information below by July 3, 2009 to AHMI, P.O. Box 427, High Point, NC 27261.

MEETING REGISTRATION FEES:

AHMI MEMBER - \$230 per person

GUEST - \$330 per person

MEMBER SPOUSE - \$120

GUEST SPOUSE - \$220

ADULT CHILDREN - \$40

CHILDREN UNDER 18 FREE!

Full registration will be refunded on cancellations received by July 10, 2009. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S SUMMER FAMILY CONFERENCE

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

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

Company: _____

Address: _____

City/State/Zip: _____

GOLF TOURNAMENT (Monday at 12 p.m. The Homestead Olde Course)

Name: _____ Hdcp _____ FEE: \$170

Name: _____ Hdcp _____ FEE: \$170

SPORTING CLAYS TOURNAMENT (Monday at 1 p.m. The Homestead Shooting Club)

One round of 100 targets - Includes gun and ammunition

Name: _____ FEE: \$130

Name: _____ FEE: \$130

TENNIS TOURNAMENT (Monday at 2 p.m. on The Homestead courts)

Name: _____ FEE: \$30

Name: _____ FEE: \$30

Payment information

Check enclosed _____

Credit Card: VISA / MasterCard # _____

Expiration date _____

Name on card: _____

Billing zip code _____

Total _____

You may also register online at www.appalachianwood.org/meetings.htm

Room reservations may be made at www.thehomestead.com and enter the group code APPALACHIAN