



Appalachian Sustainable

July 2014

Monthly newsletter of
Appalachian
Hardwood
Manufacturers, Inc.
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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

Crowd Readies For Summer Meeting Homestead nears capacity for July 27-29 event

A great crowd has registered for the 2014 Summer Family Conference of Appalachian Hardwood Manufacturers, Inc. at The Homestead in Hot Springs, VA on July 27-29. The room block has been expanded twice and sold out for the annual conference as a large crowd has responded to early registration. There are a few rooms remaining at The Homestead for last-minute attendees but it is recommended to make reservations TODAY!

The business sessions are attracting keen interest for Monday and Tuesday. Confirmed speakers are:

Mike Grist, Wood Operations Superintendent of MeadWestvaco in Covington, VA, on **Wood Chip Demand in Central Appalachia**. He will share details on MWV's three facilities in Covington that produce paper, fiber products and chemicals. The operations use thousands of tons of wood chips annually and he will discuss current and future plans for the company.

Alex Shumate and Andrew Moore of Southmark Consulting will present recommendations on **Exit Strategy Planning for Closely-Held Lumber Businesses**. The program will explore all strategic options for business owners considering estate and tax planning, business transfers and retirement. There will be a followup break-out session on Tuesday with reservations suggested for those seeking specific details for their company.

Mark Barford of the National Hardwood Lumber Association will explain the **NHLA Kiln Drying Certification for Exports**. The program offers companies a certification that has replaced USDA phyto-sanitary documents in a growing list of countries and cost savings for exporters.

The conference begins with a reception for early arrivals on Saturday, July 26
(Conference on Page 3)

Hardwood Press Conference
Allegheny Wood Products
hosted a press conference for Chinese media at the company's headquarters in Petersburg, WV in June. The Chinese delegation included web and print media as well as flooring manufacturers, retailers and interior designers from China. See story on page 2



The way I see it...

By Tom Inman, AHMI President

... I have had three opportunities to meet directly with dozens of Chinese buyers of Appalachian hardwoods in the past month and the news remains the same - the Chinese market is cooling.

There will still be strong business in China for the remainder of the year but likely not at the pace of the first six months. Sales to China for the first two quarters were buoyed by timber importing companies filling their warehouses to stay ahead of price increases. They chased low supplies of American hardwood lumber and drove up prices.

Things have changed in the past 30 days. Production at many sawmills has increased and demand for product is stable. The Chinese buyers still need hardwood lumber but are no longer willing to pay a premium.

One manufacturer told me they had built pricing into their finished goods for much of the increased cost of Red Oak earlier this year. When the cost exceeded their projections, they continued to purchase but would not do that in the second half of the year.

Other buyers in China last week were talking about alternatives to Red Oak. As suppliers, AHMI members have to remain aware of the customer and the reality of the marketplace.

...a new survey by the American Home Furnishings Alliance will help get a better understanding of domestic furniture production. The association has hired a company to track shipments of U.S.-made furnishings.

Andy Counts, AHFA executive director, says the industry has become fragmented with smaller companies producing more goods. He said the new survey will target the larger number of small plants that make a much higher percentage of today's domestic production.

I continue to find smaller shops that are in business in North Carolina, Virginia and across the region. Many AHMI Distributor members know about them because they are delivering bundles to them rather than trailer loads each week.

This survey will be interesting to read and follow in upcoming quarters.

Chinese Learn About Appalachian Hardwoods

Appalachian Hardwood Manufacturers, Inc. assisted a delegation of Chinese news media, flooring manufacturers and retailers in learning about the Appalachian Hardwood resource.

The group traveled to Pennsylvania, West Virginia and Washington, DC, in June to visit forests, sawmill and secondary manufacturing operations. It was the first visit to the United States for most of the 15 participants.

The group included Chinese journalists from three newspapers and two Internet websites on wood manufacturing. They chronicled the visit with a daily blog and wrote specifically about the Appalachian forest resource.

The visit included an active logging job, sawmills, kiln drying at a concentration yard, pellet manufacturing and dimension. AHMI member Allegheny Wood Products hosted part of the tour and Board Chairman John Crites Sr. and President John Crites II spoke to the group.

AHMI's Tom Inman explained the Appalachian resource and distributed copies of AHMI promotional materials and the Resource Guide. AHMI member Jiu Sheng Wood Co. was instrumental in bringing the delegation to the U.S.



Group views AWP's concentration yard

**AHMI
returns to
The
Homestead
on July 26-
29**



Conference from page 1 —

at 6 p.m. The first official event is a Welcoming Reception on Sunday, July 27 at 6 p.m. and the business programs are Monday at 8:30 a.m. and Tuesday at 9 a.m. The AHMI Summer golf and sporting clay tournaments are set for the Monday afternoon and the Monday Reception is at 6 p.m.

The AHMI Board of Trustees will gather on Tuesday at 7:30 a.m. for breakfast in the Main Dining Room and then transition to the Hunt Club Room for a formal meeting.

There is a business session on Tuesday at 9 a.m. in the Appalachian Room on Business Succession Planning for those who want specific details following the Monday presentation. Please register in advance with AHMI or Southmark Consulting to be included.

The Homestead is an AHMI member favorite with its panoramic view of the Appalachian Mountains, finely appointed rooms and suites, superb dining, a myriad of sporting activities and outdoor summer adventure.

It is ranked among the world's finest golf and spa resorts and is steeped in the rich and timeless tradition of Southern hospitality that treats all visitors with a gracious atmosphere.

The remaining rooms do not include the AHMI package because the hotel is near capacity. Please register today at www.thehomestead.com. Reservations for dinner are required in most Homestead's restaurants and should be made early!

Please visit the AHMI website www.appalachianwood.org and click on the Meetings tab to register online. If you have questions, please call the AHMI office at 336-885-8315.

We look forward to seeing you later this month at The Homestead.

2014 AHMI Summer Conference Agenda

Saturday, July 26

6 pm - Early arrivals reception in Tower Suite

Sunday, July 27

10 am *Optional Golf for early arrivals (contact the AHMI office for details)*

5-6 pm - Registration open for materials on Casino Lawn

6-7 pm - Reception at Casino Lawn
Dinner on your own

Monday, July 28

8:30 am - General Session in Mt. Vernon-Stafford Rooms

- Wood Chips in Central Appalachia
- NHLA Kiln Dried Certification
- Business Succession Planning
- AHMI Social Media Strategy

12:30 p.m. - Golf Tournament

1 pm - Sporting Clays Tournament

6-7:30 pm - Reception in Crystal Room
Dinner on your own

Tuesday, July 29

7:30 a.m. AHMI Board of Trustees breakfast in Dining Room & Meeting in Hunt Club Room

9 a.m. Business Succession Breakout in Appalachian Room

Have a safe trip home

Hardwood Federation Fly-In Is Sept. 8-10

Join the Hardwood Federation at the Annual Fly-in to Washington, D.C. on Sept. 8-10. Meet with your members of Congress to discuss the important federal issues that impact you and your business.

There is ample time to network with hardwood industry peers from around the country.

Please contact Dana Lee Cole at dana.cole@hardwoodfederation.com if you have questions. You can register online at www.hardwoodfederation.com.

AHMI Forestry Demonstrations Planned In WV

The 2014 Appalachian Hardwood Manufacturers, Inc.'s Forestry Division meeting and demonstrations will be held August 27 at the Wood Education Resource Center in Princeton, WV, beginning at 10 a.m.

The program will explain Geographic Information Systems (GIS) which combine maps, road and stream systems, and parcel boundaries with data such as name, address, acreage, and deed book. Along with other technologies like GPS and high-speed computer systems, GIS is a cost effective and responsible way to manage forestlands. There will be presentations by:

ForesTech Resource Solutions provides technical products and services for forestry and natural resource management;

Orbis Inc. is a leading provider of GIS and Remote Sensing services specializing in analysis, planning, design, development and implementation services for industries using GIS;

Landmark Forestry developers of Cruise Control Software which assists in timber cruising by allowing a forester to enter the data during a cruise and upload to a computer.

There will be an opportunity to use and train on equipment from each company on actual plots that afternoon.

The group will move to the Pipestem State Park for a reception at 6 p.m. and dinner at 7 p.m. The program continues with a presentation after dinner by Steve Prisley of the Center for Natural Resources Assessment and Decision Support of Virginia Tech's College of Natural Resources and Environment. The Center conducts translational research needed to develop and apply the next generation of analytical tools and data to assess the status and trends of renewable natural resources.

Participants will receive Continuing Forestry Education credits from the Society of American Foresters and certificates will be available at the meeting upon completion.

Meeting registration fee is \$85 and includes materials, lunch, reception, and dinner. Please complete the registration form and send to AHMI with your payment or register online at www.appalachianwood.org/meetings.htm before Aug. 15.

This meeting is open to all AHMI members and guest. Rooms are available at Pipestem Resort for Aug. 26 and Aug. 27 at \$99. To reserve a room, call Pipestem at (304) 466-1800. For more information, please contact AHMI at (336) 885-8315 or e mail to tom@appalachianwood.org.

AHMI Forestry Division & AHFRA Meeting - August 27, 2014
WERC in Princeton, WV and Pipestem State Park, Athens, WV
MEETING FEE: \$85 per person (incl. materials, lunch, reception, dinner)

NAME: _____ Fee: _____

NAME: _____ Fee: _____

COMPANY: _____

ADDRESS: _____

CITY: _____ ST _____ ZIP _____

CREDIT CARD PAYMENT (Visa or Mastercard only)

CARD NUMBER _____ EXPIRATION _____

3-DIGIT CODE _____ CARD BILLING ZIP CODE _____

PLEASE RESPOND BY AUG. 15. You may also send payment by check with registration to: AHMI, PO Box 427, High Point, NC 27261 or fax to 336.886.8865

AHEC Asia Convention Draws Large Crowd

The 2014 American Hardwood Export Council Asia Convention was held in June in Tianjin, China, a port city that is east of Beijing.

AHMI's Tom Inman participated and met with more than 300 timber importers and manufacturers. The annual convention focused on U.S. market conditions and the future of supply.

Speakers explained the sustainability and legality of the American hardwood resource, two promotions that are the center of AHMI's efforts. Presentations also included the rapid increase of American Hardwood exports to China and discussion of the National Hardwood Lumber Association's Kiln Dried Certification program.

There were more than 300 timber importers and manufacturers in attendance from central China. Tianjin has a population of 11 million people and is a port city on the east coast of China.

It is estimated by the Tianjin Furniture Manufacturers Association that more than two-thirds of the furniture produced in the area is made from solid wood materials. Most manufacturers rely on timber import/distribution companies to provide hardwood lumber and few are direct importers.

AHEC held a small trade show after the business sessions to allow the 40 U.S. companies to meet directly with attendees. AHMI and 14 member companies participated.



Tom Inman with AM Forest Product's Harry Bai

"This was a great show and I like the change in format to allow time to meet with these buyers," said Tom Inman. "The major importers from the region attended and reported that business may be slowing in China for the third quarter."

A list of Chinese manufacturers who visited the AHMI booth has been distributed to AHMI Export Division members. For more information, please contact Inman at tom@appalachinawood.org.

AHMI Schedule Of Trade Shows, Events

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

July 14-17: TN Teacher Workshop, University of Tennessee, Knoxville, TN

July 26-29: AHMI Summer Conference, The Homestead, Hot Springs, VA

Aug. 20-23: International Woodworking Fair, Atlanta, GA

Aug. 27: AHMI Forestry Division Demonstrations, Princeton, WV

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

Sept. 16-18: WCMA Tour, Lewisburg, PA

Sept. 22: PennYork Lumbermen's Club meeting, State College, PA

Sept. 23-25: Mid-Atlantic Forest Exports Conference, Portsmouth, VA

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.



APPALACHIAN Hardwood Manufacturers, Inc.



2014 Summer Family Conference

The Homestead, Hot Springs, VA July 26-29, 2014

To accurately plan the functions and make sure all participants are included on the Registration List, please complete this form and return it with your check or complete the credit card information below by **July 10, 2014** to AHMI, P.O. Box 427, High Point, NC 27261 or register online at www.appalachianwood.org/meetings.htm

MEETING REGISTRATION FEES:

AHMI MEMBER - \$245 per person

GUEST - \$345 per person

MEMBER SPOUSE - \$135

GUEST SPOUSE - \$235

CHILDREN 10 & older - \$75

CHILDREN UNDER 10 FREE!

Full registration will be refunded on cancellations received by July 11, 2014. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S SUMMER FAMILY CONFERENCE

Name: _____ FEE: \$ _____

Name: _____ FEE: \$ _____

Child: _____ FEE: \$ _____

Child: _____ FEE: \$ _____

Company: _____

Address: _____

City/State/Zip: _____

GOLF TOURNAMENT (Monday at 12:30 p.m. The Homestead Cascades Course)

Name: _____ FEE: \$225

Name: _____ FEE: \$225

SPORTING CLAYS TOURNAMENT (Monday at 1 p.m. The Homestead Shooting Club)

One round of 100 targets - Includes gun and ammunition

Name: _____ FEE: \$175

Name: _____ FEE: \$175

Payment information

Total _____

Check enclosed _____

Credit Card: VISA / MasterCard # _____

Expiration date _____

Name on card: _____

Billing zip code _____

You may also register online at www.appalachianwood.org/meetings.htm