



Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.

AHMI Summer Conf. Set July 23-25 At Biltmore

HIGH POINT – 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 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 Rep. Discusses Biomass Legislation to Assist With Wood Waste
- 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.

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 accommo-



The Biltmore House

dations: 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.

Please make your room reservations today by visiting:

- The Inn on Biltmore <https://theinnbiltmore.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.

See Conference on page 2

June 2017

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The way I see it...

By Tom Inman, AHMI President

...there are two issues that I have heard from most sawmills in the past 60 days: log exports and what to do with chips and dust.

Log exports. That is a topic that brings a mixed response from AHMI members. The volume of logs sold to China in 2017 is rising. The actual number is not available but more buyers are here and more containers of logs are being shipped.

I have learned that most sawmills are either selling logs directly or indirectly to export. I am a free markets believer and know that every person or company should be allowed to sell to the markets available to them.

BUT I also understand the questions raised about log sales to countries where the U.S. sells lumber. If these markets can buy the logs and make the lumber for their use, then why do they need.....I am not going to finish the question.

Logs going into China have an 11% tariff. Lumber going into China has a 16-17% tariff. American lumber producers already compete in China with Chinese produced walnut lumber. What species is next?

One Chinese timber importer told me last week that Chinese factories are building rough mills to cut the logs and dry the lumber on site. The owners say they can make the exact dimension they want and use every aspect of the log.

These are factories that U.S. lumber producers have been selling KD lumber. I don't know the answer but it is a discussion we need to have.

Chips and dust. A close second in hot topics for sawmills is what can they do with the chips and dusts from lumber production. Paper mills are closing and pellet sales are down - even the charcoal markets have plenty of supply.

Sawmills are piling up dust and chips and some are forced to haul it away. This former profit center has become an expense for some.

AHMI is talking with industry leaders and academia about new markets for low grade materials. Hopefully these become reality soon.

BUT KEEP IN MIND, these two issues are connected. Some logs are more profitable now than the lumber, chips and dust combined.

Conference from Page 1----

Registration materials were mailed 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 on the Summer Conference, please contact the AHMI office.



AHMI Summer Conference July 23-25, 2017



AHMI welcomes the following new members:

Distributor

A-Bridge Corp.
Joe Merlin
PO Box 114
Loveland, OH 45140

Consumer

Savvy Rest
John Howard-Smith
4414 Ivy Commons
Charlottesville, VA 22903

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 Conference Agenda The Inn at Biltmore Estate, Asheville, NC

Sat., July 22 - All activities on your own
Biltmore House-length of stay tickets available and will be mailed in advance

Sunday, July 23

Biltmore House-length of stay tickets available and will be mailed in advance

3-5 pm - Meeting Registration at Inn on Biltmore Estate lobby

3 pm - AHMI Board of Trustees Meeting in Inn Hunt Room

6 -7 pm - Welcoming Reception at Inn on Biltmore Grand Terrace

Dinner on your own

Monday, July 24

8:30 am - General Session in The Inn Vanderbilt Ballroom

- **ELD Mandates For Trucks Take Effect In December**

- **International Markets Mid-Summer Update**
- **US Rep. Richard Hudson Discusses Biomass**

- **AHMI Verified Sustainable Marks 10 Years**
12:30 pm - Golf Tournament at Broadmoor Golf Links, Fletcher, NC

12:30 pm - Sporting Clays Tournament at the Biltmore Outdoor Adventure Center
1 p.m. Fly Fishing at Biltmore Outdoor Adventure Center

6-7 pm - Reception at Lioncrest Veranda

7 pm - **NEW** - Dinner at Lioncrest

Tuesday, July 25

9 am - Tours of CLT construction project in Asheville, NC



AHMI members (on left) John Crites and Roger Sherman from Allegheny Wood Products; Steve Hamer with Jim C. Hamer Co., Danny Werner with Northwest Hardwoods; join Tom Sheets of Blue Ridge Lumber (back right) in a meeting with U.S. Commerce officials

AHMI Members Discuss China Trade Impact

Five Appalachian Hardwood Manufacturers Inc. member companies recently discussed the impact of trade with China with officials from the U.S. Deptment of Commerce International Trade Administration.

The meeting was organized by U.S. Sen. Shelly Moore-Capito at the request of John Crites II of Allegheny Wood Products. Four ITA officials and staff from the West Virginia delegation and one Virginia representative participated.

AHMI members presented a packet of materials about the growth of hardwood lumber exports from the United States to China. It detailed the dramatic rise of exports in the past 10 years and the volume of grade lumber products sold in 2016 to the Chinese market.

Each company related stories about the importance of continued free trade with Chinese manufacturers.

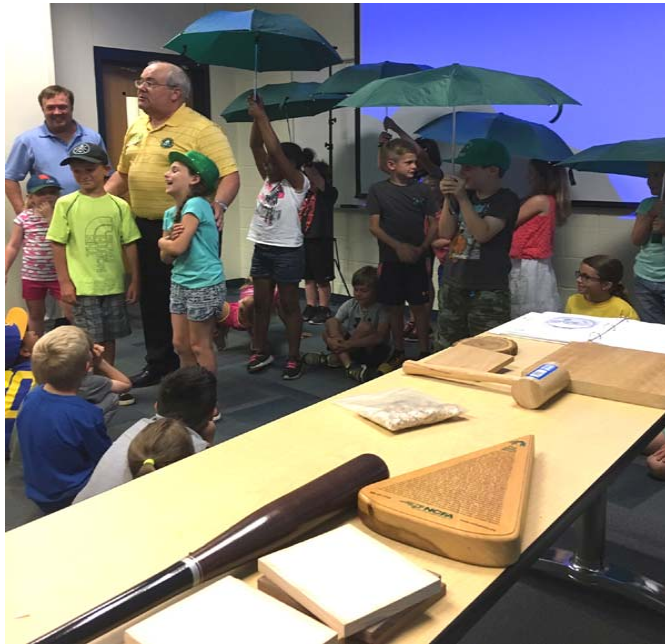
The Commerce Department officials shared information on current trade talks and ways the lumber industry can work with them to expand markets. The dialogue was positive and opened new contacts with the ITA.

Join Us On Twitter, Facebook

Appalachian Hardwood Manufacturers, Inc. invites you to follow us on Facebook and Twitter.

Our Facebook page is **Appalachian Hardwood** at <https://www.facebook.com/Appalachian-Hardwood-115082515210245/>

Our Twitter account is **Appalachian Hardwood** at <https://twitter.com/AppalachianHdwd>



Teaching Children About Trees

Ray Hunt of Hunt Lumber and Tom Inman of AHMI teach students at Rocky Creek Elementary School in Mooresville, NC, about the benefits of forestry. The students participated in the Forest For A Day skit from the AHMI Community Involvement Program.

SFI Takes Over Project Learning Tree

Tom Martin, President and CEO of the American Forest Foundation (AFF) announced recently that the sponsorship of the Project Learning Tree program will be transferred from AFF to the Sustainable Forestry Initiative (SFI). Pending successful legal and contractual arrangements, the formal transfer agreement is expected to be signed between AFF and SFI in July, 2017.

"PLT is aligned with SFI's mission, vision, and key objectives, and bringing the PLT program under SFI's umbrella will further SFI and PLT's reach in ensuring today's youth can be effective future leaders with a strong understanding of the value of responsibly managed forests, a commitment to sustainability, and the skills to make responsible decisions about the environment," Martin said. "PLT and SFI will also work together to engage youth in conservation activities and outdoor education."

AHMI & Hardwood Federation Meeting

The **2017 AHMI 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.

There are also plans for a Capital Tour after one of the evening receptions and a tour of the White House. Registration must be completed by mid-June to be included in the White House tour.

Please visit www.hardwoodfederation.com and follow the link for the Fly-In to register.

You can contact AHMI for more information.

AHMI Trade Show / Meeting Activities

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

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

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

June 26-27: **SylvaWood**, Shanghai, China

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

Sept. 12: **Appalachian Lumbermen's Club**, Concord, 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 Furn. Market**, High Point, NC

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

Nov. 14: **Appalachian Lumbermen's Club**, Johnson City, TN

The Problem For Hardwood Residuals

By Dana Lee Cole, HF Executive Director

One of the best parts of being the Executive Director of the Hardwood Federation is participating in the various hardwood events around the country. My purpose is usually to give some remarks about what the Federation is working on and how our efforts help support the Hardwood industry. However, the real value for me is to hear directly from industry leaders about what issues are most troubling to them. In 2017 one concern is clearly on the top of the list.

The issue of residuals from mills has evolved from a mild apprehension in 2016 to a significant worry in the spring of 2017, particularly after another fairly warm winter in the eastern part of the U.S.

Sawdust and bark residuals were a profit center for the many mills that were able to sell their waste to paper and pellet mills. Paper mill closings have reduced demand, as have the relatively low prices of oil and natural gas, driving customers away from wood based heating systems fed by pellets.

The Hardwood Federation is working on two legislative efforts to help drive up demand for these wood residuals and perhaps offer some incentives for increased use of these materials.

1. Biomass Thermal Utilization Act (BTU ACT): The BTU Act would qualify high efficient biomass heating systems for the same investment tax credits (30 percent of installed cost) that wind, solar, geothermal and other renewables get. The heating systems can be whole home units or commercial heating systems.

Biomass thermal was not included in the original act creating these investment tax credits because there was no one here at the table when these credits were being crafted. While this has been mainly a pellet industry issue in the past, due to the increasing concerns from the industry, it is time for us to be more active. Our hope is that if enacted, more of these pellet run systems will be installed, which in turn creates more demand for the biomass fuels which are made from residuals the hardwood industry generates.

The bill's provisions actually made it into a



tax deal last year, before the deal fell apart. But it was progress and it is currently part of the leadership conversation around renewable energy tax credits. We are very optimistic that we will be able to find the right vehicle to move this initiative forward.

2. Community Wood Energy Program (CWEP): This program, contained within the Farm Bill also has potential to address the problem of residuals. CWEP was created to provide grants to projects that install wood heating systems in hospitals, schools, community centers and entire towns.

Currently, the program has authorization, but no money for the actual grants...far from an ideal situation. We are advocating for reauthorization and meaningful mandatory funding of \$50 million to fulfill CWEP's objectives, which includes supporting "capital investments for advanced wood energy and combined heat and power in public and private facilities and to support other uses of low value, low quality wood, with a preference for projects that use byproducts of wildfire, forest health treatments and **wood product manufacturers**, projects in areas that need markets for low value, low quality wood, or have limited access to pipeline natural gas."

The Hardwood Federation is a member of the Forests in the Farm Bill Coalition, which has a good track record of getting provisions into the Farm Bill. The plan now is to go get CWEP funding introduced as stand-alone bill with the objective of having it folded into the Farm Bill as it comes together next year.

A couple of cold winters would also be tremendously helpful in reducing the piles of sawdust currently sitting in mill yards, but as we cannot control the weather, we are focusing on legislative initiatives that we can influence. We will keep you posted on our progress!



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