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# The Standard

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.



March 2009

## Speaker: U.S. Economic Models Are Broken

PONTE VEDRA, FL - The models that predict the future of the U.S. economy are all broken, according to a leading Florida economist and professor.

Dr. David A. Denslow, Jr., 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, was a keynote speaker for the 2009 Appalachian Hardwood Manufacturers, Inc. Annual Meeting. He said it is not entirely all bad news and there are optimistic and pessimistic scenarios.

"The optimistic one unfortunately is not going to happen where we get back to 1.6 million starts by the fourth quarter of 2009," Denslow said. "The mid-range calls for us to get back to the normal level of housing starts by second quarter 2011, and the pessimistic is somewhat later in the third quarter of 2012."

These scenarios are based on the excess housing inventories, the trend growth in demand and what will happen to the economy overall.

"I want to emphasize to you today that our economic models are broken because they are based on set ranges and all of the variables that figure into these models are way beyond those ranges," he said. "We are just so far outside of the normal experience that any statistical models we use that project what is going to happen just don't work."

He gave the example that if you were trying to predict what's going to happen to water and you have a range of historic experience from 50 degrees centigrade to 100 degrees centigrade. If you try to predict what will happen at 150 degrees centigrade using this information just doesn't work.

"Your planning has to take account of uncertainty



**University of Florida Economic Professor Dr. David Denslow makes point about news reports and negative impact on nation's economy**

and we don't know too many variables," he said.

The meeting was held Feb. 25-March 1 at the Ponte Vedra Inn and Club, Ponte Vedra, FL. More than 100 members and guests attended, down about one-third from previous years.

"It is an extremely difficult time now for many companies and we understood that over the past 12 months," said AHMI President Tom Inman. "Our attendees, however, reported the trip was well worth it and they gained valuable information from each of the speakers and key networking opportunities."

Denslow explained the U.S. has never had a downturn in housing that wasn't followed by a recession. An exception was the mid-1960s but it was offset by an acceleration of spending with the Vietnam War. The housing sector is always tied to the business cycle.

The recent housing boom started in 2003 and through 2007 there were low interest rates, subprime mortgages, and a 4 percent increase in home ownership. All of that has come to an end in 2008-09.

Denslow cited former President Bush's Council  
**(See Meeting 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

...the 2009 Annual Meeting of Appalachian Hardwood Manufacturers, Inc. was extremely successful based on the response from attendees. Most were very pleased with the great speakers and timely information, the opportunity to network with others about solutions to industry problems and the amenities of the Ponte Vedra Inn and Club and 80-degree weather on Friday and Saturday!

While the crowd was down from last year at just over 100 people, they included representatives from every AHMI division. That is important because AHMI reaches a broad group of people from the forest to the finished product that have a common link in the hardwood lumber resource.

The theme for the conference was Will Recovery Come in 2009? and the answers were mixed. National and regional economists who spoke offered optimistic forecasts of recovering beginning in the fourth quarter of 2009 and the pessimistic forecast of fourth quarter 2010. A common question was the impact of the American Recovery and Reinvestment Act of 2009, aka the stimulus bill. The unprecedented influx of money into the economy will have many unpredictable results.

...promotion opportunities abound for AHMI in 2009. The Board of Trustees approved an aggressive approach to marketing Appalachian Hardwood to consumers around the world. AHMI members are encouraged to examine the program and select trade shows or other events where you can partner with AHMI in promoting Appalachian Hardwood lumber and specifically your company and products to wood consumers. Please contact me in the office for more details or to sign up. Several AHMI member companies are sending representatives with AHMI to China this month.

...I have exciting news to report as a followup on Michelle Barford, wife of former AHMI president and now National Hardwood Lumber Association Executive Manager Mark Barford. She has been accepted into the M.D. Anderson Cancer Center in Houston, TX, and doctors believe they can perform surgery to remove the cancer in her abdomen. The procedure is slated for later this month and both Michelle and Mark are thrilled with the news. Please keep them in your thoughts and prayers for the next few weeks as they prepare for and complete this procedure.



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



**Western Pocahontas Properties Forester Doug Toothman receives the membership plaque from AHMI Chairman Rick Armstrong**

## **25-Year Achievement**

Appalachian Hardwood Manufacturers, Inc. honored five companies at the 2009 Annual Meeting for reaching the 25-year membership milestone in 2009.

They are:

American Woodmark Corp.  
Century Furniture Industries  
Gilbert Lumber Co.  
Ron Jones Hardwood Sales, Inc.  
Western Pocahontas Prop. Ltd.

AHMI congratulates these companies and their representatives and thanks each for their participation in AHMI and its programs. The association has more than 200 member companies with more than 215 operations throughout the United States, Canada and Europe. For more information on membership or recommending other companies to be a part of AHMI, please contact Tom Inman at (336) 885-8315.

## Meeting from page 1

of Economic Advisers in January 2009 who said that tax cuts and lower interest rates "have laid a foundation for a strong economic recovery early in the term of the next administration." They also said "most market forecasts suggest the weakness will continue in the first half of 2009, followed by a recovery beginning in second half 2009 that will gain momentum in 2010."

These things have not happened.

"Most forecasters now think it will be a U-shaped recovery where we have seen the fall and we will go through the down and a gradual increase before a sharp rise," Denslow said.

The Obama administration's budget assumptions for the next four years are also too optimistic, Denslow said, with growth domestic product declining 1.2 percent in 2009 and then rising 3.2-4 percent over the next three years.

"There is a lot more private debt to be worked off now than in previous years," he said. "If you can't get the credit, the price of the credit doesn't matter to you. The interest rate part, the bank loan component and the investment aspect are all broken because everyone is trying to hoard cash. The Bush tax cuts were largely saved by people because they wanted the cash."

Denslow said there has also been a huge drop in the net wealth of Americans. In 2007, it was estimated that Americans had a combined wealth of \$53 trillion. It is believed to be at \$39 trillion today.

"The rule of thumb is for every \$100 drop in someone's net worth, they reduce spending by about \$3, or 3 percent," he said. "So if you look at the \$14 trillion decline in net worth, that would depress spending by about \$420 billion a year so you are shifting the demand in the economy by \$420 billion. Then add to that the credit crunch, add to that the affect of uncertainty and the economy is shocked."

Offsetting that is the Obama stimulus package at \$780 billion over the four years so divide that out and it is only half of what the decline in demand will be using standard economics, he said. The stimulus alone is just not enough.

There is also the global demand in trade that is spiraling down faster than it did in the 1930s even adjusting for the size of the economy. He said it will take months for all of this to work out.

"We don't know how bad it is going to be because all of the models are broken," Denslow said.

The U.S., however, continues to be in a favorable position in the world because other countries see U.S.

Treasury securities as extremely safe. The government is able to borrow at rates of 3 percent or below and has tremendous flexibility in fiscal policy and can be creative in its monetary policy. He said the stimulus package would never have passed if the interest rates were 10 percent or higher.

"That's why I think there is a chance that things will not be as bad as some are saying," he added. Treasury Secretary Geithner's plan calls for injecting capital into markets, unfreezing credit for mortgages, student loans, consumer loans and more, and finally getting a public/private entity to buy up all of these toxic assets to limit the losses.

"The flexibility would not be there if China and Japan were not willing to lend the US the money at such low rates," Denslow said.

Denslow discussed the depreciation of the dollar from 2002 to late 2007. As the dollar weakened against foreign currency, U.S. products were a better value around the world and exports increased. This increase offset the gradual decline in the domestic economy. The dollar began gaining strength in January 2008 and increased throughout the year.

"China and Japan flooded money into the U.S. to improve the strength of the dollar and weaken their currencies and Wall Street finds a place for this new money," he noted.

Denslow made an interesting point about housing values. Historically, the land cost has been 20 percent of the price of a home and the structure has been 80 percent. During the housing boom, the land became a larger share because the structure price does not vary dramatically. The land is the asset and heavily affected by expectations.

Land values have become more volatile as it increased from 20 percent of housing costs to as much as 55 percent in some markets. The land value has fallen drastically and homeowners who purchased at the high values are upside down in their homes.

The AHMI business meeting included a report from AHMI Chairman Rick Armstrong who explained the program of work for 2009. The association will continue promoting Appalachian logs, lumber and member companies to consumers around the world.

AHMI will participate in domestic and international trade shows, expand its Appalachian Hardwood Verified Sustainable program, publish its Resource Guide and broaden its reach through the Internet.

For more information on the meeting and the AHMI Board of Trustees session, please contact Inman at the AHMI office at (336) 885-8315.

## Speaker: Banks Seek Lower Leverage In 2009

Commercial banks are more focused on credit quality and risk than ever before, according to a speaker at the 2009 Appalachian Hardwood Manufacturers, Inc. Annual Meeting.

Antony Bahr, CoBank senior managing director of capital markets, said lending institutions are seeking more conservative structuring of loans, shorter maturity and higher investment from the borrower. Each relates to a tightening of credit availability.

"We are certainly spending a tremendous amount of time talking with banks and trying to figure out where they are because we are going through a funding crisis," Bahr said. "We are seeing radically altered business strategies and many banks trying to figure out what they are going to look like in a few years."



**Antony Bahr**

Banks are looking very closely at capital allocation for transactions. While credit committees have been a part of loan origination for years, banks now have capital allocation committees that examine the distribution within a company.

"We certainly do not have that at CoBank or in the Farm Credit system but many of your local and regional banks are requiring extra steps," he said.

What are hot buttons for commercial banks? Credit quality and risk are top factors but they are also looking for more conservative structure and shorter maturity.

Lending institutions are also looking at loan purposes in 2009. The days of "no covenant loans" and "interest only payments" are past for the near term.

"What do you do in this environment to raise money in this environment?" Bahr asked. "Lower your leverage and get more equity involved."

These actions may lead to higher transaction fees as banks put together multiple deals to get the capital to the borrower. He said there has been a surprising amount of cooperation among banks to help get the transactions done.

Bahr encouraged companies to focus on existing banks for capital and also use banks for other ancillary services like investments or insurance.

Globally, the Denver, CO-based manager said the industry is seeing an unwinding of the leverage built up over the past 10-20 years. Commercial and investment banks are under pressure to raise capital,

to rethink their risk management models and are preparing for regulatory changes.

"Everybody is rethinking their policies about what works and does not," he said. "There was a report recently that said banks will have higher capital standards, more regulation and more items moving back onto bank balance sheets."

Most banks had operated at a 10 percent capitalization rate and some expect that to go to 12 percent.

"We think the Federal Reserve and other central banks will be very creative to develop solutions to the credit crisis," Bahr said. He noted that the fundamentals of the real estate and mortgage market problems are far reaching.

"I don't think most people believe we are in a depression but certainly a recession," he said. Most recessions are 12 months in duration and the current economic downturn is 14 months in duration.

"Many believe this recession will be 18-24 months," Bahr said. "Optimists say we will be coming out by third quarter and pessimists are saying the third quarter of 2010."

Deflation is the million dollar question: will there be deflation and then inflation on the back end?

"I think that is affecting commodity prices right now," he said. "How long we will be in deflation is unknown and we must avoid a Japanese style deflationary period, when consumer says we'll wait another year or two to buy because we believe it will be cheaper. That is very difficult to break."

Bahr said timberland is still a very strong investment. He said people will continue to invest in timberland when liquidity is created again.

"We will see interest in commodities improve and the challenge is to try to bridge to the other side even though it is difficult to sell your timber with the current prices," Bahr said.

CoBank is a \$60 billion cooperative bank serving vital industries across rural America with loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states.

CoBank is a member of the Farm Credit System, a nationwide network of banks and retail lending associations chartered to support the borrowing needs of U.S. agriculture and the nation's rural economy. CoBank serves customers from regional banking centers across the U.S. and also maintains an international representative office in Singapore.



# Solutions Offered To Credit Insurance Crisis

Business failures, lack of adequate information and tough financial times are causing credit insurance companies to cancel more policies than ever before. There are solutions, according to Dr. Edward J. Arnold, director of credit insurance at M & T Insurance of Buffalo, NY.

Arnold spoke at the AHMI 2009 Annual Meeting recently. He said credit insurance should be part of any business management plan and receivables often are the only uninsured item on a company's balance sheet while they are critical to a company's survival.

Credit insurance is insurance against non-payment or receivables insurance. Arnold said the reasons to buy are:

- 1) Protection against non-payment
- 2) Companies can expand sales by offering better payment terms to customers
- 3) Companies can obtain short-term financing because uninsured receivables are often excluded as collateral
- 4) Better information about current and future customers.

Credit insurance can cover domestic and foreign receivables including single and multiple buyers. Arnold explained that insurance is available from the U.S. government through the EX-IM bank and a handful of private insurance companies.

The EX-IM model requires that the product be U.S. made and it offers excellent multi-buyer coverage, 100% political risk; 90-95% commercial risk, and often more risk acceptant than private sector insurers.

Arnold said private sector insurance providers can offer discretionary credit limits for smaller sales and can underwrite other buyers. The private sector also provides short term export credit insurance that is based on a percentage of sales. There are specific terms by country risk and credit limits.

"The cost of credit insurance is going up and the average seems to be about 10-15 percent," he said. "That's important to know that this is happening across the board whether you have filed claims or not. If your claims have exceeded your premiums, it may be higher."

Arnold said that cancellations are on the rise and

causing problems for sales to new and existing customers.

"It is important to understand why a policy is cancelled," he said. "It's not always that the company is in trouble, it could be bad information on your customer, a lack of information on a company, or something else you can help with, so you should find out and talk with your broker or provider."

Arnold said that as little as 14 months ago companies could find credit insurance for receivable with little trouble. The tightening of credit markets, business failures and fraud have dramatically changed availability.

"Now I will have a customer come to me with 20 companies they do business with and seeking insurance and I will send that out to five insurers and maybe two will reply," Arnold said. "I might get 14 or 15 of the 20 customers covered and the premium will be higher."

"It used to be that insurers would do anything for new business but they are just not in the new business mode right now," he said.

There are solutions to today's credit insurance crunch. Hardwood companies must provide more information on their customers like their payment history and credit report, consider different policy structures, utilize letters of credit and consider the government insuring through EX-IM bank.

Insurance brokers can provide key services to the lumber industry by working as a resource to answer policy questions; shopping your business to the various credit insurance companies, fitting you with a policy that suits your needs for the best price; providing you and the bank the comfort, knowledge, and understanding of your policy to maximize its value; and acting as your advocate in the case of a claim.

M & T Insurance Agency, Inc. offers commercial insurance and risk management programs, including loss sensitive plans, and self-insurance and captive programs; surety and executive protection products, which include commercial bonds, construction bonds, environmental bonds, specialty bonding programs, and executive liability and credit insurance; and excess and surplus line products, including liability difficult-to-place coverage, increased liability coverage, and insurance for unique risks.

Arnold is the director of Credit Insurance. Contact him at M&T Insurance Agency, Inc., 285 Delaware Avenue, Suite 4000, Buffalo, NY 14202. Tel: 716-639-0232; email [earnold@mandtbank.com](mailto:earnold@mandtbank.com).



**Dr. Edward Arnold**

## Certification Continues To Gather Interest

Forest and product certification should help American manufacturers gain market share when competing with products from around the world, according to a speaker at the 2009 AHMI Annual Meeting.

Scott Berg is president of an international forestry consulting firm and has prepared 100 organizations for SFI®, FSC, Tree Farm & ISO 14001 certification. He said certification can be extremely confusing and many companies have learned that over the past year.



**Scott Berg**

Consumers generally accept American hardwoods as legally harvested and from a sustainable forest. Certification schemes assure that for consumers needing proof.

"I think people are starting to realize that we can get certified and our competitors around the world cannot and maybe that's a good thing," Berg said.

He described each of the major certification systems in the world: the Program for the Endorsement of Forest Certification, the Forest Stewardship Council and the Sustainable Forestry Initiative. The pro-

grams evolved at the same time and there is substantial competition between them and division between environmental groups and the industry.

Berg said many companies are going with "triple green" and certifying to all three standards. "As people continue to do all three, the divisions between them will reduce," he said.

The benefit to being certified to any of these systems is that when you sell your product, it identifies you as a responsible corporate citizen, satisfies the environmental conscious population and satisfies you customers who are under pressure from groups to carry a certified product, he said.

Green issues are not going away and procurement policies are expanding for more companies. The forest products industry is at the forefront of the issue both for sustainable wood products and renewable energy.

Berg 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 led certification workshops for AHMI in 2008 and offers consulting to AHMI members.

For more information, contact Berg at [rsbergassoc@aol.com](mailto:rsbergassoc@aol.com) or call (904) 277-4596.

### Special Thanks To Meeting Sponsors

Appalachian Hardwood Manufacturers, Inc. would like to thank the following companies for their sponsorship of the 2009 Annual Meeting:

Friday Reception Co-sponsor - **LUA**

Business Session Refreshments - **BB&T Insurance Services**

Business Session Speakers - **Pennsylvania Lumbermen's Mutual Insurance**

Golf Tournament Refreshment - **SII Dry Kilns**

Golf Tournament Prizes - **Corley**

**Manufacturing Inc.**

Sporting Clays Tournament - **ISK Biocides**

General Sponsor - **U\*C Coatings Corp.**

Hardwood Federation Fundraiser - **Hardwood Market Report**

Thursday Reception Assistance - **Innovative**

**Freight Technologies**

Publicity - **Hardwood Market Report**

### Annual Meeting Tournament Winners

Appalachian Hardwood Manufacturers, Inc. congratulates the following for winning the Annual Meeting sports tournaments:

#### **Golf**

Medal Play: Low gross - 1st Jay Reese; 2nd Steve Arnold; 3rd Emmet Vaughn

Low net - 1st Bill Reese; 2nd John Crites; 3rd John Winkler

Closest to the pin - Mike Hoover

Long drive - Jamie Straka and Courtney Borntraeger

Two Person Scramble 1st Roy Cummings and Steve Arnold; 2nd - Marijo Wood, Phoebe Conway and Gary Miller

#### **Sporting Clays**

1st Scott Cummings; 2nd Mark Haddix; 3rd Jim C. Hamer

## AHMI Members Support Hardwood Federation

The Hardwood Federation held a Shoot for the Cup contest during the 2009 AHMI Annual Meeting. The closest to the pin golf contest raised more than \$600 and was won by new AHMI member Steve Arnold of Missouri Walnut.

Mark Vollinger, of W.M. Cramer Lumber Co., Hickory, NC, who serves as the AHMI representative on the Hardwood Federation board gave a brief report on the Federation's work in 2008 and plans for 2009. He said it is important to support the work of the Federation to get the voice of the Hardwood Industry heard in Washington.

The Federation is successful in being heard in Washington and throughout the country through associations like AHMI who provide administrative funding and grassroots communications; the Political Action Committee which supports candidates who support our industry's interests; presence in the nation's capital with staff who do an excellent job on the industry's behalf communicating with Congress.



**HF's Deb Hawkinson with Shoot for the Cup winner Steve Arnold**

To contribute to the Federation and its PAC, please contact Deb Hawkinson at (202) 463-2705 or [deb.hawkinson@hardwoodfederation.com](mailto:deb.hawkinson@hardwoodfederation.com).

## 10 AHMI Companies Participate In China

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



The sixth annual event will be held at the China Import and Export Fair Pazhou Complex, Guangzhou, China and is in conjunction with China International Furniture Fair (CIFF). AHMI will be exhibiting in the Appalachian Regional Commission's "Appalachian Hardwood Pavilion."

Six AHMI member companies are also exhibiting in the section and four others are participating in the AHMI space.

"We want to be sure AHMI and our members are a part of this hardwood pavilion in one of the leading wood furniture manufacturing areas in China," said Tom Inman, AHMI president. "We will be distributing our Export Resource Guide and another Appalachian promotion piece that is written in Chinese so they understand the benefits of specifying Appalachian."

Show organizers expect more than 50,000 visitors from the woodworking and furniture production industry.



## AHEC Releases 2008 US Hardwood Report

The American Hardwood Export Council (AHEC) recently published its 2008 U.S. Hardwood Export Statistics book which details the log, lumber and veneer export totals for 2008.

The report includes: US Hardwood Lumber, Log and Veneer Exports by Region and Country; US Leading Hardwood Lumber Export Species; US Leading Hardwood Log Export Species; World's Leading Hardwood Lumber Importers and Exporters; World's Leading Hardwood Log Exporters and Importers; World's Leading Wood Furniture Exporters and importers.

AHEC represents the committed exporters among U.S. hardwood companies and all major U.S. hardwood product trade associations. AHEC maintains offices in Japan, Europe, Southeast Asia, China, Korea and Mexico.

For additional information please contact AHEC by phone at 202/463-2720, by fax at 202/463-2787 or consult the web site at [www.ahec.org](http://www.ahec.org) or for a copy, contact AHMI at (336) 885-8315 or email to [info@appalachianwood.org](mailto:info@appalachianwood.org).





## PROGRAMS

**Gluing Solid Lumber Wood Products- Equipment, Materials and Techniques**, March 12 at the Wood Education and Resource Center, Princeton, WV. Learn the techniques to successfully glue lumber into panels & other wood products.

Discussions include lowering gluing costs & improving quality control efforts. \$45 reg. fee. Contact Harry Watt, NCSU Wood Products Ext., Phone 704-880-5034; Fax 919-515-8739; Email: [harry\\_watt@ncsu.edu](mailto:harry_watt@ncsu.edu); [ces.ncsu.edu/nreos/wood](http://ces.ncsu.edu/nreos/wood).

**Drying Hardwood Lumber Update-Improving Lumber Quality**, March 26 at the Wood Education and Resource Center, Princeton, WV. 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.

Updates on drying techniques for oak will be covered as well as for drying minor hardwood species. \$45 reg. fee. Contact Harry Watt, NCSU Wood Products Extension, Phone 704-880-5034; Fax 919-515-8739; Email: [harry\\_watt@ncsu.edu](mailto:harry_watt@ncsu.edu); Web: [ces.ncsu.edu/nreos/wood](http://ces.ncsu.edu/nreos/wood).

**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](mailto:harry_watt@ncsu.edu); Web: [ces.ncsu.edu/nreos/wood](http://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](mailto:harry_watt@ncsu.edu); [ces.ncsu.edu/nreos/wood](http://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.

With business activities contracting, residential housing markets down by more than 50 percent, and offshore producers fighting to maintain and increase their share of the U.S. market for hardwood products, remaining competitive is no small feat for domestic producers of hardwood components.

While many aspects of the current business climate cannot be controlled, leading companies always want to understand the underlying reasons of events, how they will likely work out, and where there is an opportunity that waits to be taken advantage of. With a focus on the economic situation, participants at the workshop will also hear about opportunities like certified (green) components and lean manufacturing, and will meet with leading industry experts.

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/](http://www.woodscience.vt.edu/woodcomponents/) or contact Urs Buehlmann at [buehlmann@gmail.com](mailto:buehlmann@gmail.com) or call at (540) 231-9759.

## Las Vegas Market Report OK

LAS VEGAS — Many case goods vendors here report good early response to new value-added product at a time when retailers and consumers alike may not be purchasing big-ticket items.

While expectations coming into the February market were low, exhibitors said traffic, commitments and written business in bedroom and formal dining exceeded the forecasts.