



Appalachian Sustainable



V-B Furniture Sells Appalachian Groups

Vaughan-Bassett Furniture has orders for more than 2,000 suits of its Appalachian Hardwood Collection. And that is since April 2010.

It is the biggest introduction for the company in years, reports Doug Bassett, vice president of products and marketing. He was the keynote speaker at the 2010 Appalachian Hardwood Manufacturers, Inc. Summer Conference.



Doug Bassett

The solid wood groups in Oak and Cherry include light and medium finishes in traditional and contemporary styles. The collection is expected to be 30-50 percent of Vaughan-Bassett's sales in the next three to five years.

"We chose the name Appalachian Hardwood Collection because of course we are located in the heart of the Appala-

chian Mountains and all of our lumber comes from here," Bassett said. "And we have gone through the worst recession in all of our lifetimes and before this, there was a disposable nature to our consumerism. We all know people who would buy things for their homes and they never intended for them to last more than three to five years."

He said there has been a fundamental change
(See Bassett on page 3)

Attendance Up 33% At Summer Meeting

WHITE SULPHUR SPRINGS, WV - More than 180 members and guests attended the 2010 Appalachian Hardwood Summer Conference at The Greenbrier, an increase of more than 30 percent from 2009.

The Greenbrier has always been a member favorite but improvements for 2010 included the opening of The Casino at the Greenbrier, new restaurants and shops, renovated lobby areas and guest rooms as well as the inaugural Greenbrier Classic PGA Tour Event, said Tom Inman, AHMI president.

"Add to that a slight improvement in business for most AHMI members and it makes for a very attractive event and people responded," said Inman. "I know most were also very interested in our program on Appalachian Hardwood furniture, help with forest certification and social media. All of these combined for a great event."

AHMI also recognized several former chairmen who were in attendance. These included Wendell M. Cramer 1992-93, Howard Carr 1996-97, Emmet P. "Buck" Vaughn, Jr. 1998-1999, Jim C. Hamer 2000-01, John W. Crites 2006-07 and Rick Armstrong 2008-09.

See Trustees Report on page 5

See list of sponsors on page 3

See event winners on page 3

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.
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Meetings

2010 Inter-Industry Meeting - Nov. 9

The Inn at Virginia Tech, Blacksburg, VA

2011 Annual Meeting - March 3-6, 2011

Ponte Vedra Inn & Club, Ponte Vedra, FL

2011 Summer Conference - July 23-26

The Nemacolin, Farmington, PA

The way I see it...

By Tom Inman, AHMI President

...it was one of the most exciting AHMI Summer Conferences in years recently at The Greenbrier. The business session speakers were extremely informative; the new gaming areas, restaurants, and shops were open; and the Professional Golf Association pros began arriving late Sunday night for the first Greenbrier Classic Golf Tournament.

What a time was had by all 180 people who attended - an increase of 60 people from 2009. Thanks to each of you who participated this year!

You can read the remarks from the business speakers in separate articles in this newsletter. You will likely hear stories over the next few weeks of the winnings - yes, winnings in the Casino at The Greenbrier by several AHMI members. You may not hear as much about those who walked away with less than what they started, but they were entertained.

And The Greenbrier has returned to its glory. AHMI has held meetings periodically at The Greenbrier for at least the past 65 years, according to Buck Vaughn of Emmet Vaughn Lumber. He remembers attending an Appalachian Hardwood meeting with his parents as an 8-year-old.

Association Summer Meeting records are clear to 1950 and we have visited The Greenbrier on the majority of occasions. This year will be remembered as one of the best - a true classic.

Thank you also goes to the AHMI Executive Committee, Administrative Assistant Dinah Farrington and her husband, Sonny, and my wife, Rosemary for all of their efforts in making the meeting a tremendous success.

Upcoming Events For Appalachian Hardwood Promotion

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

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

Aug. 22-24 - Global Competitiveness of Hardwood Products: Strategies for Success in China, Lansdowne Resort, Lansdowne, VA.

Aug. 24-28 - IWF, Atlanta, GA



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

Distributor

Weyerhaeuser Hardwoods
Nancy Arend
PO Box 9777
Federal Way, WA 98063

Suppliers

Elimbs Software
Amy Coyner
2730 Washington Blvd.
Belpre, OH 45714

Strategic Comp.
Karen Wise
2500 Northwinds Parkway, Ste. 350
Alpharetta, GA 30009

Alliant Insurance Services Inc.
Lee E. Howell
PO Box 286
Greenville, NC 27835

New members are the lifeblood of the association and we need your help connecting with new people or former members. Please call the AHMI office at (336) 885-8315 with suggestions of customers and competitors who can benefit from participation in the association.

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

Nov. 9 - 2010 Inter-Industry Meeting at The Inn at Virginia Tech

If you are interested in these events, please contact AHMI at tom@appalachianwood.org.

Bassett from page 1

for most American consumers to buy products with a lasting value.

"We believe that is a wonderful opportunity for Vaughan-Bassett and Appalachian Hardwood lumber producers," Bassett said. "We have a resource here in the Appalachian Mountains that is unique and special and should be sold to the American consumer as an environmentally safe and beautiful product, a renewable product, a local product with an extremely low carbon footprint.

"When it is turned into a furniture product, the decision for a consumer is not which landfill it will go to in four or five years, but which child they are eventually going to give this furniture to," he said.

Headquartered in Galax, VA with manufacturing there and in Elkin, NC, the company employs more than 700 people and is the largest domestic manufacturer of solid wood bedroom furniture. Sales in 2009 were \$85 million.

Vaughan-Bassett Furniture cuts about 60,000 board feet of lumber each day, using approximately 40 truck loads each week. Historically the company has produced veneer-paneled goods but with the expansion into solid wood market, they expect demand for solid lumber to increase 2.5-3 times.

"There's an excellent chance that we are going to need to double our rough end and our ca-

capacity in the plant if the Appalachian Hardwood Collection takes off," he said.

V-B has been growing for the past five years, investing \$5 million in manufacturing facilities including a \$4 million Weining rough end system. It utilizes a state of the art camera system that views all sides of each board to identify defects.

"What we have found with this new system is our lumber yields are going up dramatically and the amount of lumber we can cut has gone up substantially," he said. "We expect that system to pay for itself in less than three years."

The rough end system also allowed the plant to increase solid wood production. He said V-B officials quickly realized they could transition from veneer to solid wood manufacturing.

The first Appalachian Hardwood Collection group is made of solid Appalachian Oak and solid Appalachian Cherry and was introduced in April. The group comes in five styles with five finishes to address different demands across the country.

The second group will show in October and a third group in April 2011. The company is researching Appalachian Maple and Appalachian Ash for future groups.

"Over the next three to five years, even if our sales stay at \$85 million, the amount of lumber we are going to need will go up dramatically," he said.

Sporting Event Winners

Golf - Men

Low Gross: First - Nick Poland, Second - Drew Poland; Third - Joe Pryor; Long Drive - Lowery Anderson; Closest to the Pin - Drew Poland

Golf - Ladies

Low Gross: First - Marijo Wood; Second - Bert Barrett; Third - Kim Cummings; Closest to the Pin - Gladys Hamer

Sporting Clays: First - Lance Johnson; Second - Matt Begley; Third - tie between Tony Honeycutt and John Patterson

Thanks To Sponsors

Special thanks to the following 2010 AHMI Summer Conference sponsors:

General Sponsor - Weekly Hardwood Review

Business session speaker - Pennsylvania Lumbermen's Mutual Insurance

Business session coffee break - BB&T Insurance Services

Golf Refreshments - SII Dry Kilns

Golf Prizes - U*C Coatings Corp. and LUA Insurance

Sporting Clays Tournament - Farm Credit of the Virginias

Columbia Opens FSC Forest Group To AHMI

Columbia Forest Products is offering to help Appalachian Hardwood Manufacturers, Inc. members enroll forestland in its Forest Stewardship Council Forest Management Group.



Rene Taylor

The program was first discussed at the AHMI Forestry Division meeting in June. A positive response from many of the foresters encouraged Columbia Forest Products to implement the program for all AHMI members.

Rene Taylor, Columbia's FSC management forester, presented the plan at the AHMI 2010 Summer Conference. The company has been FSC certified since the mid-1990s and has enrolled thousands of acres of forestland in North Carolina, Virginia and West Virginia in its group.

Taylor said Columbia hopes to help AHMI

members understand FSC requirements and increase available FSC certified timberland.

Any company considering participating in the program must first become FSC Chain of Custody certified. The other materials, templates and plans will be available from Columbia Forest Products including a memorandum of understanding between the two companies.

Taylor said Columbia's staff will not get between the AHMI member company and the landowner. The new relationship is between Columbia and the AHMI member company and the land must meet FSC criteria to enroll.

"There is some training involved and there must be a management plan and approval by the Columbia auditor before we proceed," he said. "There will also be a small annual maintenance fee to defray the costs of putting this together."

For more information on the AHMI / Columbia Forest Products Forest Management Plan, please contact the AHMI office at (336) 885-8315 or email tom@appalachianwood.org.

USFS Surveys Hardwood Industry On New Media

The US Forest Service wants to know if the hardwood industry is utilizing Facebook, Twitter and other forms of "new media."



Iris Montague

Iris Montague, forest researcher in Princeton, WV, unveiled a survey project at the AHMI 2010 Summer Conference to determine the industry's use of electronic media to communicate with customers.

Social media is designed to reach consumers through the internet to build or maintain relationships.

As it has grown, the ability to reach more consumers globally has also increased.

Montague explained several of the more popular services and how companies are using them for business marketing and sales. She offered

AHMI member Baillie Lumber Co. as an example and showed its Facebook site and blog.

"These are different marketing techniques that reach people today," she said. "Last year, eight in 10 Americans report spending time every day online. Are you reaching them?"

Social networking now accounts for 11 percent of all time spent online in the US, according to Internet surveys. A total of 234 million people age 13 and older in the U.S. used mobile devices in December 2009 and more than 25% of U.S. internet page views occurred at one of the top social networking sites in December 2009, up from 13.8% a year before.

A copy of the Social Media Survey will be sent to all AHMI members in the next few days. There will also be a link to complete online.

The results will be available this fall. For more information, please contact the AHMI office at (336) 885-8315 or tom@appalachianwood.org.

Trustees Approve Production Cost Survey

Appalachian Hardwood Manufacturers, Inc. Producer members will soon receive a Production Cost Survey to analyze costs and compare to other Appalachian sawmills.

The AHMI Board of Trustees approved the survey at its July meeting following weeks of research. AHMI received proposals from four companies and universities before selecting the Appalachian Hardwood Center at West Virginia University and Balkentier to complete the work.

The surveys will be mailed in August and will ask participants for:

- production volume
- log volume and costs
- log sources by category
- labor, utilities, and administrative costs
- mill residues
- species mix and grades
- other pertinent information

A committee of Trustees who represent small, medium and large sawmills have assisted with the development of the survey to determine the needed information. The survey is expected to be three pages and require input from procurement, production and administrative personnel.

Participants will return the survey to a third party and each company will be assigned a number to maintain anonymity. The data will be analyzed and each company will be compared to :

- sawmills of similar size
 - sawmills in the geographic area (southern, central and northern Appalachian)
 - all sawmills who complete the survey
- AHMI Chairman Mike Parton has been instru-

mental in the development of the production cost survey. He received a similar survey for the softwood industry earlier this year and encouraged AHMI to administer this program.

The Appalachian Production Cost Survey will be for AHMI members only and the expense will be paid by the association. The results are expected in late October and will be mailed to AHMI members who participate.

An Executive Summary will be presented at the Fall 2010 Inter-Industry Meeting at The Inn at Virginia Tech in Blacksburg, VA on Nov. 9.

In other action, the Trustees received the 2009 Financial Audit which showed all records were in order. AHMI Vice Chairman of Finance Mark Vollinger reported on the 2010 finances. Revenues have increased for the year and the association is on track for a balanced budget.

AHMI President Tom Inman reported on the Promotions and Special Projects for the year. The association continues to reach new companies with its Appalachian Hardwood Verified Sustainable program and general promotion. Two upcoming programs include the International Woodworking Fair in Atlanta and the Global Competitiveness of Hardwood Products in Virginia.

The Trustees approved the next meeting of the association will be Tuesday, Nov. 9 in a combined meeting with the Appalachian Lumbermen's Club. It will be held at The Inn at Virginia Tech with golf in the afternoon, reception at 6 pm and dinner at 7. The program begins at 7:30 pm.

A tour is being developed for the Nov. 10. Details will be announced soon.



Service Recognition

Appalachian Hardwood Manufacturers, Inc. recognized an individual and a companies for service. Pictured are (from left) John Graybeal of McCloud Lumber for serving on the AHMI Board of Trustees from 2004-10; and Tony Love of Gilco International for 25 years of membership in the association. With them is AHMI Chairman Mike Parton.

AHMI Co-Sponsors Chinese Market Strategies

Appalachian Hardwood Manufacturers, Inc. is a cosponsor of the Global Competitiveness of Hardwood Products: Strategies for Success in a Chinese Market workshop set for Aug. 23-24, 2010, at the Lansdowne Resort, Lansdowne, VA.

The program is designed for Forest Products Trade Organizations, Forest Products Industry Personnel, Corporate Executives, Timberland Investors - REITs/TIMOs, and Appalachian Hardwood Producers. This conference explores the opportunities and barriers confronting the US hardwood market in an increasingly challenging global economy. Industry leaders from both the US and China will discuss strategies to improve trade relationships and eliminate trade barriers.

Presentation topics include US-China trade barriers, Lacey Act, Housing market outlook, and Increasing global competitiveness.

Representatives from the following organizations will be presenting: American Hardwood Export Council, Armstrong World Industries Inc., Center for International Trade in Forest Products, China Flooring Holding Company, Ltd., China

Forest Industry Association, China Wood International, Environmental Investigation Agency International, China National Furniture Association, Hardwood Review Weekly, US China Build, USDA Animal & Plant Health Inspection Service (APHIS), USDA Foreign Agricultural Service (FAS), USDA Forest Service, Virginia International Terminals, Inc, World Resources Institute, World Wildlife Fund (WWF) -Global Forest & Trade Network (China & North America), Zhejiang Jiusheng Wood Co., Ltd..

Conference fees (registration fee, 2 nights lodging, reception, and all meals for the duration of the conference) are \$800 per attendee. Single day registration is available at www.wdscapps.caf.wvu.edu/trade/.

For information, contact Sue Dimmick, Event Coordinator, WVU Division of Forestry and Natural Resources, TEL: (304) 293-0020 or sue.dimmick@mail.wvu.edu or Dr. Jingxin Wang, Program Chair, WVU Division of Forestry and Natural Resources, TEL: (304) 293-7601 or FAX: (304) 293-2441 or jxwang@wvu.edu

AHMI Moves To Main Floor At IWF Atlanta

IWF 2010 offers what is new and next for the woodworking industry and for the first time, Appalachian Hardwood Manufacturers, Inc. will exhibit on the main floor on Aug. 25-28 in Atlanta.

The association has displayed at IWF for 18 years on one of the main walkways between buildings. This year, show organizers moved AHMI to the main floor of Building A in space 1323.

"This is a great space for us in the middle of hardwood lumber sales companies and it will help us reach potential customers," said AHMI President Tom Inman. "Our space will focus on Appalachian Hardwood Verified Sustainable and promoting AHMI members to lumber buyers."

Thousands of new products will be showcased by nearly 1,000 of the world's top manufacturers of machinery, supplies and service. The latest innovations in manufacturing and material processing and live demonstrations are planned.

The show is designed for management, production, operations, design, from the small shop



Appalachian Hardwood Manufacturers, Inc. Booth #1323

to the large plant.

IWF 2010 Show Dates & Hours: Wednesday through Saturday, August 25-28, 2010 8:00 am - 5:00 pm

Show Location: Georgia World Congress Center, 285 Andrew Young International Blvd., NW, Atlanta, GA 30313-1591

Discount Registration has been extended! Individual registration is just \$20 until Aug. 22. After that individual registration is \$25.

For more information, visit www.iwfatlanta.com or contact the AHMI office. Members can work from the AHMI booth 1323 during the event. Please call for specifics.

Capito Shares National Politics With HF PAC

The Hardwood Federation held a breakfast during the AHMI 2010 Summer Conference to thank Political Action Committee participants and encourage others to join.

U.S. Rep. Shelley Moore-Capito, R-WV, shared remarks with the group. There are 73 hardwood companies in her Congressional district.

"One of the first things I did when I started running for office was go out on a forestry tour and learn about forestry," she said. "I wish that some others would actually go out and see the care with which this is done and the assurance that it is done the right way."

Capito noted that wood has not received equal recognition in many green building programs. She agreed to help the industry and the Hardwood Federation battle this and has co-sponsored legislation to recognize hardwoods.

"I voted for the amendment to make sure wood is not discriminated against in green building programs and we are going to keep fighting this because it is a pretty powerful lobby, the environmen-



AHMI Vice Chairman Chris Keziah, poses with Rep. Shelley Moore-Capito, R-WV, at HF breakfast

tal lobby in Washington," Capito said. "We have to do this in a smart way and responsible way to use our renewable resources today and have resources for the future."

She also talked briefly about health care legislation which she opposed; government subsidies; cost overruns and more.

To learn more about the Hardwood Federation and ways to participate, please visit www.hardwoodfederation.com or contact the AHMI office at (336) 885-8315 or tom@appalachianwood.org.

Foresters, AHFRA Learn Regeneration Models

The 2010 Appalachian Hardwood Manufacturers, Inc.'s Forestry Division meeting and tour taught participants about hardwood regeneration models devised by Virginia Tech researchers.

The program was a joint AHMI and Appalachian Hardwood Forest Research Alliance effort. AHFRA is administered by AHMI for research work in the Appalachian forest.

Dr. Tom Fox of Virginia Tech discussed regeneration models that have been developed which allow foresters to input data from existing stands. The results give an accurate forecast on what to expect to based on soil types, current stands and harvesting methods.

The program included a field tour to view four sites where harvesting has been completed over the past 20 years. The models were compared to actual results.

"The models allow foresters and landowners to compare their experienced guesses with data from across the region," said Tom Inman, AHMI



Researcher Lance Vickers leads the forest regeneration tour near Elkins, WV

president. "Participants found the models to be another great tool in forecasting the future and assisting with silvicultural decisions."

The program is available from AHMI by contacting the office. It can operate on any Windows-based computer system.

FSC Increases Group Certification Threshold

The Forest Stewardship Council Policy and Standards Unit in July approved a 5-year pilot program for expanded eligibility by U.S. small businesses in FSC Group Chain of Custody (CoC) certification to include any small business with annual forest product sales less than \$5 million regardless of the number of employees.

The Group CoC Policy was originally created to allow small companies to be part of the FSC CoC without bearing the full costs of maintaining a FSC CoC certificate. The primary objective is to create an affordable program that allows companies to prepare for and test the market for FSC-certified products.

While the Group CoC Policy has been in effect worldwide for all current and potential Group CoC certificates, such programs have been underutilized in the US due to the restrictive eligibility requirements. FSC-US developed appropriate national eligibility requirements which resulted in the new \$5 million maximum.

The pilot program for eligibility contains other conditions. If a group member surpasses the sales

AHMI's Green Solutions

**Appalachian Hardwood Verified
Sustainable certificates**

**Pre-Audit Services for FSC, PEFC & SFI
certification**

**FSC Group Certification for forestland and
chain of custody**

**SFI forestland and chain of custody
certification cost-savings plan**

**Audit Services for FSC, PEFC, SFI &
American Tree Farm System**

threshold in a fiscal year, its membership becomes 'Transitional' and group membership is allowed until sales are beyond the threshold for two consecutive years. The company must pursue an independent certificate to continue in the FSC CoC program.

AHMI offers a group certificate for members through the WoodNet Market Council. The new threshold allows more AHMI members to consider the group model.

Rough Mill Improvement Workshop Is Nov. 8

Virginia Tech and Virginia Cooperative Extension in conjunction with the USDA Forest Service's Wood Education and Resource Center (WERC) announce a workshop on Rough Mill Yield Improvement Using ROMI 3.1 on Nov. 8, 2010 at the Wood Education and Resource Center in Princeton, WV from 8 a.m. to 3 p.m.

The workshop is designed to help rough mill managers, supervisors, and operators to improve the performance of their rough mill, achieve reliable quality and deliveries, and decrease costs. Workshop participants will learn how to use the power of the USDA Forest Service's ROMI 3.1 simulation tool to assess improvement scenarios.

Participants also will learn about the new least-cost lumber grade-mix solver function embedded in ROMI 3.1. The least-cost lumber grade-mix solver allows mills to find the lumber grade mix satisfying their cutting bills at the least cost. The solver is especially helpful when lumber prices fluctuate heavily and the purchasing needs have to be optimized on a regular basis.

Personnel from Virginia Tech and the USDA Forest Service will be on hand to help workshop participants install, set-up, and run simulations looking at issues in their own rough mill. Participants are asked to bring their own laptops so that the installed copy of the ROMI 3.1 software can be brought home and used repeatedly.

Copies of the ROMI 3.1 will be handed out for free. The workshop supports rough mills' need to discover and eliminate wasteful practices and will help companies to achieve significant cost savings, quality improvements, lead-time reductions, and profitability increases.

For more information on the workshop, contact Urs Buehlmann, Virginia Cooperative Extension at the Department of Wood Science and Forest Products at (540) 231-9759, ubuehlm@vt.edu.