



Appalachian Sustainable

April 2014

Monthly newsletter of
Appalachian
Hardwood
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Future Meetings

2014 Summer Conference - July 26-29

The Homestead,
Hot Springs, VA

2014 Fall Meeting - Oct. 14-16

Charlotte Sheraton,
Charlotte, NC
*in conjunction with
Wood Products
Manufacturers
Association*

2015 Annual Meeting - Feb. 25-March 1

Hyatt Coconut Point,
Bonita Springs, FL

Casual Hardwood Dominates HP Market

HIGH POINT, NC - Casual continues to be the theme for many furniture designs based on introductions at the 2014 High Point Furniture Market recently.

While the crowd was down slightly from the previous year, the number of introductions were increased as more manufacturers seek new business. The theme of "casual and comfortable" that began three years ago continued at this market and medium tones of brown, gray and whitewash more common in wood groups.

"I would say our traffic was up slightly from the last market but we worked hard to bring in new retailers," said Doug Bassett, vice president of Vaughan-Bassett Furniture in Galax, VA. "We did several new things and buyers responded very favorably."

The company introduced three bedroom groups in oak, poplar and pine with casual, contemporary styling. There were additions to occasional table groups and entertainment centers introduced at the last market with new pieces in oak, maple, poplar and pine.

"We saw an opening in the marketplace for solid and veneer entertainment centers and tables made right here in the United States," he said. "And we can offer customers entertainment centers and tables with finishes that match and no one else is doing that."

The casual look was evident in other showrooms. C.R. Laine in Hickory, NC, brought polka dots back to the forefront with three hardwood frame chairs and sofas with the pattern from the past. Other designs included earthy stone colors and styles and the company promoting its sustainably harvested hardwood frames.

Marshfield Furniture celebrated its 70th year with "Casual Comfort" in sofas and chairs using solid maple frames. The Central Avenue living room collection had lower linear designs and a solid maple half table and half ottoman.

"This has been very popular and retailers liked the versatility of this piece," said one representative. "And maple is always a winner."

Casual was one theme at Century Furniture where designer Charlotte Moss' new collection emphasized living. The group included sofas and chairs with solid wood frames and occasional pieces in maple and ash with medium to light finishes that showcased the grain.

Century also introduced vibrant colors with its Coral Crush and Radiant Orchid
(Furniture on Page 3)



Vaughan-Bassett Furniture's table introductions

The way I see it...

By Tom Inman, AHMI President

... 20 High Point University students tallied thousands of pieces of wood furniture at the High Point Market this week.

The fashion, design and business students assisted with the 2014 Furniture Market Wood Species and Design Survey which was moved to the Spring Market this year. The survey has been completed annually for more than 60 years to track the wood species on display at market and general trends in design.

The compilation of the data is underway but I can say the mix of wood is ever-growing. There were hundreds of pieces in American cherry, maple, oak, ash and walnut and a lot of poplar (I mean a lot of poplar) that was being identified as poplar or sometimes creatively being marketed.

As finishing techniques continue to improve and product development engineers design new ways of manufacturing, it is more difficult to determine the species. Some companies are even adding a grain pattern to closed grain woods using heavy rollers to stamp the boards before they are sawn and sanded.

It seems odd to go to that much trouble to give plain wood a pattern to look like oak or ash or hard maple. Why not just use the real thing?

It's the price and the perceived cost/benefit of substitute wood and material being cheaper and stamping it to look like something else.

But are the costs of that processing being identified and truly added to the final cost of goods sold. The marketing guy in a showroom at the High Point Market showroom has no idea and unfortunately too many times doesn't care.

Speaking with the owners and managers of the company about these costs and yield of better grades and helping them analyze the "cost of legal raw materials" brings awareness of the benefits from Solid Appalachian Hardwoods.

That was our message for the 2014 Spring High Point Market and continues to be our message for the world. As economies struggle to improve, the value of products is more important now than ever before to consumers. Solid Appalachian Hardwoods mean lasting value.

Summer Conference Returns To Homestead

Mark Your Calendar: July 26-29

Appalachian Hardwood Manufacturers 2014 Summer Conference is planned for July 26-29, 2014 at The Omni Homestead in Hot Springs, VA

The Omni Homestead is an AHMI member favorite nestled almost in the center of the Appalachian Mountain region. AHMI is completing the agenda but confirmed programs include:

1) **Dry Kiln Certification Acceptance in Export Markets** by Mark Barford, National Hardwood Lumber Association - NHLA has been working for months to gain acceptance of its Dry Kiln Certificate in foreign markets and progress is being made. Barford will explain it, the cost savings and introduce new countries in the program.

2) **Exit Strategy Planning for Closely-Held Lumber Businesses** by Alex Shumate of Southmark Consulting of Charlotte. The program will offer ways to develop a well-designed exit plan specific to lumber businesses that achieves personal financial goals and promotes long-term growth and survival of the business.

3) Two other programs are being developed and awaiting confirmation from speakers.

The meeting will include time for networking with fellow AHMI members, socializing with friends and the summer golf and sporting clays tournaments. The Omni Homestead also provides dozens of outdoor activities from horseback riding to exploratory hiking, paintball, archery, and tours.

No one should miss enjoying the famed Virginia hot springs that flow into the redesigned indoor and outdoor pools and The Spa at The Omni Homestead.

AND, your AHMI reservation is Modified American Dining which includes breakfast and dinner. You can complete your room reservations by visiting www.appalachianwood.org or contacting The Homestead at 540-839-1766 and use the group code AppalachianHardwood.

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



AHMI mailed the 2014 Resource Guide recently to thousands of domestic lumber buyers and emailed to more than 12,000 buyers around the world

AHMI Verified Sustainable & Legal Guides Available

The 2014 Appalachian Hardwood Verified Sustainable & Legal Resource Guide was mailed recently to more than 6,000 hardwood lumber consumers and emailed to more than 12,000 international buyers.

The Guide is the membership directory for AHMI and includes company and contact information for all membership divisions. Additional copies were distributed at the International Home Furnishings Market in High Point and will be given out at the National Wood Flooring Show, NeoCon in Chicago and other events throughout the year.

If you need additional copies for your staff, please contact AHMI.

Members are reminded that 2014 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. There is a logo change for 2014 that includes the date.

AHMI also offers Verified Legal certificates, letters, procurement forms and more to assure customers they are receiving a legal product. You are assigned a member number from AHMI. 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.



Kincaid's Artisan Shop wall unit in oak

Furniture from page 1

collections of bedroom, seating and occasional in a very bright color combination.

Kincaid Furniture expanded its European Villa Collection with new pieces in alder and maple. The bedroom collection has been a retailer favorite for the past two markets.

Introductions also were found in Homecoming with new pieces in cherry and Artisan's Shop with new entertainment centers and wall units in oak.

"This market has been good with buyers looking for something fresh," said Steve Kincaid, president.

Home entertainment manufacturers at the High Point Market said retailers were responding to modular wall units, especially those with more features in a small design.

Manufacturers realize that most homeowners want furniture to showcase flat screen televisions and need space for components. Designers are responding with fresh looks to match tables, dining rooms and more for residential settings.

Many of these units use solid wood styles and glued up panels for sides, drawer and door fronts.

In more elegant and formal settings, Bernhardt Furniture introduced Villa Medici, a collection built on rich Italian design. The 50-piece whole home collection was built from mahogany solids and veneers.

Bernhardt Furniture celebrates its 125th year in 2014 with events marking its heritage.

Update On Federal Legislative Issues

By Dana Cole, Hardwood Federation

President's Budget:

The President unveiled his \$3.9 trillion FY 2015 budget request to Congress in mid-March. As part of the U.S. Department of Agriculture budget, the Administration proposes full funding of \$200 million for the Market Access Program (MAP) and \$34.5 million for the Foreign Market Development (FMD) program. The President's budget also proposes approximately \$183 million in discretionary funding for the US Department of Agriculture's Foreign Agriculture Service (FAS).

In the area of biomass energy, the Administration's submission indicates that \$51 million will be available in 2014 for the Bio-energy Program for Advanced Bio-fuels. The Administration has proposed \$22 million for the program in 2015, which aligns with the \$15 million in mandatory funding approved as part of the Farm Bill, plus some carry-over funds. The proposal also funds the Rural Energy for America Program (REAP) at \$52 million for FY 2015. Both of these programs have a track record of increasing biomass thermal systems, in many cases encouraging fuel switching from high cost fossil fuel heating units to biomass systems used in our mills.

On the public lands side, the President's budget increases timber outputs by 490 million board feet, which would bring the total to 3.1 billion board feet. The proposed budget would also create an emergency funding mechanism for wildfire suppression, treating these outbreaks like disasters and thereby shielding other accounts within the Service from being raided to fund suppression costs.

Bio-Mass Emissions:

The United Kingdom (UK) Department of Energy and Climate Change is reportedly preparing a report that will be released by June 30 that will be very critical of biomass as a bio-energy source. The report is being prepared to inform and update the existing UK sustainability standards, which will undergo formal review and revision beginning in 2017. The standards apply primarily to bio-energy used by electric utilities. Indications are that the report takes a Manomet approach (embrac-



ing a carbon debt versus a carbon dividend regarding biomass energy) to biomass and concludes that in some scenarios, biomass carbon emissions are 9 times worse than coal.

We reference this activity simply because its development tracks roughly with the timeline at EPA on its biogenic framework-and the two processes, although separated by the Atlantic, may influence each other.

Regarding EPA's framework for developing rules to regulate bio-mass emissions, Pat Rita and Dana Lee Cole were participants in a forest industry coalition meeting to discuss strategies for engaging the Administration and Congress on this issue.

Lacey Act:

On Thursday, Feb. 27, Hardwood Federation Board Member Tom Talbot testified in front of the House Agriculture Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs on two Lacey Act related bills. One bill would exempt wood and wood products imported prior to 2008 and the second would eliminate existing import reporting requirements in favor of a declaration on demand system. Although these may seem like minor changes, opening up the Lacey Act could lead to more changes that would significantly reduce the effectiveness of the Act.

Energy Efficiency:

The latest iteration of the Shaheen-Portman comprehensive energy efficiency bill (S. 2074) is expected to be brought up on the Senate floor for consideration before the Congressional recess in mid-April. The new legislation contains several new components that now boasts about 65 Senators who favor the bill. Hardwood Federation-supported language that attempts to broaden the definition of green building certifications programs that are acceptable for federally funded build outs and new construction is included in the underlying bill.

AHMI's Solid Campaign Utilizes Houzz

Appalachian Hardwood Manufacturers, Inc. is building a Solid Appalachian Hardwood community on Houzz.

The social media site brings together consumers to see the work of designers, architects and manufacturers with specific ideas for homes or commercial buildings. The site connects millions of people with new ideas and designs.

In April, AHMI added images from all members who have solid hardwood products that target consumers. Many of these manufacturers already were using Houzz to showcase their products.

AHMI staff will add new images weekly. Visitors will have the opportunity to link to the images and save for future reference. AHMI Consumer members are encouraged to visit and share the information immediately.

AHMI is also working with a Social Media Marketing class at High Point University to develop a strategy for business to business marketing. The results will be available in April and the AHMI Trust-



AHMI's site includes ideabooks from member companies

ees will decide at the Summer Conference about the next step in this promotion.

The class was divided into five teams and will make recommendations about Facebook Twitter and other media.



Upcoming AHMI Promotion Activities

Appalachian Hardwood Manufacturers, Inc. will attend / display at the following meetings, trade shows and other events to promote AHMI members and products in 2014:

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

May 15-18: ALC, Myrtle Beach, SC

June 9-11: NeoCon, Chicago, IL

June 25-25: AHEC Asia Convention, Tianjing, China

July 28-30: AHMI Summer Conference, The Homestead, Hot Springs, VA

Sept. 8-10: Hardwood Federation Fly-In, Washington, DC

Sept. 22: PennYork Lumbermen's Club meet-

ing, State College, PA

Oct. 8-11: NHLA Convention, Las Vegas, NV

Oct. 14-16: Fall Meeting & Tours in conjunction with the Wood Products Manufacturers Association, Charlotte, NC

Oct. 18-23: High Point Furniture Market, High Point, NC

Oct. 21: American Society of Furniture Designers, High Point, NC

For more information, please contact the AHMI office at (336) 885-8315. We are always seeking new venues to promote Appalachian Hardwoods. If you have suggestions, please contact the office at (336) 885-8315.

Office, Commercial Furniture Sales Expected To Increase

CHICAGO - Office furniture manufacturers are reaping the benefits as commercial clients update and add office space, according to key indicators from the American Institute of Architects' (AIA) Architecture Billings Index (ABI). It reflects renewed commercial demand for design and contractor services in its monthly surveys.

A report from Reis Inc., a real estate firm providing data and forecasts on commercial properties, indicated that firms during the first quarter of this year were adding office space at a higher rate than any time since 2007. All of these gains in the office market were highlighted in the financial reports of the office furniture industry's largest including Steelcase, Herman Miller and HNI.

The Business & Institutional Furniture Manufacturers Association (BIFMA) says U.S. office furniture production/shipments for 2014 will reach \$9.6 billion, a 2.8% increase and 2015 production/shipments will reach \$10.6 billion, a 10.4% increase. In their financial outlooks, these office furniture firms reinforce the association's outlook of continued gains into the next fiscal year.

KCMA Analyst Predicts 18% Growth

An economist predicts growth of 18% in residential construction, according to figures presented at the Kitchen Cabinet Manufacturer's Association annual convention.

Analyst Dennis McGill, Director of Research at Zelman & Associates, told attendees that builders used the downturn to acquire lots for homebuilding - which have been in some areas have been in short supply and are ready to build.

KCMA reported that cabinetry sales rose 16.9% in January 2014, with custom cabinets up 33.3% versus January 2013. The KCMA monthly Trend of Business Survey found stock cabinet sales up 13%; semi-custom sales up 18.2% and custom sales increased 33.3%.



CONSUMERS

USDA Trains Designers On Benefits Of Wood

WASHINGTON, DC – U.S. Department of Agriculture Secretary Tom Vilsack recently announced a new partnership to train architects, engineers and builders about the benefits of advanced wood building materials, and plans for a forthcoming prize competition to design and build high-rise wood demonstration projects.

Wood may be one of the world's oldest building materials, but it is now also one of the most advanced, said Vilsack. Building stronger markets for innovative new wood products supports sustainable forestry, helps put rural America at the forefront of an emerging industry.

The new training program will include a \$1 million investment from the Forest Service and will be done in partnership with WoodWorks, a non-profit organization that provides technical support, education, and resources related to the design of modern wood buildings for architects, engineers, and developers.

There will also be a new prize competition, expected to begin later this year, for developers, institutions, organizations and design teams competing to demonstrate the architectural and commercial viability of using sustainable wood products in high-rise construction. Wood-based designs have also been demonstrated to improve energy efficiency, thereby reducing energy consumption for heating and cooling.

Hardwood Federation's Dana Lee Cole attended the meeting to discuss the opportunities and benefits of using wood and wood products in construction. The Building With Wood: Jobs and the Environment workshop hosted by the White House Rural Council, and is part of USDA's overall strategy to promote the use of wood as a green building material.

The 2014 Farm Bill developed the new Made in Rural America export and investment initiative to help rural businesses access new customers and markets both at home and abroad.