



Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.

Export Banking, Solid Wood Furniture Tops Agenda

Appalachian Hardwood Manufacturers, Inc. will begin celebrating our 90th Anniversary at the 2018 Annual Meeting on Jan. 17-21 at the JW Marriott, Marco Island, FL.

The conference will include a look back at our history and then forward with new programs to help exporters and new designs in solid hardwood. The program is finalized and offers information that will be valuable to sawmills, distribution yards, secondary manufacturers and foresters.

The business sessions are:

ExIm Bank In 2018 - EXIM Bank's export credit insurance provides business with the confidence necessary to enter new foreign markets, gain new customers and boost sales. Director Sharyn Koenig will discuss new programs for 2018 which include broker/lender assistance and a revamped export promotion program.

Solid Hardwood Furniture Design - American Society of Furniture Designers President Catina Roscoe will discuss the growing emphasis on solid hardwood furniture. Her firm, Catina Unlimited Design, was a finalist for the prestigious Pinnacle Award at the High Point Market.

Log Grading System - As log exports rise, the Hardwood Research Center at West Virginia University has developed a log grading system to help sellers and buyers better understand the material. HRC's Curt Hassler will explain the pro-

posed initiative.

Certified Appalachian - AHMI will introduce its certification program for hardwood logs and lumber from the region. The brand has tremendous value around the world and this audited program will certify origin and sustainability.

90th Anniversary of AHMI - The association marks 90 years in 2018 and we will look back at the successes and people.

Elect Officers and Trustees - New officers and trustees will be elected for 2018-19.

There will be golf tournaments at The Rookery and Hammock Bay Golf Courses. Both have more than 7,100 yards in length with fast greens and pristine turf conditions.

There will a fishing tournament on Friday in the Gulf of Mexico. GoFishMarco will take teams out to try their luck and a chance at prizes.

AHMI will plan the Fun on the Beach for Saturday afternoon to relax and enjoy the beautiful beach at Marco. Each evening we have scheduled outdoor receptions to watch the sunset!

This is the third visit to Marco Island for AHMI and the first since the property became a JW Marriott in 2016. It is set on three miles of private white sand beach on the Gulf of Mexico.

The resort is completing a \$320 million renovation, providing guests with luxurious accommo-

(See Meeting on page 2)



November 2017

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The way I see it...

By Tom Inman, AHMI President

...log exports were a key conversation item at the National Hardwood Lumber Association Convention recently in Nashville. While not on the agenda, many attendees were talking about it.

There is a divide taking place. Sawmillers have sold veneer logs for years and now have new markets for saw logs. They want to continue to have this profit center.

Distribution companies question if timber importers will continue to buy their products. Secondary manufacturers wonder if lumber will be readily available as more logs are exported.

Are log exports driving up the cost of logs? What is the affect on lumber prices?

In the past five years, there has been a transition of log shipments away from traditional markets in Canada and Europe and more going to China. The American Hardwood Export Council reports the volume of log exports is steady for the past 10 years - it's the destination.

And THAT, my friends, is what is causing the concern. Those opposed to log exports want a ban or at least a substantial tariff. Landowners, log brokers and many sawmills want the free market to determine who buys the logs.

It is becoming a passionate debate. The Hardwood Federation discussed it at the September meeting and had a trade lawyer explain government regulations.

There is no easy solution. All sides see it from their point of view and the dialogue continues.

...AHMI has a new assistant, Wendy Bowman. She comes to us from a local church where she served as administrative assistant for the past eight years.

Wendy replaces Julie Dobson who left for a position with an area agency. Wendy is very knowledgeable in office systems and working with members of a non-profit organization.

Please introduce yourself on your next call to the office and welcome her to AHMI. The admin email address and telephone remains the same. You will have the opportunity to meet her at the Annual Meeting.



**Newly renovated JW Marriott Marco Island, FL
The AHMI Annual Meeting is early on Jan. 17-21
to take advantage of availability and rates.**

Meeting from page 1

dations, 10 restaurants, the Spa by JW® and two 18-hole championship golf courses.

The resort has three pools and a wide beachfront. There are endless opportunities for relaxation and fun with kayaks, wave runners, sailboats and other activities.

The Ladies are invited to a Brunch on Friday, Jan. 19 at the home of Mrs. Pat Crites. She has hosted this for several years and is a special time for the ladies.

There will be a beach buffet on Saturday evening as we join together for dinner and mark the changing of leadership for the Board of Trustees. Please bring your casual beach attire for this fun time. We had a similar dinner at the 2017 Summer Conference for the group and it was a great success.

The agenda and more information about the resort are available on page 6 of this newsletter. Make room reservations today at (239) 394-2511 and ask for the Appalachian Hardwood block before Dec. 17.

Please make your flight arrangements today to the Fort Myers / Southwest Florida International Airport. There is car service available to the hotel from Naples Transportation and is schedule online at nttreservations.com/appalachian.php

Registration can be completed using the form on page 6 or online at www.appalachianwood.org/meetings.htm and follow the link to Meeting Registration. There is a separate fee for members and guests.

For more information, please contact the AHMI office at (336) 885-8315.

Speakers Detail Decline In Oak Volume

Appalachian Hardwood Manufacturers Inc. participated in the 2017 Oak Symposium recently at the University of Tennessee in Knoxville. Organizers noted that AHMI was also a sponsor of the first symposium in 1971 in Morgantown, WV.

The 2017 version was the fourth with two days of seminars from leading researchers and academia and a third day of forest tours. Presenters offered insight into US Forest Service data and university research on oak regeneration, harvests and forecasts for the future.

The Oak resource is threatened by natural succession and changes to disturbance regimes. One presentation noted that harvesting practices over the past 30 years have limited Oak regeneration and contributed to an increase in shade tolerant species like Maple and Beech.

William Luppold, USDA Forest Service economist, said hardwood lumber and related product markets have been highly variable over the last 50 years but were influenced by timber availability. The demand for hardwood products influenced the value of differing species and qualities of hardwood timber.

He said White Oak demand in recent years has caused volume disparity in size classes. There are high volumes of large diameter trees and saplings but fewer mid-sized inventory.

Other presentations included a report on the

future of oak forests due to increasing rates of decline and loss among maturing Oak-dominant stands that are not being sufficiently replaced by oak regeneration.

The gypsy moth and fall cankerworm have been major contributors to oak decline in Virginia with repeated outbreaks over acres and years. Fall cankerworm is the most common native defoliator in Virginia, with outbreaks occurring approximately every five years.

Matt Bumgardner, Research Forest Products Technologist, USDA Forest Service, reported that Oak exports have surged. Exports of U.S. Red Oak surpassed 440 million board feet in 2016, a record for any species exported from the U.S.

He said more than 70 percent of current U.S. Red Oak exports go to China while export markets for White Oak are more diverse.

Since 2012, White Oak stumpage and lumber prices have increased faster than other hardwoods, reflective in part of increasing demand. Sustaining the Oak resource is of utmost concern to public and private land managers in the Central Hardwood Region of the eastern U.S.

Oaks are keystone species, but are threatened by natural succession, changes to disturbance regimes, urban development, and lack of critical knowledge for management, participants agreed.

SFI Certification Workshop Explains Program

AHMI and the Wood Products Manufacturers Association recently sponsored a workshop on the Sustainable Forestry Initiative certification program for solid wood manufacturers.

More than a dozen people listened to the presentation from SFI's Jason Metnick and Barry Graden. They explained that the demand for wood certified to the SFI Standards expanded in 2016 when the U.S. Green Building Council (USGBC) issued an Alternative Compliance Path (ACP) that recognizes SFI in its LEED program.

Metnick said companies can become SFI certified and reach these new markets. SFI has waived one requirement for AHMI members to make it easier to become certified.



To learn more, please contact the AHMI office or email info@appalachianwood.org.

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Maple On Display At HP Furniture Market

HIGH POINT, NC – Maple was in vogue for the 2017 Fall High Point Furniture Market.

Dozens of domestic and internationally produced furniture lines were made of solid maple and maple veneers with medium to darker finishes at the October market. The introductions included mid- and higher-priced bedroom, dining and entertainment pieces at the world's largest market for manufacturers to unveil new products.

There were more than 1,200 exhibitors from the U.S. States and 100 other countries this year. While no overall themes were reported, the trend to more solid wood construction continued for the fifth consecutive market.

Borkholder Furniture, Nappanee, IN, makes heirloom quality, solid wood furniture handcrafted by Amish artisans, according to its promotional literature. The company was a finalist for the prestigious Pinnacle Award for its Heritage dining table and chairs made of solid maple. Borkholder also produces collections in cherry, oak and elm in dining and bedroom.

Simply Amish, Arcola, IL, introduced a large dining room group with uniquely designed chairs all made in solid maple. President Kevin Kaufman said retail buyers are seeking more solid hardwood pieces and collections to meet a growing demand from consumers.

Vaughan-Bassett Furniture, Galax, VA, continued its return to solid wood offerings after using engineered products in recent years. The company heard from retailers the same message – consumers want quality products from solid wood. The company introduced new groups in maple, cherry, oak and pine species.

Gat Creek Furniture, Berkley Springs, WV, added few pieces to its showroom and continued promoting its ash and cherry groups. Owner Gat Caperton said their contemporary/traditional designs showcase the beauty of solid hardwood and their buyers were placing orders.

Country View Furniture, Millersburg, OH, added a dining room group in elm this market that was well-received. The company uses a special process in applying finish that causes the grain to have a beautiful contrast.



Solid ash dresser from Gat Creek showcases wood grains with light gray stain. AHMI's Verified Sustainable certificate on display

The High Point Market brings more than 75,000 people to North Carolina every six months. Serious retail home furnishings buyers, interior designers, and others in the home furnishings industry purchase new products. The next market is April 14-18, 2018.

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:

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

Jan. 9, 2018: **Appalachian Lumbermen's Club**, Hickory, NC

Jan. 17-21: **AHMI Annual Meeting**, Marco Island, FL

Feb. 6-8: **IHLA Convention**, Indianapolis, IN

Feb. 12-13: **Hardwood Federation**, Washington, DC

March 13: **Appalachian Lumbermen's Club**, Greensboro, NC

April 11-14: **NWFA Flooring Expo**, Tampa, FL

May 3-6: **Appalachian Lumbermen's Club**, Myrtle Beach, SC

Federal Forests Getting USDA Attention

By Dana Lee Cole, Hardwood Federation

Federal Forest Management reform efforts continue to slowly work their way through the legislative process. The House Agriculture Committee has reported out meaningful legislation to address the wildfire funding crisis which is hamstringing the Forest Service. It gives more tools to execute on critical federal forest thinning and other forest project work.

The bill, HR 2936—The Resilient Federal Forests Act—would allow the President to declare wildfires a “disaster” and allow these fires to be fought with emergency funding instead of forcing the Forest Service Chief to borrow funds from other critical mission areas within the Forest Service budget. Equally important, the bill would give the Forest Service new authority to move quickly on forest management projects to improve forest health.

An amendment was approved that also adds a new twist to the bill to incorporate provisions of the Timber Innovation Act which would promote research and development into using wood in tall buildings. The focus of the legislation is cross laminated timber (CLT), which is growing in popularity among architects because of its strength, fire resistance and carbon sequestering properties. Although CLT is primarily a softwood product at this time, there is potential for low grade hardwoods to be incorporated in the future, pending necessary testing and code revisions.

It is quite certain that HR 2936 will pass the House later this fall, but its path forward in the Senate is less certain. A number of Senate Democrats oppose the bill’s expedited permitting provisions for forest management projects, but also acknowledge that wildfires on our nation’s forests are becoming a national crisis as the West burns.

The full House of Representatives passed the disaster aid package on Oct. 12 which provides emergency funding for hurricane and wildfire relief and recovery. Of the \$36.5 billion package, \$576.5 million is reserved for wildfire efforts. The bill does not provide for a permanent solution to wildfire funding nor does it include management reform efforts. It is expected to pass the Senate during the week of Oct. 16.

The Hardwood Federation does support disaster funding that addresses the current needs, particularly in California. However, we will also continue to work with Congress to support an approach that will permanently address the wildfire funding crisis and incorporate new tools for the Forest Service to execute

on forest management projects.

Interest in CLT seems to be gaining traction and spiking interest on both sides of Capitol Hill. In addition to House activities related to the Resilient Federal Forests Act, there has also been recent action in the Senate. Sen. Maria Cantwell (D-WA) intends to introduce legislation in the next few weeks that would promote production and markets for cross laminated timber. The provisions of the bill are applicable to hardwood CLT as well as softwood CLT. According to staff the bill would have three main components:

- New investment tax credits for facilities manufacturing CLT.
- A federal procurement preference for domestically produced CLT.
- A building code provision directing the Forest Products Lab to finalize “boiler plate” CLT design and installation code language so that existing building codes can be easily updated to incorporate this new technology. CLT is generating a lot of interest and drawing attention to the environmental benefits of wood in all aspects of the building process.

The U.S. Department of Agriculture has a new U.S. Forest Service (USFS) Chief and two new undersecretaries in the last few months. New Chief Tony Tooke was most recently the Regional Forester in Region 8 (the Southern Region) and has been a career employee of the Forest Service in Region 8 and the Washington Office.

USDA Secretary Sonny Perdue said Tooke will “oversee efforts to get our forests working again, to make them more productive, and to create more jobs. His focus will be on ensuring we are good neighbors and are managing our forests effectively, efficiently, and responsibly, as well as working with states and local governments to ensure the utmost collaboration.”

The Senate confirmed Ted McKinney, the former director of the Indiana State Department of Agriculture, as the Undersecretary for Trade and Foreign Agricultural Affairs at USDA. This is a new position created by Secretary Perdue to increase attention to the trade issues that are so important to the agricultural industry.

The Senate also confirmed Stephen Censky as the Deputy Secretary of Agriculture. Censky will work to focus USDA on critical issues, like the expansion of trade agreements to benefit U.S. agricultural exports, the importance of crop insurance to farmers, and the impacts of climate change on farming operations.

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 December 17, 2017 and mail to AHMI, P.O. Box 427, High Point, NC 27261.



**AHMI
Annual Meeting
Jan. 17-21, 2018
JW Marriott
Marco Island, FL**

MEETING REGISTRATION FEES

AHMI MEMBER - \$420 per person

AHMI MEMBER SPOUSE - \$300

CHILDREN 10 & older - \$225

GUEST - \$495 per person

GUEST SPOUSE - \$375

CHILDREN UNDER 10 FREE!

If you will not be attending buffet dinner on Saturday, please contact the AHMI office. Full registration will be refunded on cancellations received by December 17, 2017. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S ANNUAL MEETING

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

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

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

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

Company: _____

Address: _____

City/State/Zip: _____

GOLF TOURNAMENTS 12 p.m. each day (incl. lunch, shuttle, range balls, gratuities)

Name: _____ FEE: \$ _____

Please check: Friday at Rookery \$295 Saturday at Hammock Bay \$295

Name: _____ FEE: \$ _____

Please check: Friday at Rookery \$295 Saturday at Hammock Bay \$295

FISHING TOURNAMENT 12 p.m. Friday (Shuttle from hotel for 4-hour fishing trip, includes boxed lunch, tackle, bait, license, gratuities) One of six slots on multiple chartered boats

Name: _____ FEE: \$175

Name: _____ FEE: \$175

Optional Events I / We will attend (included in registration fee)

- Early Bird reception Wednesday, Jan. 17 at 6 pm
- Ladies Brunch Friday, Jan. 19 at 9 a.m.
- Beach Fun & Drinks, Sat., Jan. 20 at 1:30 pm

Total _____

**Car service to resort/airport from
Naples Transportation**
[https://ntreservations.com/
appalachian.php](https://ntreservations.com/appalachian.php)

2018 Annual Meeting Agenda

Wed., Jan. 17

6 p.m. Early Bird Reception

Thurs., Jan. 18

Morning activities on your own

3 p.m. AHMI Board of Trustees

6 p.m. Welcome Reception

Fri., Jan. 18

8:30 a.m. General Session

12 p.m. Fishing Tournament

12 p.m. Golf Tournament

6 p.m. Friday Reception

Sat., Jan. 19

8 a.m. Producers Meeting

8 a.m. Distributors Meeting

9:15 a.m. General Session

12 p.m. Golf Tournament

1 p.m. Fun on the Beach

6 p.m. Saturday Reception

Sun., Jan. 20

7:30 a.m. Fellowship of Christian

Lumbermen

Enjoy Marco Island

Credit Card

Number _____ Exp. _____ Code _____ Billing Zip _____

Check # _____ Received _____