



Appalachian Sustainable



AHMI Distributes 2010 Resource Guide

AHMI is mailing its 2010 Appalachian Hardwood Resource Guide to more than 6,500 lumber buyers across the United States in April.

The 2010 version has more information on AHMI members than previous issues. The new offerings include:

Producers - contact information, sawmill and kiln equipment, lumber availability, certification schemes, locations and additional products

Distributors - contacts and locations, certification schemes

Exporters - contacts and locations, certification schemes

AHMI thanks the companies who advertised in the issue. Copies are also in the mail to AHMI members. If you need additional copies, please contact the AHMI office.



2010 AHMI Resource Guide offers information on member companies, lumber availability, certification schemes and Export companies



AHMI President Tom Inman (left) greets American Consulate General to China Brian Goldbeck (center) at the AHMI booth in Guangzhou, China. Pictured with them is CJ Lin of Roy Anderson Lumber

Chinese Buyers Hear Appalachian Message

Appalachian Hardwood Manufacturers, Inc. participated in the 2010 International Woodworking Machinery & Furniture Raw Materials Fair on March 27-30 in Guangzhou, China.

AHMI exhibited in the show in 2009 and returned to find 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 well attended and we gave out hundreds of AHMI promotional pieces and Export Guides," said AHMI President Tom Inman. "We **(See China on page 4)**

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.
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- Meetings**
- 2010 Summer Conference - July 24-27**
The Greenbrier, White Sulphur Springs, WV
 - 2011 Annual Meeting - March 3-6, 2011**
Ponte Vedra Inn & Club, Ponte Vedra, FL
 - 2011 Summer Conference - July 23-26**
The Nemaocolin, Farmington, PA

The way I see it...

By Tom Inman, AHMI President

...a recent study by Virginia Tech confirms what we already knew. The economy and globalization appear to have severely affected sales, with respondents reporting a 13% decline in sales from 2004 to 2008.

Not surprisingly, the slowing housing market was rated as having a large impact on respondents' business. The group of U.S. hardwood sawmills surveyed told of the changes in their supply chains, changes in demand, and the role of hardwood lumber distributors.

A few conclusions from the report:

1) The decline in oak and cherry sales has given way to increases in yellow poplar, hickory, and walnut.

2) Three quarters of respondents reported selling to hardwood distributors.

3) Orders and customers have become smaller

4) Customers are demanding more customization and more timely deliveries.

They must have talked with mostly AHMI members because these are the same things I hear. Along with the lack of log supply - which was really not a part of the survey - but that is changing.

The reports states that "opportunities exist for sawmills to achieve differentiation by providing customized orders and improving channels of distribution to shorten delivery times." It should go on to say "even more than what sawmills are already doing!"

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 \$2,500 to support AHMI's promotion program in 2010. 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."

AHMI Verified Sustainable Materials Available

AHMI members are reminded that 2010 Appalachian Hardwood Verified Sustainable materials are available from the AHMI office.

These include certificates, 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 the AHMI office at (336) 885-8315.

Upcoming Events For Appalachian Hardwood Promotion

Appalachian Hardwood Manufacturers, Inc. will attend / display at the following shows and other events:

April 18-24 - High Point Furniture Market, High Point, NC

July 24-27 - AHMI Summer Conference, The Greenbrier, White Sulphur Springs, WV

Aug. 12-13 - Wood Moulding Manufacturers Association, Asheville, NC

Aug. 21-23 - Global China Trade,

Landsdowne, VA

Aug. 24-28 - IWF, Atlanta, GA

Sept. 14-15 - Hardwood Federation Fly-In, Washington, DC

Oct. 13-16 - NHLA, Vancouver, BC

Oct. 16-22 - High Point Furniture Market, High Point, NC

If you are interested in these events, please contact Tom Inman immediately at (336) 885-8315 or tom@appalachianwood.org.

AHMI Develops Plan For Summer Conference

Appalachian Hardwood Manufacturers, Inc. is finalizing details with speakers for the 2010 Summer Conference at The Greenbrier in White Sulphur Springs, WV.

The conference is set for July 24-27 at the famed resort. Topics under discussion are expansion of the Appalachian Hardwood Verified Sustainable program, new group forest and chain of custody certification offerings, and an introduction into social media to market hardwood products.

"Certification continues to be an issue for lumber manufacturers and distributors and forest landowners," said AHMI President Tom Inman. "We remain committed to provide solutions to help members meet the demands of their customers."

AHMI has a block of rooms at The Greenbrier beginning on July 24 and a few rooms for July 27. The conference ends with the start of the Greenbrier Classic PGA Tour Event.

The PGA TOUR and The Greenbrier have entered a six-year agreement for the resort to sponsor and host The Greenbrier Classic is part of the FedExCup. In 2010, it is July 26 - Aug. 1.

The new tournament will be held on The Old White Course, The Greenbrier's original of four golf courses, dating back to 1914. The Greenbrier will form a separate non-profit charitable organization to serve as the tournament operator.

AHMI President Tom Inman has negotiated discounted ticket books for AHMI members that are good for practice rounds and the tournament.

"It is exciting that PGA pros will be arriving and practicing during the AHMI Summer Conference," he said. "Because of our long history with The Greenbrier, they are making every effort to accommodate us preceding the event."

The Greenbrier will open its Tavern Casino later

AHMI Summer Conference July 24-27, 2010

this month and encompass 3,700 square feet with a Monte Carlo atmosphere. Discreetly located below Prime 44 West, the facility features a variety of table games, including blackjack, roulette and three card poker as well as 44 slots. The underground complex is beneath the front entrance green space, which will be redesigned to include additional flower beds, landscaping and walks.

Casino hours are Monday through Saturday, 11:00 a.m. to 3:00 a.m. and Sunday 2:00 p.m. to 3:00 a.m. The dress is casual with business casual in the evening hours after 6:30 p.m.

The Greenbrier has expanded its dining selections to feature a signature menu and its own unique dining experience. Prime 44 West, is a premier steakhouse and The Greenbrier's newest restaurant.

The iconic Main Dining Room is the epitome of Greenbrier cuisine in an elegant setting. Sam Snead's at the Golf Club, which offers spectacular views of our three championship courses, specializes in West Virginia favorites and regional favorites. For luncheon and dessert specialties, Draper's Café provides a casual and convenient setting.

AHMI's room rates start at \$280 per night. Please call the AHMI office for complete details and make your plans today to attend the AHMI Summer Conference and remain for The Greenbrier Classic event.

The conference package will be mailed to members and guests in the next few weeks. Please make your reservations early.



The
Greenbrier.
CLASSIC



FedEx Cup®



At the AHMI booth in Guangzhou, China are Jonathon Ling, Turman Lumber; Xaiwei Wang, Jim C. Hamer Co.; Tom Inman, AHMI; and CJ Lin, Roy Anderson Lumber

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fielded dozens of questions about Appalachian species and the benefits for manufacturing furniture, doors, cabinets and flooring."

Four AHMI member companies also exhibited in the Appalachian USA section and three 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 has been 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, Poplar and Walnut and staff distributed hundreds of brochures on American hardwood grades, species and characteristics.

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

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



EXPORTS

AHEC Restructures European Office

In response to the need to increase promotional efforts in underdeveloped and emerging markets, AHEC will be positioning a Director in Singapore. Former employee and AHEC consultant Rod Wiles will deliver programs in the Middle East and India.

AHEC needs to spend more time in these markets developing activities, a challenging task from Europe. Wiles will take over responsibility of AHEC activities in these regions and will also be well positioned to help AHEC develop programs in Australia and New Zealand and support existing efforts in South East Asia.

The London office will therefore have more time to develop programs in new markets in Europe including Turkey and Russia.

Tax Decreases Russian Log Sales To Japan

The 2009 export tax on oak and ash logs levied by Russia has dramatically curbed purchases by Japanese buyers.

The export tax increase caused Japanese imports for 2009 to fall by 67% from the previous year to 27,400 m3. The decrease is partly a result of lower production—as Russian companies saw orders and cash flow decrease, they slowed harvesting to match the fall in revenues.

With lumber producers in Hokkaido reducing their output of Russian oak and ash products, some furniture makers in Japan are considering American white oak or white ash instead, according to American Hardwood Export Council reports.

New housing starts in Japan in 2009 declined by 27.9% from the previous year to just over 788,400 units, according to government figures released at the end of January. This is the first time in 45 years that annual new housing starts have fallen below the 800,000 unit level.

Rising Raw Material Prices Affect Goods

From Furniture Today

HIGH POINT — Rising raw material costs may result in higher prices for finished goods, according to a survey from Furniture Today.

Many importers and manufacturers contacted by Furniture/Today believe that depending on the product and materials used, prices on finished goods could rise anywhere from the low single digits to as much as 15% over the next year. The increases are reported in the cost of leather, wood, foam, glass, cardboard and even finishing sprays and coatings.

Others said the most recent spike has been an impending 30% hike in the cost of steel. The demand for finished steel and the rising prices for iron ore have resulted in the price hikes for steel materials in the United States and China.

Sources said that until now, few suppliers have passed along raw materials price increases to their retail customers. However, with costs continuing to escalate, they believe that furniture producers and importers are reaching a tipping point.

"We've watched the price of raw materials steadily increase during the past couple of years," said Michael Amini, CEO of case goods and upholstery importer AICO. "In the first year, most of the factories absorbed the costs as a way to maintain their growth and to prevent customers from leaving them. In the second year of increases, the factories began asking for price increases."

He said that on average, material prices have increased by 15% to 20%, with the cost for some items spiking by as much as 40%.

Until now, a soft economy has kept many wholesalers and manufacturers from passing higher costs on to retailers.

La-Z-Boy President and CEO Kurt Darrow said manufacturers have no control over raw materials. "You still need wood, leather and metal to build furniture," he said.

Darrow added that La-Z-Boy hasn't yet decided whether to raise prices. "All of us have tried to take costs out of our business, but at some point, you have to pass some of the increases along."



Furniture Designs Go More Contemporary

From Furniture Today

HIGH POINT — Contemporary and classic forms will dominate the High Point Market's case goods scene next week.

In most categories the forms have been softened or made more casual to appeal to consumers who are either looking for a reason to trade up, or buying their first bedroom or dining room set. On the contemporary side, that translates to looks with rounded edges on table tops and convex or concave shapes on dresser fronts.

In traditional styles, lighter-tone cherry or brown finishes are more prominent, as are multi-media elements like shapely metal accents on headboards, nightstands and bookcases.

Stanley's 50-piece European Farmhouse features bedroom, dining room and occasional pieces. Bernhardt is introducing a group in White Oak veneers and solids.

Collections from Kincaid also draw on traditional design inspirations from France, Italy and Spain. Market begins April 17.

Bassett Opens NC Plant

BASSETT, VA — Bassett Furniture Inds. said it will reopen an upholstery plant in Newton, N.C., to produce an entry-level fabric upholstery line that will debut at the High Point Market.

The factory, which is adjacent to Bassett's existing upholstery plant in Newton, was shut down about a year ago and is expected to resume production in late May. An undetermined number of new workers will be hired, although some of the 430 employees at the existing Newton plant will staff the new facility.

"In a time when more and more domestic furniture manufacturing has shifted overseas, we are elated to be able to take advantage of a strong work force in Newton and introduce a new segment to our upholstery line," said Rob Spilman, Bassett's president and CEO.

Hardwood Federation Gets Senate Sponsors

The resolution introduced earlier this year by Senators Blanche Lincoln (D-AR) and Saxby Chambliss (R-GA) that serves as a companion to last year's House Resolution 81 is picking up steam. March saw four Senators join on as co-sponsors of this important legislation.

Senators Thad Cochran (R-MS), Richard Lugar (R-IN), Kay Hagan (D-NC), and Johnny Isakson (R-GA) joined the Chairman and Ranking Member of the Senate Agriculture Committee expressing their support for American hardwoods as an abundant, sustainable and legal natural resource.

If the Senators listed above represent you, the Federation encourages you to contact their office, thank them for their support, and ask them to en-

courage their colleagues to join them. If your Senator is not listed above, please contact his or her office and tell them how important S. Res. 411 is to you and your family.

Hardwood Federation PAC Update

The Hardwood Federation Political Action Committee (HFPAC) has had a very successful start to 2010. 53 contributors have donated a total of \$59,140 thus far. This brings HFPAC's 2009/2010 Election Cycle fundraising total to \$181,252.

The Federation PAC leaders thank all that have given in 2010 and ask others to contribute. What Are You Doing To Protect the Future of Your Company?

To safeguard our future, every company in the Hardwood Federation—including yours—needs to join together in the political process to have a strong voice in Washington, D.C. That's why the Hardwood Federation sponsors HFPAC, the industry's Political Action Committee. Through HFPAC, you can protect your company and your industry's future.

HFPAC was formed to make our industry a strong player in the political process. Its mission is to educate candidates and lawmakers about the hardwood industry and its unique concerns and interests and to provide financial support to the campaigns of congressional candidates who share our views on the issues affecting our businesses. HFPAC is the only legal means we have as an industry to directly support our legislative friends and oppose our legislative enemies in Congress.

How Can You Participate in HFPAC? Contact the AHMI office at (336) 885-8315 for full details or go online to www.hardwoodfederation.com.

As a key representative of your company, you can give HFPAC the power to work effectively for your industry.

HFPAC's success depends on the voluntary, personal contributions it receives from executives of HF member companies. These are the only contributions it may use to support congressional candidates.

NCSU Offers Lean Office, Other Workshops

RALEIGH, NC - There is a way you can minimize paperwork, eliminate waiting, and streamline your office processes to significantly reduce overhead. It's called Lean Office, and it's from NC State University.

The workshop is set for May 4-5 at the NCSU McKimmon Center, Raleigh, NC. During this two-day workshop, lean experts will teach you to:

- identify the 8 major office wastes
- eliminate all work that adds no value
- improve the efficiency and effectiveness of all support functions

Whether you work in government, health care, manufacturing, banking, or retail, what you learn at Lean Office can be applied to your workplace, immediately. Register today by contacting Dan Lucas and dan_lucas@ncsu.edu

NEED MORE LEAN?

- Lean Health Care 100H May 10 in Charlotte, NC
- Total Productive Maintenance May 19-20 in Greensboro, NC
- Lean Manufacturing 100 September 14 in Greensboro, NC
- Lean, Green and Clean September 17 in Greensboro, NC