



Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.

White Oak Initiative Under Development

LEXINGTON, KY – Forest products leaders and secondary manufacturers are developing a White Oak Initiative to assess supply and develop short- and long-term solutions.

At an April 4 meeting, forest landowners, hardwood lumber manufacturers, barrel stave makers, U.S. Forest Service staff, University of Kentucky faculty and association leaders met to discuss the status of White Oak in the central hardwood forest. Harvest of White Oak timber has increased in recent years as stave markets have boomed and demand for White Oak lumber has risen.

The conference was organized by the University of Kentucky School of Forestry and attracted more than 100 people. Each was asked to complete a survey about the monitoring of White Oak growth and drain, and how to address White Oak threats and opportunities.

The session began with an analysis of the White Oak hardwood resource in the region by Bill Luppold of the U.S. Forest Service. He explained that Forest Inventory Analysis data shows that growth of poletimber trees (5-10" diameter) is declining while timber 11" and larger is rising dramatically.

"As the central hardwood forest ages, poletimber size is simply not growing as fast," Luppold said. "White Oak and even Red Oak is not regenerating at the rate of other species and becoming a smaller portion of the forest resource."



Appalachian White Oak Lumber

He said that White Oak resources for the next 40 years will not be proportional to the White Oak resources of the past 40 years.

UK Forestry Professor and program moderator Jeff Stringer said maple and beech are dominating poletimber species in the central hardwood forest. He said in high quality sites, White Oak is in the overstory, virtually no poletimber diameter and limited in regeneration. In low quality sites, White Oak is common in all sizes.

"We must look at good forest management that develops all classes of diameter and proper regeneration and harvests," Stringer said.

He proposed the White Oak Initiative to understand the dynamic processes that drive White Oak growth and develop strategies for all sectors of ownership, processing and manufacturing. Appalachian Hardwood Manufacturers Inc. agreed to participate in the development of the Partnership and will keep members informed of its progress.

April 2017

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2 - April 2017 - Appalachian Sustainable

The way I see it...

By Tom Inman, AHMI President

...the mood for most Producers and Distributors of Appalachian Hardwood lumber is upbeat.

In the past two months, I have participated in meetings and trade events across the region and the report is good. Log supplies for most sawmills are average or above for Spring. Lumber supplies for mills and yards are where they want to be. AND lumber is moving.

The price for most species and grades is _____. You fill in the blank because that always brings a varied response. But folks are upbeat.

One area of concern for most this winter and going into the spring is wood waste. Wood chips and sawdust continue to be a problem for many. Supply outpaces demand.

Paper mills and other chip and dust consumers have placed many Producers on quotas and materials are backing up. Some report having to pay for materials to be hauled away.

The future for commercial pellet use is still positive as Europe has regulations in place requiring use. Mild winters and over production coupled with the low cost of natural gas hurts biomass fuel.

The North American Wood Fiber Review reports that in the U.S. South, the fiber sourcing trend is expected to increase the use of sawmill residues. Industry and forest residues increased from 33 percent to 47 percent of the total fiber furnished for the pellet industry, NAWFR said.

Let's just hope that continues to grow for heating and power generation which is another story. Biomass boilers/generators are producing more electricity than ever and utilities in some states are buying the additional kilowatts. Too much of that is below cost.

At a recent Kentucky meeting, folks complained about the lack of free markets for the sale of electricity produced beyond their own needs. These companies are lobbying with state regulatory agencies for help.

AHMI and other groups are reviewing new markets for these waste materials. We will send out any details as it develops.

AHMI Promotes Solid To Flooring Expo, Furniture Show In April

Appalachian Hardwood Manufacturers, Inc. will educate secondary manufacturers about the continued benefits of Solid Appalachian Hardwoods at two major events in April.

The association will be participating in the National Wood Flooring Expo in Phoenix on April 12-14 and the Spring High Point Furniture Market on April 21-26 in High Point, NC. These are two key markets for grade hardwoods and solid wood continues to battle engineered products and wood substitutes as low-cost alternatives.

AHMI will showcase its messaging on the sustainability of Appalachian Hardwoods with the volume of hardwood used in a dining room suite or to floor a home growing back in the forest in less than a minute. Manufacturers will also learn about the sequestration of carbon inside solid hardwood for its life cycle.

Research shows these issues are becoming more important to today's consumers who want to know what is in the products they are buying and where the materials are sourced. Solid Appalachian Hardwoods have a positive response to both.

For more information on either of these events or to participate in the exhibit space with us, please contact Tom Inman at the AHMI office at (336) 885-8315.



New members are the lifeblood of the association and AHMI has developed a package of materials to send to prospective members to show them the benefits of joining.

If you know of potential members in any category from Producers through Forestry, please contact AHMI at (336) 885-8315. We will send them materials and schedule a visit to their facility.

AHMI Summer Conf. Set July 23-25 At Biltmore

Appalachian Hardwood Manufacturers, Inc. invites you to join us at The Inn at Biltmore Estate for the **2017 Summer Conference on July 23-25** in Asheville, NC. This is our first visit to The Biltmore properties with exceptional rooms and views, dining and a wide array of activities for all.

AHMI members will have access to length-of-stay passes to The Biltmore House, the luxurious family home of George and Edith Vanderbilt. It is a marvel of elegance and charm, as magnificent today as it was more than a century ago. You will also have time to visit the Biltmore Winery, shops in Antler Hill Village or tour the grounds and gardens of the Estate.

Attendees will have a choice for accommodations: the luxurious Inn on Biltmore Estate that offers first-class service, exceptional views and luxurious appointments OR The Village Hotel at Biltmore with more casual rooms, self-service options and adjacent to the Village and Winery.

AHMI has developed informative business sessions on:

- ELD Mandates For Trucks Take Effect In December - Attorney Rob Moseley
- International Markets Mid-Summer Update
- AHEC Director Mike Snow
- US Senator / Rep. (*Invited*) Discusses Trade Issues
- AHMI Verified Sustainable Celebrates 10 Years - USFS Senior Researchers
- Tour of NC's First CLT Building - Veterans Administration building

AND we will come together for a Monday reception and dinner as a group at Lioncrest on site at Biltmore. This will be a special time to network and is included with your registration.

Please make your room reservations today by visiting:

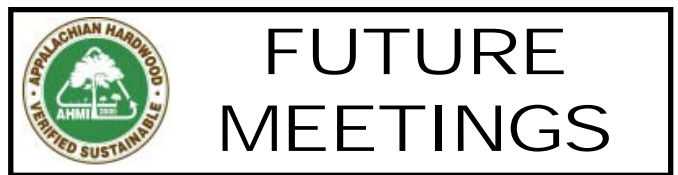
- The Inn on Biltmore <https://theinn.biltmore.com> GROUPCODE: 19L28T rates start at \$259
- The Village Hotel <https://villagehotel.biltmore.com/> GROUPCODE: 19L28S rates start at \$179
- OR Call group reservations (866) 779-6277.



Please remember the group room rate is not available for Friday or Saturday but is after the meeting if you want to stay.

Registration materials were mailed this week so please review and make your room reservations today. Please visit our website www.appalachianwood.org and click on "Meetings" for information and to register online.

Members of the Appalachian Lumbermen's Club have been invited to the Monday business session so there is opportunity to meet new buyers. For more information, please contact the AHMI office.



The **2017 Fall Meeting** will be in conjunction with the Hardwood Federation Fly-In on Sept. 12-14 in Washington, DC at the Marriott Marquis. There will be meetings planned with members of Congress and staff to explain industry positions.

The 2018 Annual Meeting will be Jan. 17-21 at the JW Marriott in Marco Island, FL. Please note the date change to late January.

The Marriott has had extensive renovations and additions and this promises to be an excellent venue and terrific meeting.

Reservations will be available soon for each of these events.

4 - April 2017 - Appalachian Sustainable

2017 Resource Guide Sent To Buyers

The 2017 Appalachian Hardwood Verified Sustainable & Legal Resource Guide was mailed recently to more than 7,000 hardwood lumber consumers and emailed to more than 15,000 international buyers.

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



If you need copies for your staff, please contact AHMI. The electronic version is available online at www.appalachianwood.org and follow the link for Resource Guide.

The data is also available on our mobile APP.

Members are reminded that 2017 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.

AHMI Sponsors Furniture Manufacturers Expo In June

Appalachian Hardwood Manufactures, Inc. will assist with the inaugural Home Furnishings Manufacturing Solutions Expo set for June 7-8, 2017, at the Georgia World Congress Center in Atlanta.

HFMSE will be the only trade show of its kind in the U.S. serving the \$150 billion home furnishings industry. The Expo will provide attendees with innovative and timely solutions for their home furnishings business including manufacturing equipment and innovative machinery, warehousing, technology, financial and logistics services.

AHMI Promotion & Trade Show Activities

Appalachian Hardwood Manufacturers, Inc. will attend / display at the following meetings and other events to promote member companies:

April 11-14: **NWFA Flooring Expo**, Phoenix, AZ
April 22-26: **High Point Furniture Market**, High Point, NC

April 28: **WVU Lumber Summit**, Morgantown, WV

May 4-7: **Appalachian Lumbermen's Club**, Myrtle Beach, SC

May 7-9: **KCMA Annual Meeting**, Ponte Vedra, FL

June 7-9: **Home Furnishings Manufacturers Expo**, Atlanta, GA

June 9-10: **PFFA Timber Show**, Rock Springs, PA

June 22-24: **AHEC China Convention**, Qingdao, China

July 22-25: **AHMI Summer Conference**, Biltmore Inn, Asheville, NC

Sept. 12-14: **AHMI & Hardwood Federation Fly-In**, Washington, DC

Sept. 19-21: **WPMA Annual Meeting & Tours**, Providence, RI

Sept. 25: **PennYork Lumbermen's Club**, State College, PA

Oct. 14-18: **High Point Furniture Market**, High Point, NC

Oct. 25-27: **NHLA Convention**, Nashville, TN

In addition to a large number of exhibitors, there will also be demonstrations throughout the day that will allow attendees to see equipment in action. Visit www.HFMSE.com for more details.

AHMI will have a booth at the Expo and encourages members to exhibit or join us in the booth. Tom Inman will present two seminars on Appalachian Hardwood Sustainability and Appalachian Hardwoods in Design.

For more information, please contact the AHMI office.

Farm Bill Rewrite Efforts Kick Into Gear

By Dana Lee Cole, HF Executive Director

The Farm Bill, the 5-year, comprehensive legislation that governs forestry to row crop and dairy price supports to nutrition programs to trade, expires in 2018. The process of crafting new authorizing legislation is well underway.

Several hearings have been held in the House Agriculture Committee, including one focused on forestry components. We expect hearings to be scheduled soon in the Senate. Chairman Pat Roberts' staff on the committee have signaled that the Chairman wants to have a bill crafted soon so we expect focus to turn to Farm Bill shortly.

For the hardwood industry, there are a few areas that are critical and where we target our lobbying activity. Foremost is trade with the Market Access (MAP) and Foreign Market Development (FMD) programs authorized and funded by the Farm Bill. These two programs have a successful, proven record of helping us open up markets for U.S. made hardwood forest products overseas. The American Hardwood Export Council derives its funding from these two programs.

While MAP and FMD enjoy broad support, they are not without detractors. The Heritage Foundation is a regular critic, arguing that these two programs smack of corporate welfare and crony capitalism. Every year legislation is introduced in Congress to eliminate or defund them.

The Hardwood Federation and other groups have successfully beaten back attempts to kill these programs, arguing that they represent an excellent return on investment and help U.S. producers keep up with considerable resources competing nations spend promoting their own exports.

Our lobbying efforts in support of MAP and FMD are two-pronged. Not only are we advocating reauthorization, but also mandatory funding which provides the highest level of certainty that programs will be sustained throughout the life of the 5-year Farm Bill. If a program is only authorized without having mandatory funds, it forces supporters into the unenviable position of having to work the Congressional appropriations process to seek funding. Given the unpredictability and dysfunction of the appropriations process over the last few Congressional sessions, this is an outcome we are trying to avoid.

On the forestry side, the Farm Bill offers woodland owners a number of incentives to keep their forests as forests. Programs include those

that offer landowners payments on an annual basis to encourage conservation activities on the land or one-time payments for specific projects or for a long-term easement.

Programs in the Farm Bill Forestry Title include the Environmental Quality Incentives Program known as EQIP and the Conservation Stewardship Program. A priority issue that will likely be addressed in the next Farm Bill is the growing crisis on our federally owned forestlands. Federal forest reform legislation will likely find its way into the Farm Bill.

Federal timber sales need to be executed more efficiently so that project work can keep up with the forest management needs of our increasingly overgrown federal forest tracts. This should be coupled with a fire borrowing fix that will end the current Forest Service practice of draining funds from every other budget line item to supplement its wildfire suppression budget.

Another area of focus is Energy Title to promote biomass energy and deployment of heating and power systems that rely on wood-based biomass fuel. An emerging issue for our industry is declining markets for our wood residuals at wood products manufacturing facilities. Warm winters and low fossil fuel prices have reduced demand for biomass heating fuels from mill residuals.

We are reviewing these biomass programs in the Farm Bill and discussing ways they may be altered to better address our needs going forward. One of these programs is the Community Wood Energy Program or CWEP which encourages schools, hospitals, community centers and other institutions in rural areas to convert to heating with highly efficient biomass thermal systems that rely on either wood pellets or wood chips. Right now the program is in place holder mode, with an authorization but no mandatory funding. A proposal is on the table which would seed this program with considerable mandatory money with the objective of accelerating deployment of biomass systems around the country.

The Hardwood Federation is leveraging our lobbying capacity with the Forests in the Farm Bill Coalition, a diverse group of landowners, industry and conservation groups that are advocating for a Farm Bill that will bring robust markets to rural America with the goal of keeping working forests working and the forest products value chain thriving.



AHMI Summer Conference | July 23-25, 2017

The Inn on Biltmore Estate, Asheville, NC

Registration

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 12, 2017 and mail to AHMI, P.O. Box 427, High Point, NC 27261.

MEETING REGISTRATION FEES *(includes dinner on Monday):*

- | | |
|--------------------------------|-------------------------------------|
| AHMI MEMBER - \$385 per person | GUEST - \$485 per person |
| AHMI MEMBER SPOUSE - \$265 | GUEST SPOUSE - \$365 |
| CHILDREN 10 & older - \$195 | MONDAY BUSINESS SESSION ONLY - \$45 |
| CHILDREN UNDER 10 FREE! | |

If you will not be attending dinner on Monday, please contact the AHMI office. Full registration will be refunded on cancellations received by July 10, 2017. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S SUMMER CONFERENCE

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

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

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

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

Company: _____

Address: _____

City/State/Zip: _____

BILTMORE HOUSE TICKETS *good daily for entire stay.* ____ **OF TICKETS @ \$46 each FEE: \$ _____**

AHMI GOLF TOURNAMENT *(Monday at 12:30 p.m. Broadmoor Golf Links includes lunch)*

Name: _____ **FEE: \$85** WILL YOU NEED SHUTTLE: YES ___ NO ___

Name: _____ **FEE: \$85** WILL YOU NEED SHUTTLE: YES ___ NO ___

SPORTING CLAYS TOURNAMENT *(Monday at 12:30 p.m. Biltmore Outdoor Adventure Center includes lunch)*

One round of 100 - Includes gun, ammo and targets

Name: _____ **FEE: \$160**

Name: _____ **FEE: \$160**

FLY FISHING *(Monday at 1 p.m. at Biltmore Outdoor Adventure Center)*

Name: _____ **FEE: \$185**

Total _____

Check enclosed _____

Credit Card: _____

Expiration date _____ Sec. Code _____

Name on card: _____

Billing zip code _____

You may also register online at www.appalachianwood.org/meetings.htm. Please make your room reservations at www.appalachianwood.org/meetings.htm and follow link to Biltmore Room Reservations