



Appalachian Sustainable

November 2013

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc. P.O. Box 427 High Point, NC 27261

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Future Meetings

2014 Annual Meeting - Feb. 26-March 2

Boca Beach Club, Boca Raton, FL

2014 Summer Conference - July 26-29

The Homestead, Hot Springs, VA

2014 Fall Meeting - October in North Carolina

in conjunction with Wood Products Manufacturers Association

Joint Meeting, Tours Attract Crowd

Fall session with Penn-York is successful

The Appalachian Hardwood Manufacturers, Inc. and Penn-York Lumbermen's Club Fall Meeting and Tours in southwestern Pennsylvania in October were extremely successful with a large crowd participating.

The event began with sporting tournaments at Nemaocolin Woodlands on the first day and the regular Penn-York reception and dinner that evening. National Hardwood Lumber Association Executive Director Mark Barford spoke on the current state of hardwood lumber markets, noting that conditions are improving.

NHLA recently held its convention and Barford said most members were optimistic and lumber supplies were increasing. He said industrial materials are capturing a large percentage of hardwood production and more high grade lumber is exported than ever before.

The first day of tours began with a visit to Northwest Hardwoods sawmill in Hopwood, PA. Participants viewed the fully optimized sawmill featuring an optimized headrig, gang resaw, floating sawbox edger, and optimized trimmer and 450MBf in kiln capacity.



One tour group views the chip yard outside of the Greene Team Pellet Fuel plant



Group views processing at Holt & Bugbee

The second visit was Holt & Bugbee Inc.'s distribution yard in Mt, Braddock, PA which has dry kilns, lumber processing, millwork and sales operations. The facility processes a high volume of FAS lumber for millwork and cabinet industries and participants saw lumber being surfaced and milled.

After lunch, the group toured Frey Lumber & Pallet in Smithfield, PA. The company was
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The way I see it...

By Tom Inman, AHMI President

...we had terrific participation in the 2013 Fall Meeting and Tours in conjunction with the Penn-York Lumbermen's Club and outstanding tours. PY Club President Trevor Vaughn of Ron Jones Hardwood Sales said it was the largest crowd at a PY meeting in years!

These cooperative efforts are paying dividends for AHMI members and the groups we partner with. Everyone has a chance to network with new people, see new operations and hopefully make new business.

That is a key function of AHMI - helping our members sell lumber but also learning new things. I want to take this opportunity to thank everyone who attended and especially the sponsors eLIMBS, Northwest Hardwoods, ISK Biocides and Industrial Appraisal Co. who financially helped make the meeting a success.

AND a special thanks to the hosts: Northwest Hardwoods, Holt & Bugbee Inc., Frey Lumber and Pallet and Greene Team Pellet Fuels. These companies and their employees took their time and energy to walk our group through and answer questions. Without their help, we could not have been as successful.

I am also very happy to report that we are already working on 2014. The AHMI Board of Trustees last week approved plans to partner with the Wood Products Manufacturers Association in October for meetings and tours in North Carolina.

...speaking of 2014, AHMI members and guests should have received a "Save the Date" card recently introducing the 2014 Annual Meeting on Feb. 26-March 2 at the Boca Raton Resort and Club in Boca Raton, FL. The location offers a variety of accommodations including ocean front, lake front and historic rooms. The meeting space is unique to this historic property.

More information will be available soon about the program but please begin making your travel plans today for the best rates and options. The closest airports are West Palm Beach and Fort Lauderdale. I look forward to seeing you there!



Happy Birthday Mr. Harless!

Buck Harless (seated) celebrated his 94th birthday recently in Gilbert, WV. The founder of Gilbert Lumber Co. and International Industries was a long-time supporter of Appalachian Hardwood Manufacturers, Inc. AHMI President Tom Inman (left) attended the birthday party and visited with Harless and former AHMI Distributor Division Chairman Ron Elliott (center) and former AHMI Chairman Gary White. Mr. Harless received more than 300 cards and \$75,000 was raised for the Harless Community Center in Gilbert.



MEMBERSHIP

AHMI welcomes the following new member:

Distributor

Ohio International Lumber Co.
Rick Faulkner
423 Hopewell Road
Waverly OH 45690

New members are the lifeblood of the association and if you know of companies that should join, please contact the AHMI office at (336) 885-8315 or info@appalachianwood.org. We have a packet of materials that is specific to the membership category.

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founded in 1949 and currently operated by second, third and fourth generations of the Frey family. The sawmill produces high volumes of industrial materials for mining operations and pallets. Participants toured the mill and pallet shop to view the specialty products being manufactured.

The reception and dinner Tuesday was followed by a presentation from Hardwood Federation Executive Director Dana Cole. She shared an update on key legislative issues on the federal level and encouraged participation at the Federation's Fly-In.

The final day was a tour of the Greene Team Pellet Fuels in Garards Fort, PA. The facility produces hardwood pellets from chips, logs and dust produced on site or purchased from area mills.

"We were able to view a wide variety of facilities this year and everyone enjoyed learning how each company manufactures its products," said AHMI President Tom Inman. "Having a joint session with



Frey Lumber visit showcased industrial material production

Penn-York benefitted both of our groups and we enjoy working with other associations and clubs to have a broader mix of attendees for our members to network with and hopefully transact new business."

Inman Presents At WV Hardwood Summit

AHMI President Tom Inman spoke at the 2013 Hardwood Summit sponsored by the West Virginia Hardwood Alliance.

The nine-county area in northern West Virginia promotes the timber resource and area manufacturing. The Alliance is comprised of county and state economic development leaders. The annual meeting details the work of the group and progress for companies in the region.

Inman spoke on the status of hardwood exports from West Virginia and the Appalachian region.

"We have great news to report in exporting our logs and lumber from the region in 2013," Inman said. "Markets continue to improve as demand for our lumber grows."

He detailed the increase in exports to China, Vietnam and Indonesia while noting declines in Europe and the Middle East. Red Oak and Poplar continue to dominate the export species.

For more information or a copy of the report, please email tom@appalachianwood.org.

AHMI Activities 2013-14

Appalachian Hardwood Manufacturers, Inc. will attend / display at the following meeting, trade shows and other events to promote AHMI members and products in 2013-14:

Nov. 13-15: NC Wood Exports Conference, New Bern, NC

Nov. 20-22: GreenBuild, Philadelphia, PA

Feb. 4-6, 2014: Indiana Hardwood Lumbermen's Association, Indianapolis, IN

Feb 11-12: Hardwood Federation Annual Meeting, Washington, DC

Feb. 26-March 2: AHMI 2014 Annual Meeting, Boca Raton, FL

March 12-14: HMA National Conference, Savannah, GA

March 28-April 1: Interzum Guangzhou, Guangzhou, China

April 4-10: High Point Furniture Market, High Point, NC

April 16-19: NWFA Convention & Flooring Show, Nashville, TN

June 9-11: NeoCon World Fair, Chicago, IL

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

Fly-In Asks Legislators For Farm Bill Help

More than 65 hardwood industry leaders and association executives participated in the 2013 Hardwood Federation Annual Fly-In to Washington DC to educate Congress and their staff.

The event was Oct. 30-31 and dozens of meetings were held with both U.S. House and U.S. Senate members and staff. Key action items for participants were the Farm Bill, Green Building, Forest Roads and the Lacey Act.

The Federation was focused on the House version of the Farm Bill which was approved in the summer and includes funding for programs like the American Hardwood Export Council, an exemption for silvicultural activities from point source permitting and key forest management provisions to promote forest health through harvesting.

Sen. Jean Shaheen of New Hampshire addressed the attendees and explained the Shaheen-Portman comprehensive energy efficiency bill which was introduced earlier this year. The Federation seeks an amendment to expand energy efficient design to include all green building systems. A companion piece in the House has been authored by Rep. David McKinley of West Virginia.

The Federation also asked Congress to support legislation that states silvicultural practices are non-point sources under the Clean Water Act and prevents the threat of lawsuits on harvesting.

The attendees met with dozens of legislators from across the United States. AHMI President Tom Inman participated and was joined by representatives from AHMI member companies Allegheny Wood Products, Atlanta Hardwood Corp., Columbia Forest Products, Glen Oak Lumber and Milling, Shamrock Flooring and Shaw Industries.

Plum Creek Buys MeadWestvaco Land

Plum Creek Timber has acquired 501,000 acres of timberland in the U.S. south from MeadWestvaco in Alabama, Georgia, South Carolina, Virginia and West Virginia.

Plum Creek is among the largest and most geographically diverse private landowners in the nation with approximately 6.3 million acres of timberlands in major timber producing regions of the US and wood products manufacturing facilities in the Northwest.

Plum Creek bought the property from MeadWestvaco for \$1.1 billion, or \$2,195 per acre. About the acquisition, Plum Creek's CEO Rick Holley said "These timberlands have a long history of excellent forest management. The high stocking levels and older age of the timberlands make them particularly attractive. Harvests from the newly acquired land are estimated to average nearly 3 million tons annually over the next 10 years. That is a 15 percent increase from recent levels."

WV Wood Byproducts Drop

The Appalachian Hardwood Center recently completed its 2013 survey of West Virginia Wood Byproducts detailing the production and use of wood byproducts, including sawdust, bark, chips, shavings, slabs, and edgings, in WV and areas of adjoining states.

In 2013, those WV companies responding to the survey reported producing 24,411 tons of wood residue on a weekly basis. An additional 46,152 tons per week were produced in other states with common boundaries with WV.

WV volumes are down just over 2,600 tons per week from 2012, however out of state residues are up over 43,000 tons. The WV reductions can be at least partially attributed to a restricted primary forest products industry over the past year, however the significant increase in out of state residues is a result of an additional 39,900 tons per week being reported by a large forest products company that has not previously reported their production.



Wood Furniture Intros Increase At HP Market

HIGH POINT - Wood furniture manufacturers and marketing companies increased their available lines at the High Point Furniture Market in October.

The higher volumes were met with positive reaction from retail buyers who hope to increase sales this winter. There were expanded lines in bedroom, dining room and home office categories. Some of the introductions were:

- Hooker Furniture introduced Grand Palais features 65 European-influenced bedroom, dining room and occasional pieces that combine walnut, cherry, burl and ebony veneers.

- Broyhill's New Vintage, a 60-piece Americana-inspired collection with four color choices. It includes bedroom groups targeted to retail at \$2,499. Broyhill also introduced Estes Park bedroom and a new 20-piece bedroom and occasional collection called Sabra, which adds to its contemporary lines.

- Lexington Home Brands expanded its Tommy Bahama line with Windsor that is lightly distressed and hand rubbed to a "soft waxy luster." Design elements include turned posts, raised panel moldings, decorative metal accents and hand-carved details on table legs and feet.

Lexington also offered a contemporary collection called Tower Place. Made with cathedral walnut veneers, it has a mid-tone walnut finish called Arlington.

- Kincaid Furniture introduced new wood collections including the transitional Elise, which is made with solid Appalachian Maple. Buyers liked the finish and the wood, reported Max Dyer, vice president of sales and marketing.

Market attendance was flat to slightly higher, according to the High Point Market Authority. Buyer registrations were about 2.5% ahead of the October 2012 event.

Authority Board Chairman Doug Bassett of Vaughn-Bassett Furniture said even a slight uptick is a positive sign for the market, noting that the October show historically has been weaker than the April market.



CONSUMER

Furniture Factory Orders Up

Reprinted from Furniture Today

HIGH POINT — U.S. furniture factories continued to post positive numbers in August with orders up 9% from the same month a year ago and shipments up 3%, Smith Leonard reported.

The gain in orders was on top of an 8% gain in August 2012 over 2011, "so we were comparing to some pretty good results in the previous year," Ken Smith, managing partner of the accounting and consulting firm, said in his monthly Furniture Insights newsletter.

For the year to date, orders remained 6% ahead of the first eight months of 2012, according to the firm's factory survey. For the year, 78% of survey participants have reported increased orders.

Orders continued to outpace shipments, and the order backlog at factories in August was up 17% from a year earlier.

Smith said that based on reports from last month's High Point Market, business at retail was "pretty good" through Labor Day, softened with the government shutdown, and picked back up the week or so before market.

Appalachian Verified Materials

AHMI members are reminded that 2013 Appalachian Hardwood Verified Sustainable and Verified Legal 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 for Verified Sustainable.

There are also Verified Legal certificates, procurement forms, letters and labeling. Assistance for auditors is also available. Verified Legal provides a process to verify that members are legal entities in the U.S., adhere to the rule of law and provide timber and lumber products that are legally sourced.

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

NC Exports Wood Conference Set

"Charting a Course to Global Wood Markets" is scheduled for Nov. 13-15 in New Bern, NC, presented by North Carolina State University Extension Forestry, North Carolina Forest Service and North Carolina Department of Agriculture International Marketing.

The conference will highlight the port response to increasing exports and also to explore the challenges, opportunities, and requirements of this industry. The audience will include those interested in tapping into international markets, private forest industry, foresters and consultants, economic developers and commissioners, and others involved in wood based supply chains.

The pre-conference tour will explore the emerging opportunities associated with the Morehead City port expansion project which is responding to the export pellet market in Europe, and other global niche markets.

The conference will have three sessions spanning two days which will cover an introduction to the opportunities, challenges and requirements necessary to be successful in wood export markets. The latest sustainability, certification, and desirable feedstock characteristics that industries are looking for and the latest developments in carbon accounting and life cycle analysis and what this means for markets in the southeastern United States.

The first day will also cover the history of wood exports and an economic forecast of the wood products industry. An overview of the supply and demand forecast regionally will also be provided for a comparison to other global markets.

The last session for the final conference day will have two panel sessions that will cover potential forest management changes for the southeastern United States from increased exports and in particular the emerging pellet industry.

For more information or to register, please visit www.ncexportswood.com. The event is planned at the Riverfront Convention Center in New Bern, NC, with lodging at the Doubletree by Hilton New Bern, 100 Middle Street, New Bern, NC 28560.



EXPORTS

NHLA's KD Certificate Approved For EU

The National Hardwood Lumber Association's Certification of Kiln Drying Sawn Hardwood Lumber has been accepted by the European Union (EU) in lieu of a U.S. Department of Agriculture PHYTO for the following species: All oak species - *Quercus sp.*; Sycamore - *Platanus sp.*; Hard Maple - *Acer saccharum*; and Pacific Coast Maple - *Acer macrophyllum*.

The EU has stated that there will be a 60-day period to translate all documents needed to distribute to the various EU countries prior to accepting initial shipments using the NHLA Kiln Drying Certificate.

The program which was initiated by APHIS is controlled through a Memorandum of Understanding between the two organizations. It achieves the same goals as the APHIS Phytosanitary Certificate but at less cost both to APHIS and the U.S. hardwood industry.

The USDA-APHIS is actively pursuing the acceptance of the program in many countries including China. Below is a current list of countries that are accepting the NHLA Kiln Drying Certificate provided by USDA – APHIS:

Australia - Accepts KD Certificate, but with higher temperature requirements

Brazil and Vietnam – Accept the KD Certificate without additional requirements.

Venezuela - Must be marked KD (but KD Certificate not required)

European Union - Has been accepted and is in the final stages of implementation. Ash will not be accepted on KD Certificate.

The program involves regular inspections of subscribing hardwood facilities in the U.S. by both independent third party auditors and APHIS inspectors to ensure continuing conformance to the Kiln Drying Sawn Hardwood Standard.

For more information, contact NHLA Chief Inspector, Dana Spessert at 901-399-7551 or d.spessert@nhla.com.