



January 2013

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

T. 336-885-8315
F. 336-886-8865

info@appalachianwood.org
www.appalachianwood.org



Future Meetings

**2013 Annual
Meeting - Feb.
27-March 3**
Hyatt Grand
Cypress, Orlando,
FL

**2013 Summer
Conference -
July 27-30**
The Greenbrier,
White Sulphur
Springs, WV

**2013 Fall
Meeting - TBD**

Appalachian Sustainable

Crowd Grows For Annual Meeting

Registration for the 2013 Annual Meeting of Appalachian Hardwood Manufacturers, Inc. is outpacing a year ago as members and guests prepare for an informative program in Orlando, FL.

The meeting is Feb. 27-March 2, 2013 at the Hyatt Grand Cypress in Orlando. The "forest to freight to finished goods" includes a lineup of speakers discussing issues as they relate to all aspects of hardwood lumber manufacturing. The location is also attracting attention as AHMI's first visit to central Florida.

"People are very excited that we selected Orlando for 2013 because there is so much to offer," said Tom Inman, AHMI President. "The Hyatt is a terrific property and provides a high level of service and amenities for our people."

The business session lineup is strong with the following confirmed speakers:

Daniel Dructor, executive director of the American Loggers Council, who will discuss **logging capacity in the United States** in 2013 and ALC's plans to train and increase the number of loggers;

Curtis Struyk, president of TMX Shipping, who will discuss **international freight issues** in 2013 and the challenges from threatened strikes at docks;

Tom Talbot, Glen Oak Lumber and Milling, who will discuss **millwork manufacturing** in 2013 and potential for the future;

Michael Snow, executive director of the American Hardwood Export Council who will talk about the **Life Cycle Analysis of American Hardwoods** and the benefits of science in sustainability;

and Inman who will discuss an initiative from AHMI to help members assure the legality of Appalachian Hardwoods for international customers.

"We have a great program of extremely knowledgeable sources for each of the subjects," Inman said. "The information will be timely and useful for AHMI members this year."

There is a change for 2013 with arrival on Wednesday, Feb. 27 and business sessions on Thursday and Friday mornings. There are no planned events for Saturday and Sunday.

There will be ample time for networking with members and guests, golf tournaments each day at the Grand Cypress Golf facility and a new sporting event for this year - Whirlyball. The game is similar to soccer with players riding in bumper cars and passing a plastic ball and attempting to score against another team.

The Hyatt Grand Cypress offers world-class comfort and style surrounded by shimmering lakes and lush landscaping. The resort is just minutes from all the thrilling theme parks and attractions in the Orlando area.

You can make your room reservations now by calling the Hyatt Grand Cypress at 1-407-239-1234 or registering online. Visit www.appalachianwood.org/meetings.htm and click on the links for meeting and hotel registration. A meeting registration form is included on page 6 of this newsletter.

The way I see it...

By Tom Inman, AHMI President

the latest report on new home sales is encouraging as it continues an upward trend.

For November, new-home sales reached a seasonally adjusted annual rate of 377,000, the strongest pace in more than two years. Sales rose 4.4 percent in November from October's rate of 361,000, the U.S. Department of Commerce announced recently.

The current rate stands 15.3 percent above the November 2011 estimate of 327,000 units. Both the South and the Northeast showed improvement, with respective increases of 21.1 percent and 12.5 percent.

Mortgage interest rates remain at record levels with 15- and 30-year mortgages below 3.0 percent from both online and traditional banking sources. While downpayment and credit requirements are stiff, potential homeowners are finding a way.

This is good news for hardwoods as new homes are slightly smaller but offer upgrades like solid hardwood flooring in great rooms and halls, solid hardwood cabinetry and greater use of solid millwork.

Forecasts for 2013 continue to show improvements in new home construction. Economists are predicting slow but steady increases for the year and remain cautious about the impact of taxes and government spending.

We'll see what the results are from the "fiscal cliff" resolution.

AHMI Resource Guide Information Due In January

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. will publish the 2013 Appalachian Hardwood Verified Sustainable Resource Guide in March and deadline to be included is Jan. 31.

The directory is published annually and distributed to thousands of lumber buyers around the world. It lists each member of the association and details about the company including location, contacts, equipment, available species and certification if applicable.

There is also an opportunity to advertise and promote specific details about your company. Advertising rates remain the same for 2013. It is also available in electronic form on the AHMI website and emailed annually to thousands of lumber buyers around the world as they seek information about Appalachian species and AHMI member companies.

"The Resource Guide is a valuable tool in our promotion program to make certain buyers know who to contact when purchasing Appalachian hardwoods," said AHMI President Tom Inman.

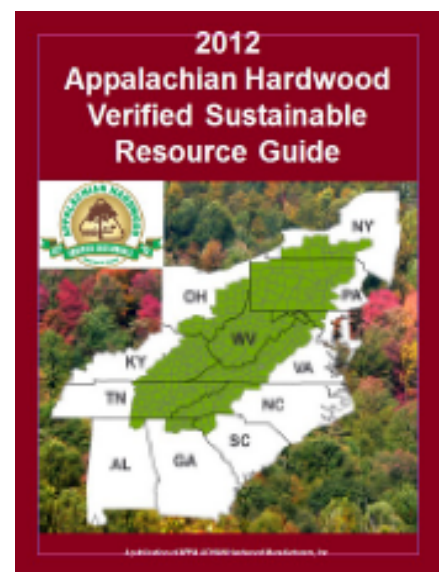
Please return information by Jan. 31 to be included in the Guide. For more information, please contact the AHMI office at (336) 885-8315 or info@appalachianwood.org

Donna Curtin Wins \$100 Gift Card

Donna Curtin, wife of AHMI member Dee Curtin of Pardee & Curtin is the winner of the \$100 American Express gift card for registering early for the 2013 Appalachian Hardwood Manufacturers, Inc. Annual Meeting. They registered in early December.

The prize will be awarded at the Friday business session. There is still one prize remaining with the deadline approaching: **Register by Jan. 15 for a Free Spa Treatment at the Hyatt's Spa.**

Register today at www.appalachianwood.org/meetings.htm or use the form on page 6 of this newsletter.



The 2012 issue of the Appalachian Hardwood Verified Sustainable Resource Guide



Hyatt Grand Cypress in Orlando is location for 2013 AHMI Annual Meeting

About Hyatt Grand Cypress

The 1,500-acre luxury Orlando resort offers restaurants, high-tech fitness center, spa facility, and Jack Nicklaus Signature Design golf courses and training facility. The hotel has tennis, rock climbing, jogging, biking, 800,000-gallon lagoon-style swimming pool with thrilling water slides.

The 21-acre Lake Windsong is ideal for water sports activities. Other items of interest are:

- Four exclusive Jack Nicklaus Signature Design golf courses
- Nine-hole pitch 'n' putt course;
- Half-acre outdoor pool with 12 waterfalls, two waterslides; 24' rock climbing wall
- Massage therapy and salon with facials, manicures, and pedicures; Hyatt Stay Fit gym
- Tennis and Racquet club
- Jogging paths and bicycling trails

The resort is centrally located in Orlando within minutes of all of the major theme parks and attractions. The hotel concierge has discounted tickets to these venues and these can be ordered by calling (407) 239-1234 and picked up on site at the hotel.

Please make your flight arrangements early for the best selections into the Orlando airport. Rental cars, taxi and van shuttle service to the hotel are available at the airport.

To learn more about the hotel, please visit grandcypress.hyatt.com.

2013 Annual Meeting Agenda

Wednesday, Feb. 27

5-6 p.m. Registration
6 p.m. Welcome Reception
Dinner on your own

Thursday, Feb. 28

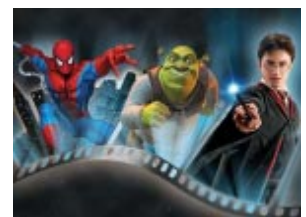
7:30 a.m. AHMI Board of Trustees Breakfast
9 a.m. General Session
Logging Capacity Challenges in 2013 - Danny Dructor, American Loggers Council
Shipping Capacity Challenges in 2013 - Curtis Struyk, TMX Shipping
Millwork Manufacturing In 2013 - Tom Talbot, Glen Oak Lumber & Milling
12 p.m. Golf Tournament
1 p.m. Whirlyball Tournament
6 p.m. Reception
Dinner on your own

Friday, March 1

8 a.m. Producers Meeting (*for Producers only*)
9:15 a.m. General Session
Chairman's Report and 2013 Plan of Work, AHMI Member Anniversaries
Science Benefits American Hardwood Promotion Michael Snow, AHEC
Appalachian Hardwood Verified Legal - Tom Inman, AHMI
12 p.m. Golf Tournament
6 p.m. Reception
Dinner on your own

Saturday, March 2

NO FORMAL BUSINESS. ENJOY ORLANDO!



Investors, Hannah Purchase Mills Pride Plant

WAVERLY, OH - An investment company which includes hardwood sawmill owner Everett Hannah has purchased the Mills Pride cabinetry plant in Ohio and plans to reopen for lumber production and possibly furniture manufacturing.

The sale was completed on Dec. 18 for \$5 million, according to reports in the Columbus Dispatch and the Pike County Daily. Southern Ohio Diversification Initiative (SODI), bought the 11-building, 2.5 million square-foot facility in Waverly, OH, and another 1 million square-foot building at the Zahn's Corner Industrial Park. The 57-acre cabinet plant closed nearly two years ago.

Investors are Christopher Semarjian, who runs Industrial Commerce Ltd., near Cleveland, and Stuart Lichter, who heads Industrial Realty Group, near Los Angeles. Everett Hannah, owner of Gilco International Lumber in Varney, WV, is also a partner in the project, according to local reports, and will open a lumber products firm employing 28 people in February.

Gilco International Lumber businesses include Cabin Creek Lumber, Gilbert Forest Products, Paintsville Wood Products, and Virginia Forest Products.

Media: Lincolnton Furniture Will Close

LINCOLNTON, NC — Media outlets are reporting that Lincolnton Furniture will close its plant which began shipping earlier this year. The 310,000-square-foot facility, a former Cochrane Furniture plant, reopened in late 2011, producing solid wood bedroom and dining room furniture.

Company CEO Bruce Cochrane has not commented but said in December that the need for capital is constant and that the money ultimately dried up. In a late 2012 interview with Furniture/Today, Cochrane told the paper that the year had presented challenges but that he believed the company had a good manufacturing process that could serve as a footprint for domestic production. The news of the closing comes about a year after Cochrane received a significant amount of publicity and public accolades about his new furniture manufacturing venture.

He told a Charlotte media outlet that he is looking to sell the company or combine it with another, which could lead to some of the workers being rehired.

The company produced solid wood bedrooms that retailed from \$3,900 to \$5,500 for four pieces. When the venture was first announced in 2011, Cochrane had hoped to employ as many as 130, but said that the company never hired many more than the 55 that it employed in early December.

Kimball Will Expand Indiana Furniture Plant

Kimball Hospitality, Inc. announced plans recently to expand its operations in Jasper, Ind., creating up to 20 new jobs by 2013, InsideIndianaBusiness.com reports.

The company, a brand unit of Kimball International, produces custom furnishings for the global hospitality industry. Now it will invest \$932,000 to install advanced manufacturing machinery at its 196,000 square-foot facility in Jasper. The expansion will increase capacity for the company's casegoods furniture product line which includes program and catalog offerings for hospitality guestrooms.

This fall, the company's parent, Kimball International, invested \$723,700 to expand its Kimball Office brand's Xsite product series in Jasper, creating an additional 30 new jobs.

Stan Sapp, president of Kimball Hospitality and vice president of Kimball International said the availability of talent, skills and work ethic that have become such a tradition in this area helped make the decision for this location.

Kimball Hospitality, which has 117 full-time employees in Jasper, is now hiring for production and engineering support positions.

Study Predicts Rise In Lumber Demand, Prices

With the return of a demand-driven wood products market in 2012 - due to rapidly increasing housing starts in the U.S. - it is now forecast that lumber and panel prices will move to new highs in 2013 and record highs for lumber in 2014.

A North American "super-cycle" has been predicted by *WOOD MARKETS* magazine since 2008 as a result of emerging supply-side constraints (mainly on forests and logs) and changing demand dynamics. The global financial crisis that started in late 2008 and an unusually slow U.S. housing market recovery have delayed this event until 2013.

With the expectation of strong growth in U.S. housing starts over the next five years, combined with a better balance in the housing inventory and a recovering economy, the U.S. supply chain is expected to become overwhelmed at times during the next five years, allowing wood products prices to soar. While there are a number of assumptions that are required to maintain steady economic growth, a strong wood products recovery amidst a tightening timber and mill supply base is still expected.

These and other findings on U.S. and Canadian lumber markets as well as forecasts for all engineered panels were released today by *WOOD MARKETS* in its 8th edition report: *WOOD MARKETS 2013 - The Solid Wood Products Outlook - 2013 to 2017*. The report examines an overall tightening of the global timber supply base, but forecasts that it is mainly in North America where scarcities will be felt.

With China now importing more and more logs and lumber from North America and with U.S. demand now rebounding, some key structural constraints are expected to keep log and lumber supplies tight relative to demand growth.

Full details on the five-year outlook for the U.S. and Canada's consumption, imports, exports, production and price trends, etc., are available in *WOOD Markets 2013 - The Solid Wood Products Outlook: 2013 to 2017*. Visit <http://www.woodmarkets.com/pressreleases.html>

AHMI Activities in 2013

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

Feb. 5-7: Indiana Hardwood Lumbermen's Association Annual Meeting, Indianapolis, IN

Feb. 22: Architectural Woodworking Institute Carolinas Chapter, Charlotte, NC

Feb. 27-March 3: AHMI Annual Meeting, Orlando, FL

March 6-7: Ohio Forestry Association, Columbus, OH

March 11-13: HMA Annual Meeting, Charleston, SC

March 12: ALC, Greensboro, NC

March 27-30: Interzum Guangzhou, Guangzhou, China

April 2-5: National Wood Flooring Show, Dallas, TX

April 3-5: Kentucky Forest Industries Association, Annual Meeting, Lexington, KY

April 20-25: High Point Furniture Market, High Point, NC

May 16-19: ALC, Myrtle Beach, SC

June 10-12: NeoCon Business Furniture World Fair, Chicago, IL

June 18-20: AHEC Asia, Harbin, China

July 24-27: AWFS Fair, Las Vegas, NV

July 28-30: AHMI Summer Conference, White Sulphur Springs, WV

Sept. 12-15: NHLA Convention, Fort Worth, TX

Oct. 2-4: NCFA Annual Meeting, Wilmington, NC

Oct. 19-24: High Point Furniture Market, High Point, NC

Oct. 20: American Society of Furniture Designers, High Point, NC

Oct. 21-22: Annual Material Use and Design Survey at Furniture Market, High Point, NC

For more information or to participate in these events, please contact the AHMI office at (336) 885-8315.

APPALACHIAN

Hardwood
Manufacturers, Inc.



2013 Annual Meeting Feb. 27-March 2
Hyatt Grand Cypress, Orlando, FL

To reserve your room at the Hyatt Grand Cypress, call 1-888-421-1442
AHMI's block cutoff is Jan. 31. Standard rooms begin at \$189

To plan functions and include all participants on the Registration List, please complete this form and return with your check to: AHMI, P.O. Box 427, High Point, NC 27261. **AHMI will have badges and other materials available on site for collection on Feb. 27.**

Registration before Feb. 6, 2013:

AHMI MEMBER - \$325 per person

GUEST - \$425 per person

MEMBER SPOUSE - \$225

GUEST SPOUSE - \$225

CONSUMER & SPOUSE - FREE

CHILDREN AGE 10 & older - \$75; UNDER 10 - FREE

Add \$50 to any registration fee after Feb. 6, 2013

Full registration fee refunded on cancellations received by Feb. 6, 2013. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S 2013 ANNUAL MEETING

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

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

Company: _____

Address: _____

City/State/Zip: _____

REGISTER FOR GOLF Grand Cypress Golf Club, noon start each day
Thursday: East & North Courses; Friday - New Course (links). Medal play both days

Name: _____ FEE: \$135

Please check: ☐ Thursday ☐ Friday

Name: _____ FEE: \$135

Please check: ☐ Thursday ☐ Friday

REGISTER FOR WHIRLYBALL Thursday at 1 p.m.
(Lunch, Whirlyball, ride F1 simulator, arcade)

Name: _____ FEE: \$65

Name: _____ FEE: \$65

Check # _____ Received _____

TOTAL \$ _____

Register by Jan. 15 for drawing on Hyatt Spa Treatment!