

Appalachian Hardwood Sustainable & Legal

Monthly newsletter of
Appalachian Hardwood Manufacturers, Inc.

April 2018



1928 - 2018

Certified Appalachian Builds Sourcing Base

The first Appalachian Hardwood Manufacturers, Inc. members have successfully completed the requirements of Certified Appalachian Hardwood and received certificates and other materials.

The Certified Appalachian program was developed in 2017 to provide a third-party audit to standards approved by the AHMI Trustees in January. Member companies are able to certify the legality and sustainability of their logs, lumber and hardwood products.

The program is the next phase of the successful Appalachian Hardwood Verified Sustainable and Legal campaigns that began in 2007. These verify member companies are adhering to voluntary standards adopted by the AHMI Board.

The Verified programs are still in place for members that have customers needing that level of green marketing.

The Certified Appalachian requires that logs and lumber:

1) originate in the AHMI region (344 counties in 12 states)



The 2018 AHMI Resource Guide promotes Certified Appalachian and has been mailed to 7,500 lumber buyers in the U.S. and electronically to more than 12,500 buyers around the world

2) are sustainably managed and harvested based on USFS Forest Inventory Analysis

3) are legally purchased with new procurement forms for landowners/loggers/suppliers to sign and return

4) AHMI members must be a legal entity and adhere to the laws of their state and country.

AHMI members will be Certified Appalachian for Sustainable and/or Legal and audited every two years. AHMI has contracted with a North Carolina firm, Auditech & Associates, to perform the audits.

The association is marketing the program to furniture, cabinet, and flooring companies as well as designers and architects. The ability to search for Certified members is listed on the revised website.

Details and enrollment forms have been mailed to AHMI members. Please contact the AHMI office.



The way I see it...

By Tom Inman, AHMI President

...the pressure on logs has eased slightly as spring weather is cooperating with loggers around the region. Recent reports from AHMI sawmills and log buyers show that log supplies are increasing and mills returning to longer hours.

The demand for logs is strong with good markets for lumber. Export log buyers continue their quest for round wood to ship.

At the recent Hardwood Manufacturers Association National Conference, Dan Meyer of the Weekly Hardwood Review reported on the magazine's survey of sawmills about log sales and exports. The preliminary report is a growing number of sawmills are directly or indirectly selling logs - no surprise there.

They have learned that sawmills and the U.S. International Trade Commission data have a wide variance in log pricing. He said that 2017 ITC data lists White Oak logs selling on average for \$2,038 per thousand while the WHR survey found White Oak logs at \$1,446 - a substantial difference.

There are no easy solutions to the log supply issue. The market usually takes care of the increase in demand with higher pricing.

...I know that Buck Vaughn will be missed by his family, friends and hardwood lumber industry. I often referred to him as "Mr. Appalachian" because he was always focused on promoting the lumber and products from our region.

Buck was an active AHMI member for more than four decades and was President in 1998-99. He called the AHMI office almost daily during his presidency to check in. We often said the 9:02 a.m. telephone ring was "the Buck call" but he offered great suggestions and kept up with progress on AHMI activities.

Ironically at the end of his memorial service last week, an alarm could be heard in the church as we were leaving. A man a few rows behind me said "that's got to be Buck calling."

I'd say he was right. One more "Buck call" just to remind us.

AHMI Mourns The Passing Of Emmet "Buck" Vaughn

AHMI is sad to report the recent death of Emmet Pryor "Buck" Vaughn on Saturday, March 24 at his home.

Buck was Chairman of AHMI in 1998-99 and served many years as the Promotion Committee chairman and on the Board of Trustees. He was instrumental in developing the President's Council in the 1980s with leaders of U.S. furniture companies.

The programs included both oak and poplar promotions and Buck helped develop marketing pieces on character-marked grades for furniture.

His efforts continued with the AHMI Height of Beauty and Demand the Appalachian Standard campaigns. He was often considered to be "Mr. Appalachian" when it came to promotion.

Buck was a graduate of Tennessee Military Academy and The University of Tennessee and served in the U.S. Army as an officer with the 82 Airborne Paratroopers.



After leaving the military, he was a sales manager with US Plywood Company in Columbia, SC but returned to Knoxville to lead Emmet Vaughn Lumber Co. which his parents started in 1956. Buck was CEO & Chairman of the Board of the company until it closed in August 2016. He served on the Board of Directors of the National Hardwood Lumber Association.

He was preceded in death by his parents and survived by his wife, Linda Chapman Vaughn, daughters: Suzanne Vaughn Laine and Melissa Preston Vaughn, step-son Lee Gardner & wife Courtney, and grandchildren.

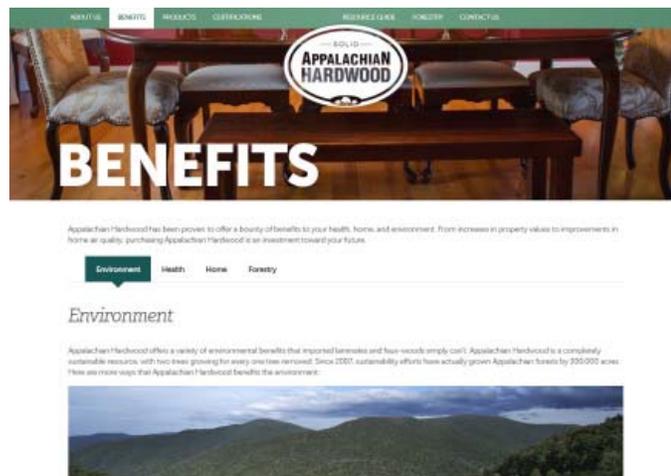
In lieu of flowers, the family respectfully requests donations be made to The Boys & Girls Clubs of the Tennessee Valley, Helen Ross McNabb Foundation, InterFaith Health Clinic, Second Harvest Food Bank, or St. Jude Children's Hospital.

AHMI Merges Sites To appalachianhardwood.org

Appalachian Hardwood Manufacturers, Inc. has completed the merger of its consumer and member websites into one location, appalachianhardwood.org.

Since 2015, this web domain has targeted "consumers" with information on the health and environmental benefits of Solid Appalachian Hardwood. The goal was education on these benefits and more and encourage buyers to specify Solid Appalachian Hardwood for wood products in their homes.

The site introduced a video comparing solid hardwood to imported laminates and substitute products. The website and video have been viewed



thousands of times by consumers around the world and generated emails to AHMI about hardwood sourcing.

AHMI had two other websites for member information and for the Verified Sustainable and Legal programs. Each was specific for the audience of these association activities.

"We had been receiving more requests from visitors who wanted details that were on the other websites," said Tom Inman, AHMI President. "The time was right to put the three websites together so all can access everything we have to offer."

The AHMI Board approved merging the consumer and member sites in January. Staff and Prototype Advertising completed the merger last week



and the redesign offers one stop for consumer information, details about Appalachian species, contacts for AHMI member companies, the association, meetings, and more.

There is also a new search function where lumber buyers can find companies by name, location, species available and other details. The Consumer Division is on the search for consumers seeking furniture, flooring, cabinets and components.

The Certified Appalachian and Verified Sustainable and Legal programs are marketed in the website. Consumers can learn more and member companies can download applications for each program.

All domain names will point to the same location, www.appalachianhardwood.org, in the next week. If you have questions or need more information, please contact the AHMI office.



A Win For National Forest Management

By Dana Lee Cole

Hardwood Federation Executive Director

Federal Forestry is an integral part of the survival of the hardwood industry and has been a top priority for the Hardwood Federation. The national forest system, once a consistent source of fiber for the industry, has reduced timber harvests sales from 10-12 billion board feet (bbf) each year from the 1950s through the mid-1990s, to as low as 2 bbf. Although output has increased in the past few years, harvest levels are still less than the 6.2 bbf called for in National Forest Plans.

Increasing numbers and intensity of forest fires have drained resources from timber harvest, wildlife management and recreational programs, consuming over 50% of the Federal Forest Service's budget each year. After many Congressional sessions of chipping away at the issue and supporting multiple bills and initiatives, it seems that real action is finally being taken in the FY2018 Omnibus Spending Bill passed by Congress and signed by the President in the first days of spring.

In late March, the U.S. House passed an FY 2018 \$1.3 trillion omnibus spending package. The Senate soon followed. The Hardwood Federation actively joined our industry allies to advocate inclusion of measures to address forest management and fire funding in the final bill language. After years of hard work by all, the measures were maintained and signed into law.

The cost and scope of this spending bill is the subject of much debate. And depending on priorities, there is cause for celebration or lamentation. However, in terms of management of federal lands, we are pleased and are finally chalking up a win after several years of frustration. The forestry reforms included in the Omnibus are:

Fire Borrowing

- The package establishes a fund of more than \$2 billion a year, which will increase over a 10-year period. The fund may be accessed by the Forest Service when wildfire suppression costs exceed the 10-year average cost of wildfires, which are frozen at the 2015 level. Specifically, disaster lev-

els ramp up from \$2.25 billion in FY 2020 to \$2.95 billion in FY 2027

- The provision does not take effect until 2020 so current law will be in effect through 2019.

Forest Management

- A new categorical exclusion from the National Environmental Policy Act (NEPA) is established for hazardous fuels reduction on areas up to 3,000 acres. The deal also opens the way to more 20-year stewardship contracts, in which the Forest Service collaborates with states on management projects. These new deals will give preference to contractors that promote innovative use of wood, including cross laminated timber.

- A simplified process for repairing and rebuilding access roads in some areas.

- The agreement also includes language to limit the effect of the 9th U.S. Circuit Court of Appeals' 2015 ruling in *Cottonwood Environmental Law Center v. Forest Service*. That case forced the Forest Service to consult more closely with the Fish and Wildlife Service on forest projects that might affect endangered species.

While these provisions are not perfect and do not represent everything that the forest products industry would want in a reform measure, the final package is a product of negotiation and compromise and we feel that this package represents considerable progress. The Hardwood Federation members and your team here in Washington worked hard on this issue, which has become a national crisis over the last couple of years. Our industry was particularly effective in helping frame the issue as one that goes well beyond forest fires in the West and drawing attention to the threats of disease and insect infestation on overstocked forests in the Lake States and eastern portions of the country.

As with most things in Washington, D.C., this is not the end of the fight...rather it is a win for the day. We will continue to work on behalf of the industry for future improvements to the federal lands that will benefit both the health of the forests as well as the health of our industry.

Survey Asks For Log Grade Info From Mills

Appalachian Hardwood Manufacturers Inc. and the Appalachian Hardwood Center at West Virginia University have mailed a survey to sawmills about log grades and scaling.

It is designed to learn how mills currently grade and scale logs and will be used to develop a grading system for logs in the Appalachian region. The AHMI Trustees approved the proposal in January so standards can be implemented by loggers, brokers and sawmills.

AHMI will partner with AHC to enlist a Rules Committee, develop the specifics and educate the hardwood industry. The Log Grading Rules should be in place by late summer.

The system would be based on current industry practices and use species, diameter, and clear faces and assume the sawmill objective is to maximize the proportion of higher grade (select & better lumber) which is a significant departure from the USFS log grading system which focuses on Common and Better yields.

There are also plans to develop a core of national log inspectors for dispute resolution and training. Please complete the two-page survey and return by April 30 for a drawing for a \$250 gift card.

If you did not receive a survey and would like to participate, contact the AHMI office.

2018 Resource Guide Mailed

The 2018 Appalachian Hardwood Resource Guide is out to thousands of hardwood lumber consumers and emailed to more than 15,000 international buyers.

If you need copies for your staff, please contact AHMI. The electronic version is available online at www.appalachianhardwood.org and follow the link for Resource Guide. There are separate listings for each AHMI membership division as well as the entire Guide.

The data is also available on our mobile APP.

AHMI Trade Show / Meeting Activities

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

- April 11-14: **NWFA Flooring Expo**, Tampa, FL
- April 14-18: **High Point Furniture Market**, High Point, NC
- April 17: **India Trade Mission**, High Point, NC
- May 3-6: **Appalachian Lumbermen's Club**, Myrtle Beach, SC
- May 18-19: **Expo Richmond**, Richmond, VA
- May 24-25: **North Carolina Ag Export Conference**, Greensboro, NC
- June 21-22: **AHEC Asia Convention**, Xi'An Shaanxi, China
- June 25-27: **Sylva Wood**, Shanghai, China
- July 29-31: **AHMI Summer Conference**, The Homestead, Hot Springs, VA
- Aug. 22-25: **International Woodworking Fair**, Atlanta, GA
- Sept. 11-12: **Hardwood Federation Fly In**, Washington, DC
- Sept. 11: **Appalachian Lumbermen's Club**, Concord, NC
- Sept. 24: **Penn York Club Meeting**, State College, PA
- Sept. 25: **Pennsylvania Forest Products Association Meeting**, State College, PA
- Oct. 2-4: **NHLA Convention**, Toronto, Canada
- Oct. 13-17: **High Point Furniture Market**, High Point, NC
- Oct. 15-16: **AHMI Fall Meeting at the Furniture Market**, High Point, NC
- Oct. 15: **ASFD Pinnacle Awards**, High Point, NC
- Oct. 18-19: **Wood Pro Expo**, Lancaster, PA
- Nov. 13: **Appalachian Lumbermen's Club Meeting**, Johnson City, TN

For more information or to participate in these events, please contact the AHMI office.

CLT, Market Updates Set For Summer Conference

Appalachian Hardwood Manufacturers, Inc. members and guests will learn about development of Cross Laminated Timber products and other Hardwood Markets at the **2018 AHMI Summer Conference on July 29-31** at The Homestead in Hot Springs, VA.

The business program has been finalized and will include:

- Cross Laminated Timber's Future - LignaTerra and Argent Timber representative. The NC-based company will build its first plant in Maine but others are considered in the region;

- Hardwood Markets Update - David Caldwell, HMR, will discuss current hardwood market trends and also analyze the history of AHMI & HMR;

- Forest Products & The Lacey Act Mark 10 Years - Grace Terpstra, Terpstra & Associates, will present a new promotion detailing the benefits to the U.S. forest products industry after a decade of inclusion in the Lacey Act;

- Certified Appalachian in the Marketplace - Tom Inman, AHMI, will explain the latest promotion of this initiative;

There will be golf and sporting clays tournaments and time for networking with members and guests. The resort celebrates its 252nd year in 2018 as AHMI marks 90 years. There will be a special AHMI anniversary celebration during the meeting with invitations to past presidents/

AHMI returns to The Homestead in Hot Springs, VA, for the 2018 Summer Conference on July 29-31



chairmen to return.

The Omni Homestead Resort touts itself as America's first resort. It has more than 2,000 acres of scenic Virginia landscape and provides timeless comforts and an exciting array of activities.

Two major hot springs flow onto the property, featuring a full-service spa and the opportunity to take in the mineral waters. The 2-acre water park features two water slides, a lazy river, a water play zone and a sandy beach for the kids, along with a cozy whirlpool and private cabanas.

Please make your room reservations today by visiting <https://www.omnihotels.com/hotels/homestead-virginia/meetings/appalachian-hardwood-manufacturers-inc> OR call (800) 838-1766.

Registration materials will be mailed later this month so please review and make your room reservations early.



FUTURE MEETINGS

The **2018 Fall Meeting** will be in conjunction with the High Point Furniture Market on Oct. 15-16 in High Point, NC. Members are invited to take advantage of individual meetings with furniture manufacturers and then attend a luncheon with furniture designers on Oct. 16.

The market attracts more than 1,200 furniture manufacturers from around the world. The meeting is set for days when suppliers are encouraged to attend.

The hotel room block is being finalized and

AHMI will have more information available soon.

The **2019 Annual Meeting** will be Feb. 20-24 at the W Hotel in Fort Lauderdale, FL. AHMI returns to its normal meeting schedule next year.

The W Hotel recently completed a dramatic \$55 million renovation and blends beachside calm with insider cool. Located just steps from the Fort Lauderdale beach and near the best of the city, the resort has a glamorous rooftop pool and award-winning STEAK 954 restaurant.

Please mark your calendar for both events.