



Since 1928

The Standard

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Demand the Appalachian Standard

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Sustainable Message, 2007 Plans Draw Interest

The 2007 Appalachian Hardwood Manufacturers, Inc. Annual Meeting program is creating interest from members and non-members alike who are preparing for the new year.

"What Sustainable Means to your Customer and What Certified can mean to your Company" is the theme for the meeting set Feb. 22-25 at the Longboat Key Club and Resort in Longboat Key, FL. The program will detail the two leading certification programs in the United States and plans for AHMI and other hardwood groups in 2007.

"We hear from members and non-members weekly asking for more information on certified lumber and certification programs," said Tom Inman, AHMI president. "As we enter the new year, this is the perfect time to hear about these programs and what is planned from them and other groups."

Confirmed speakers for the Friday program are Bill Banzhaf, president of the Sustainable Forestry Board which administers the Sustainable Forestry Initiative (SFI), and Roger Dower, president of the Forest Stewardship Council - United States (FSC-US). They have been asked to provide detailed information about their plans for 2007.

SFI was adopted in 1994 by members of the

American Forest & Paper Association and its principles call on the U.S. forest products industry to practice a land stewardship ethic that integrates the reforestation, nurturing, and harvesting of trees for useful products with the conservation of soil, air, and water resources; wildlife and fish habitat; and forest aesthetics. As of April 2005, over 45 million acres of forest land in the United States had been independently third-party certified to the SFI Standard.

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The Forest Stewardship Council, FSC-US's mission is to promote, through certification, broad-scale improvements in forest management practices in the United States—practices that are: (1) environmentally responsible, (2) socially acceptable, and (3) economically viable. The FSC was created in 1993 and the US FSC national initiative began in 1996. As of April 2005, the FSC had certified

over 15 million acres of forest land in the United States.

The Friday program also includes American Hardwood Export Council consultant Rupert Oliver who will explain certification demands in Europe. The European market continues to see increased demand for certified lumber and products. AHEC Executive

(See Meeting on page 3)



Longboat Key Club is located on the Gulf of Mexico near Sarasota, FL

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phone: 336-885-8315 fax: 336-886-8865
e mail: info@appalachianwood.org
web: www.appalachianwood.org

APPALACHIAN Future Meetings

2007 Annual Meeting - Feb. 22-25

Long Boat Key Resort, Long Boat Key, FL

2007 Summer Family Conference July 22-24

The Greenbrier, White Sulphur Springs, WV

2007 Inter-Industry Meeting - Oct. 16-17

Location to be announced

The way I see it...

By Tom Inman, AHMI President

...Appalachian Hardwood Manufacturers, Inc. staff and members had a terrific year in 2006, completing each of its goals and more. For details, please read the 2006 Review included with this newsletter.

...interest in the 2007 AHMI Annual Meeting is rising rapidly. Certification and sustainability are moving to the forefront for an increasing number of Producer and Distributor members. Government and private industry building and remodeling contracts are beginning to require a portion of the hardwood lumber products be certified. How AHMI member companies can deal with that in 2007 is the focus of one-half of the Annual Meeting business program. The leaders of the Sustainable Forestry Initiative and the Forest Stewardship Council - United States will explain how their systems work. We will also hear from the American Hardwood Export Council about these issues in Europe and across the world. Where is AHMI in this? The policy of the Board of Trustees has always been to provide as much information as possible to members and allow each company to make its own decision.

...former AHMI President and now National Hardwood Lumber Association Executive Manager Mark Barford is settling into his new job. Mark was in High Point recently for the holidays and came by the office. He reports exciting days ahead for NHLA and will detail his plans at the 2007 AHMI Annual Meeting during the second business session. Mark previewed his remarks by noting an emphasis for NHLA in 2007 will be improved communications with members and their involvement in NHLA activities.

...forecasts for the U.S. wood products industry for 2007 and beyond are very positive. A survey conducted by *FDM* magazine of 400 business owners asked about current and future business. The overwhelming majority of respondents (85%) plan to expand their business in the next five years, 65% plan to change production methods and 55% are planning equipment purchases. The group also anticipates raw materials costs to rise in 2007.

As the resource supplier to these manufacturers, hardwood lumber producers should be optimistic about sales projections for the new year and beyond. The challenge before us is locating and securing these markets for Appalachian species.



MEMBERSHIP

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. welcomes the following new members to the association in December:

Consumer

Wellborn Cabinet Inc.
Gordon Kendrick
P.O. Box 1210
Ashland, AL 36251

Consumer

J.F. Rohrbaugh Co., Inc.
Steve Yelland
1030 Wilson Avenue
Hanover, PA 17331

Membership is the lifeblood of all associations. To assist AHMI in recruiting, please contact Tom Inman at (336) 885-8315 or send an email to tom@appalachianwood.org.

Susan Koontz Retires; Dinah Farrington Joins Administrative Staff

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. long-time office administrator Susan Koontz officially retired Dec. 31. She has served AHMI members for 23 years in full-time and part-time capacities.

"Susan has done an excellent job working with AHMI members and staff in the success of the association," said AHMI President Tom Inman. "She will be missed and we wish her well in her retirement."

Susan and her husband, Billy, plan to attend the 2007 Annual Meeting to bid farewell to AHMI.

AHMI is pleased to announce the hiring of Dinah Farrington as administrative assistant. She began on Dec. 1 and is the friendly voice you hear when contacting the office. She will be responsible for general office and bookkeeping duties.

A native of Avery County, NC, Dinah comes to AHMI with experience in office management and administration. She and her husband, Sonny, live in Thomasville, NC. "Dinah is learning AHMI member companies and names quickly and will be valuable to our mission for 2007," Inman said.

Meeting from page 1

Director Michael Snow will follow with reports from other international markets.

"Our program is gaining interest in the hardwood industry and we should have all of the answers for certification questions. This is a terrific opportunity for our members to hear it all in one place," Inman said.

The Saturday business session begins with separate meetings for Producers and Distributors at 8 a.m. The Producers' Only session will feature a roundtable discussion of sawmill issues. The Distributors Division meeting is open to all attendees and will feature Ken Arney, U.S. Forest Service Southern Region deputy regional forester. He will share information on U.S. Forest Service plans in the south.

The Saturday general session will begin with the Annual Report and remarks from AHMI Chairman John Crites. It will be followed by a presentation from National Hardwood Lumber Association Executive Manager Mark Barford who will discuss plans for NHLA.

"We are very pleased to have Mark return to our meeting and give us his thoughts about plans for NHLA in 2007 and beyond," Inman said. He will be followed by Jim Howard, NHLA president, who will share the leadership's initiatives for the new year.

The Saturday program also includes an update from The New Oak Partnership (NOP) on its progress in 2006 and plans for 2007. This will be presented by NOP Co-Chairman Ed Ramsey.

"Another strong morning program offers incentive for all AHMI members to attend the 2007 Annual Meeting," Inman said. "They will learn Saturday what AHMI, NHLA and New Oak are all planning for the new year and how they can participate."

Longboat Key Club is an outstanding resort which offers classically appointed rooms and suites with a large private balcony and views of the beach, lagoon or golf course. There are guest rooms, suites and one or two-bedroom condominiums available for AHMI meeting attendees.

"This property gives a host of choices for first-class accommodations for our convention," Inman

said. "They assure us that we can expect an experience that will inspire confidence, generate excitement and produce long-lasting results."

New for 2007 will be a special Ladies Tour and Shopping Trip on Friday. AHMI ladies have the opportunity to tour the John and Mable Ringling Home and Art Museum. He was one of the founders of the Ringling Brothers Circus and the home and museum represent the rich and famous of the "roarin 1920s."

The ladies will be taken to the St. Armands Circle shopping district to complete the day and return at 4 p.m. to prepare for the evening reception.

"This promises to be an extremely entertaining time for our ladies," Inman said. "A bus will meet them at the front of the resort and return to the same location so it will be easy to participate."

The weekend will include golf tournaments on Friday and Saturday at the club's signature courses, Islandside and Harborside. The championship courses will challenge all levels and adjoins the resort. The Friday round is the individual tournament and Saturday's round will be Captain's Choice.

A sporting clays tournament is set for Friday at the Sarasota Trap and Sporting Clays Club. The fee includes 100 rounds, ammunition, gun rental and cart charges.

A tennis tournament will be held Saturday at the resort's tennis club.

There will be receptions each evening at the resort's pool, Island House and harbor locations. Dinner each evening is available in the resort's four distinctive restaurants or off site in dozens of restaurants on the key or nearby Sarasota.

An invitation along with registration materials were mailed in early December to AHMI members and guests. The information is also available online at www.appalachianwood.org/meetings.htm.

Hotel reservations may be made with the Longboat Key Club at www.longboatkeyclub.com or telephone 1-800-237-8821.

Please see the Meeting Agenda on page 4 of this newsletter. A registration form is printed on page 6.

AHMI Membership Renewals Are Due Jan. 31

Appalachian Hardwood Manufacturers, Inc. has mailed membership renewal information for 2007. For the 15th consecutive year, AHMI dues have remained at the same level for all divisions.

Membership in the association assures the promotion of Appalachian hardwood lumber and products will continue around the world. Exciting plans

are developing for 2007 that will further benefit member companies, said AHMI President Tom Inman.

Membership renewals are due Jan. 31, 2007 for associate member categories: Distributor, Consumer, Forestry and Supplier. Producers are billed monthly. For more information, please contact Inman at the AHMI office at (336) 885-8315.

AHMI Meeting Sponsors

Appalachian Hardwood Manufacturers, Inc. would like to thank the following companies for their sponsorship of the 2007 Annual Meeting. Their contributions allow the association to keep registration fees low and provide outstanding programs.

The sponsors are:

Friday Reception - Lumbermen's Underwriting Alliance Insurance Co.

Business session speakers - Pennsylvania Lumbermen's Mutual Insurance Co.; USNR; American Hardwood Export Council; National Hardwood Lumber Association

Coffee breaks - Southmark Consulting and the Hardwood Federation

Golf tournament refreshment - SII Dry Kilns

Golf tournament prizes - Corley Manufacturing Inc. and USNR

Sporting clays tournament - ISK Biocides Inc.

Tennis Tournament - U*C Coatings Inc.

There are two sponsorship opportunities available:

Welcoming reception and Saturday reception

Please contact the AHMI office at (336) 885-8315 for more information on how your company can take advantage of these sponsorships.

Longboat Key Club reservations are available at 1-800-237-8821 or www.longboatkeyclub.com. A printable registration form is available online at www.appalachianwood.org/meetings.htm. The deadline for the AHMI room block is Jan. 22, 2007

Meeting attendees are encouraged to make dining reservations at your earliest convenience. Longboat Key Club offers four distinctive dining locations. Please be certain to make your dining and room reservations early. There are two dozen other recommended restaurants in the Sarasota, FL, area and details will be included with meeting materials mailed to registrants.

For more information, contact the AHMI office at (336) 885-8315 or email to tom@appalachianwood.org

2007 AHMI Annual Meeting Agenda

Wednesday, Feb. 21

6 p.m. Early Bird Reception *Chairman's Suite*

Thursday, Feb. 22

4-6 p.m. Registration *Lobby area*

6:30 p.m. Welcoming Social *Barefoots Poolside Dinner on your own*

Friday, Feb. 23

9 a.m. General Session *John Ringling Ballroom*
Certification - U.S.: What it means to AHMI members. Bill Banzhaf, president of the Sustainable Forestry Board (SFI) and Roger Dower, president Forest Stewardship Council - U.S.

Certification - International: Rupert Oliver and Michael Snow, American Hardwood Export Council, will present trends in Europe and across the world
AHMI Sustainability Statement: Tom Inman, AHMI President

9:30 a.m. Ladies Tour *Ringling Home & Art Museum, St. Armands Circle*

AHMI ladies are invited to tour the Ringling home to see how the rich lived and played during the 1920s. Bus leaves from resort and returns to St. Armands Circle for lunch and shopping. Back to the Longboat Key resort at 4 p.m.

12:30 p.m. Golf Tournament *Islandside Course*

12:30 p.m. Sporting Clays *Sarasota Trap and Sporting Clays*

6:30 p.m. Lumbermen's Underwriting Alliance Reception *Spike N Tees at Island House Dinner on your own*

Saturday, Feb. 24

8 a.m. Producers Meeting *Island House Dining Room (open to producers only)*

8 a.m. Distributors Session *John Ringling Ballroom (open to all meeting attendees)*

U.S. Forest Service activities in the Southeast - Ken Arney, deputy regional forester

9:15 a.m. General Session *John Ringling Ballroom*
Annual Meeting, Chairman's Report and 2007 Plan
Mark Barford, NHLA Executive Manager, and Jim Howard, NHLA President, The Future for the National Hardwood Lumber Association

Ed Ramsey, New Oak Partnership Co-Chairman, Progress Report and Plans

12:30 p.m. Golf Tournament *Harborside Course*
Consecutive Tee Times - Captain's Choice

2 p.m. Tennis Tournament *Longboat Key Club Courts*

6:30-8 p.m. Chairman's Reception *Barefoots Dinner on your own*

Sunday, Feb. 27

NO FORMAL BUSINESS - HAVE A SAFE TRIP

Summit Discusses China's Need For Wood

VANCOUVER, BC - China will continue to be the world's "engine of production" for a variety of wood products, and will also remain the largest exporter of finished wood products on the globe, according to reports from the International WOOD MARKETS Group's third annual China International Wood Products Summit.

More than 220 international and Chinese delegates attended the summit of various Chinese and international manufacturers and organizations. While the Chinese outlook is generally bullish, there are however, a number of looming potential constraints that could limit the continuation of China's spectacular growth rates.

Below are some of the key themes:

1. China's Imports to Soar - Chinese imports will continue to grow in light of an anticipated log shortage of 90-130 million m³ by 2010. Future supply from Russia was cited as uncertain given Russia's interest in processing more logs locally and reducing illegal log exports.

2. China's Rapid Industry Growth - The "old" Chinese industry - one of irrational growth and low technology - is quickly being replaced by the production of higher-value-added and/or engineered wood products featuring higher levels of technology and quality.

3. China's Domestic Market - While China's exports are huge, domestic wood products consumption is growing at 15%+ per year, a faster pace than

GDP. China's industry is massive, but an estimated 75%-85% of its output is consumed inside China to feed new property owners that have purchased apartments, and its growing middle class (those with an income of more than US\$10,000 per year).

4. China Exports Soaring - As the world already knows, China's wood products exports have been expanding at an exponential rate in virtually all products. Rising raw material costs, reduced value-added tax rebates, higher operating and transportation costs and a weakening U.S. market all hint that some of China's output may be directed into new export markets, new products, or back into its domestic market.

5. Critical Issues - A range of issues was discussed from rising costs, weaker markets and threats of tariff/non-tariff barriers to sustainable forest concerns. Also addressed at the conference were reduced value-added tax rebates, the impact of rising Russian log-export taxes, illegal log supplies, certified wood, investment opportunities in China and China's role as either a customer or a competitor, providing delegates with what to expect in 2007.

AHMI Resource Guide Deadline Is Feb. 28

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. will publish its annual Demand the Appalachian Standard Resource Guide in March 2007.

The book is the association's main promotional piece for Appalachian hardwood lumber and it lists company and contact information for all AHMI members.

A mailing to members about participation will be sent in mid-January. The deadline for all materials to be included is Feb. 28. Materials may be mailed or sent in electronically to AHMI, P.O. Box 427, High Point, NC 27261 or tom@appalachianwood.org.

More than 8,000 copies will be published and distributed to wood consumers around the world. The listing pages are also posted on AHMI's website. For more information, please contact the AHMI office immediately at (336) 885-8315.

Hardwood Review Offers Forecast

The Hardwood Publishing Company's *Annual Forecast 2007*, from the producers of the *Weekly Hardwood Review*, *Hardwood Review Global* and the *Hardwood Leader*, will be available on Feb. 1.

Annual Forecast 2007 includes detailed forecasts of business conditions for sawmills and all major hardwood market sectors, including the kitchen cabinet industry, distribution yards, the flooring industry, the furniture industry, low-grade markets, the moulding and millwork industry, the wood component industry, and international markets. The report is designed to help buyers and sellers of hardwood lumber—as well as service and equipment providers, bankers, accountants and other industry stakeholders—understand the opportunities and challenges the hardwood industry and its customers will face in 2007 and beyond, so they can strategically plan for the future.

Annual Forecast 2007 will be distributed at no charge to subscribers of the *Weekly Hardwood Review* and the *Hardwood Leader*. The publication is available to non-subscribers at a cost of \$200. To order, contact Kim Young at 800-638-7206 or kim@hardwoodreview.com.

APPALACHIAN

Hardwood Manufacturers, Inc.

2007 Annual Meeting Feb. 22-25, Longboat Key Club, Longboat Key, FL

To reserve your room at Longboat Key Club, call 1-800-237-8821.

The cut-off date for AHMI's room block is Jan. 22, 2007.

Rooms & suites are available with "Beachview Club Suite" recommended.

AHMI will mail registration materials to meeting attendees prior to Feb. 15. To accurately plan functions and include all participants on the Registration List, please complete this form and return it with your check to: AHMI, P.O. Box 427, High Point, NC 27261 before Jan. 26, 2007.

Registration before Jan. 26, 2007:

AHMI MEMBER - \$350 per person

GUEST - \$450 per person

MEMBER SPOUSE - \$200

GUEST SPOUSE - \$250

Add \$50 to any registration fee after Jan. 26, 2007

Register online at our website www.appalachianwood.org.

Full registration fee refunded on cancellations received by Jan. 26, 2007. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S 2007 ANNUAL MEETING

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

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

Company: _____

Address: _____

City/State/Zip: _____

REGISTER FOR GOLF (Tournament on Friday at Islandside; Captain's Choice Saturday at Harbourside)

Name: _____ Hdcp _____ FEE: _____
Please check: Friday @ (\$165) Saturday at (\$165)

Name: _____ Hdcp _____ FEE: _____
Please check: Friday @ (\$165) Saturday at (\$165)

REGISTER FOR SPORTING CLAYS (Friday 12:30 p.m. Sarasota Trap and Clay) (100-shots, ammunition, gun rental and cart included)

Name: _____ FEE: \$75

Name: _____ FEE: \$75

REGISTER FOR TENNIS (Saturday at 2 p.m. Longboat Key Club Courts)

Name: _____ FEE: \$25

Name: _____ FEE: \$25



REGISTER FOR LADIES RINGLING HOUSE TOUR & SHOPPING (Friday 9:30 a.m.-3:30 p.m.)

Name: _____ FEE: \$40

Check # _____ Received _____

TOTAL \$ _____



APPALACHIAN

Hardwood Manufacturers Inc.

The following is a review of the 2006 accomplishments of Appalachian Hardwood Manufacturers Inc.

2006 Review

PROMOTION - Domestic

- Administered The New Oak Partnership (NOP) campaign to educate designers and architects about the beauty, sustainability and versatility of Red Oak and White Oak. The campaign has been four-pronged: direct mail, interactive internet, college student design and cooperative marketing. AHMI oversees the campaign with a Steering Committee of NOP members.
- AHMI and NOP completed one online consumer focus group asking for preferences for New Oak colors and styles in the home. The survey determined where styles and colors were favored. The data is used to educate manufacturers about consumer demands.
- AHMI used focus group research to assist its Oak promotion by displaying Oak panels to more than 40 consumers and receiving input on preferences. The data is used to educate manufacturers about consumer demands.
- Published 2006 AHMI Resource Guide with member information listings and advertisements. This piece delivered to 7,000 wood consumers.
- Participated in Spring and Fall International Home Furnishings Markets in High Point, NC. Staff visits to AHMI member companies showing at market and prospective members.
- Administered the annual Wood Species and Design Survey at the Fall International Home Furnishings market. Results of survey were distributed to media and furniture designers.
- Sponsor of the American Society of Furniture Designers Pinnacle Award for Juvenile Furniture Design. Award presented at ASFD annual banquet.
- Distributed thousands of promotional brochures and wood sample kits to wood consumers, individuals, schools and civic groups.
- Participant in state, regional and national association meetings and trade shows including:
 - Appalachian Lumberman's Club, Hickory, NC
 - Penn-York Lumberman's Club
 - Indiana Hardwood Lumbermen's Association, Indianapolis, IN
 - Surfaces Show, Las Vegas, NV
 - Carolinas Woodworking Expo, Greensboro, NC
 - Hardwood Manufacturers Association, Charleston, SC
 - National Wood Flooring Association, Baltimore, MD
 - Kentucky Forest Industries Association, Lexington, KY
 - Hardwood Plywood Veneer Association, Myrtle Beach, SC
 - International Woodworking Fair, Atlanta, GA
 - NHLA Convention, San Antonio, TX
 - American Society of Furniture Designers, High Point, NC
- Financial support of the Hardwood Federation, Hardwood Council, the Wood Promotion Network and the U.S. Green Building Council in development of Leadership in Energy and Environmental Design standards.

PROMOTION - Export

- Member of the American Hardwood Export Council. AHMI staff participated in seminars and tours at:
Hong Kong, Vietnam, Mexico, England, and Amsterdam
- Distributed trade leads to Export Division members.

EDUCATION

- Assisted Hardwood Federation in legislative programs to U.S. Congress.
- Assisted member companies in Community Involvement Program presentations as requested. Completed programs at Virginia Tech, High Point University and North Carolina State University.
- Co-sponsor teacher education workshop in Tennessee.
- Scholarships presented to West Virginia University and Virginia Tech students in forestry programs.



FORESTRY

- Development of the Appalachian Hardwood Forest Research Alliance to partner with foresters in developing and completing forest research projects. AHMI oversees project to store existing research and design future projects to assist Appalachian hardwood foresters.
- Advocate for active management of our Eastern hardwood forests through letter writing, visits with decision makers, and participation in pro-forestry groups.
- Staff was active with the Society of American Foresters and on the board of the North Carolina Forestry Association.
- Staff presentations to the Society of American Foresters, North Carolina Forestry Association, Pennsylvania Division of Forestry, and the U.S. Forest Service.

MEETINGS

2006 Annual Meeting - The Registry, Naples, FL

2006 Summer Family Conference - The Homestead, Hot Springs, VA

2006 Inter-Industry Meeting - The Holiday Inn Conference Center, Staunton, VA