

# Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of  
Appalachian Hardwood Manufacturers, Inc.

December 2018



1928 - 2018

## Retreat Offers Proven Training For Leaders

Appalachian Hardwood Manufacturers, the Hardwood Manufacturers Association and the National Hardwood Lumber Association will host the first 2019 Hardwood Leadership Development Retreat for professional leadership training Jan. 28-30 in Greensboro, NC.

The symposium is designed to help individuals maximize their potential and instill the values and behaviors that create a strong culture of leadership.

The BB&T Leadership Institute combines expert psychological insight with the lessons learned throughout the 145 years of BB&T's history. It was selected because of its unique qualifications to develop people to become dynamic leaders, increase employee retention and improve the bottom line for companies.

The program addresses the complexities of leadership and is designed to help new managers or those who are preparing for management positions. The seminars will:

- Focus and develop leadership for the new and seasoned employees.
- Offer forums and networking opportunities to help companies stay relevant.
- Explain how to Grow Your Company Through Your People and Lead Change with Purpose

The costs are:

**Registration fee:** \$450 per person

**Housing:** 2 nights for \$275 per person and includes breakfast. Other meals and receptions are part of the registration fee.

Participants are encouraged to stay at the Institute's world-class facility. Rooms are available on a first-come, first-serve basis.

### Hardwood Leadership Development Retreat

Jan. 28-30, 2019

BB&T Leadership Institute  
Greensboro, NC

The program will address the complexities of leadership by:

- Focus and development of leadership programs for the next generation.
- Developing forums and networking opportunities to help companies stay relevant.

**Day 1:** Growing Your Company Through Your People

**Day 2:** Leading Change with Purpose

**Transportation:** Piedmont Triad International Airport (GSO) in Greensboro, NC, and taxi or Uber just 5-10 minutes to hotel/conference center.

Please register online at:

<https://www.hmamembers.org/hardwood-leadership-development-retreat-registration>

This is open to all AHMI, HMA and NHLA members and companies are encouraged to send employees who are new to management positions. If you are not a member of these groups, there may be spaces available. Please contact the AHMI office at (336) 885-8315 for details.

## *The way I see it...*

By Tom Inman, AHMI President

...2018 has been up, it's been down. Take my word, my way round.

The hardwood industry did not inspire the lyrics to *Tush* but it does reflect the past year. The first half started off up with log supply fair, demand for lumber and logs high, and the economy continuing to make gains.

Our industry felt its first pain in late April when China began enforcing rules on fumigation of logs. The shutdown canceled hundreds of shipments on the water and others that were ready. The upheaval affected markets in China and Vietnam as logs were sold to any available market.

Log exporters challenged the rules but were forced to fumigate or debark. The capacity for both was not adequate so log exports declined.

Sawmills benefited from log availability and increased production. Then, the Trump Administration placed tariffs on China in the summer to counter the trade imbalance. China threatened retaliation and that drove down prices of American hardwood lumber exports - specifically Red Oak.

The third round of retaliations from China did include U.S. logs and lumber and it lowered prices and slashed margins. Since late September, many sawmills and concentration yards have seen sales and future order decline significantly.

Domestically, the flooring industry was buying lumber at a fast pace and higher prices in the first six months but inventories have filled. The 3rd and 4th quarters have seen lower prices and demand.

Tariff talk has continued and now the U.S. and China have agreed to a postponement of new tariffs for at least 90 days from Dec. 1. The ability to reach an agreement is questionable.

Hardwood companies are reconsidering production plans for the winter and marketing strategies. There is increased attention to domestic markets for both grade and industrial lumber and a revisit to export destinations that have been overlooked with the growth in China.

What will the new year hold? Uncertainty is certain.

## 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:

Jan. 8: **Appalachian Lumbermen's Club Meeting**, Asheville, NC

Jan. 28-30, 2019: **Hardwood Leadership Development Retreat**, Greensboro, NC

Feb. 4-6, 2019: **IHLA Convention**, Indianapolis, IN

Feb. 11-12: **Hardwood Federation**, Washington, DC

Feb. 20-24, 2019: **AHMI Annual Meeting**, Fort Lauderdale, FL

March 6-9: **Cabinet and Closets Expo**, Charlotte, NC

March 14: **Appalachian Lumbermen's Club**, Greensboro, NC

March 22-24: **HMA National Conference**, Savannah, GA

April 2-4: **KFIA Annual Meeting**, Lexington, KY

April 6-11: **High Point Furniture Market**, High Point, NC

May 1-3: **NWFA Flooring Expo**, Fort Worth, TX

May 2-4: **Appalachian Lumbermen's Club**, Myrtle Beach, SC

July 28-30: **AHMI Summer Conference**, The Greenbrier, White Sulphur Springs, WV

Oct. 2-4: **NHLA Convention**, New Orleans, LA

Oct. 19-23: **High Point Furniture Market**, High Point, NC

For more information or to participate in these events, please contact the AHMI office. If you have suggestions for other promotion opportunities, please contact AHMI.



# AHMI Interns Produce Videos On Solid Hardwoods

Appalachian Hardwood Manufacturers, Inc. has placed two excellent videos on its youtube.com channel that were produced by High Point University interns.

The association works with the HPU's Communications School to provide opportunities for internships. Three students - Taylor Hatch, James Ferrell and Steven Lanning - spent the fall semester researching ways to message Solid Appalachian Hardwoods to consumers.

The project consisted of two videos that are available at <https://www.youtube.com/watch?v=WMddQ-ycaFo> and is an interview with award-winning furniture designer Catina Roscoe. She talks about the many benefits of designing, building and most importantly owning solid hardwood furniture.



An interview with ISFD president & expert furniture designer  
**CATINA ROSCOE**



The video was shot in the Borkholder Furniture showroom during the High Point Furniture Market. It showcases Roscoe's Local Harvest in Red Oak that won a 2018 Pinnacle Design award.

The second video is available at <https://www.youtube.com/watch?v=6Ptgk1d-h1s> and is titled "Grown in Seconds." It details the sustainability of Appalachian Hardwoods and how the American forest is growing the volume of Red Oak every second to build a dining room table and six chairs.

The video captures Tom Inman's presentation on Appalachian Hardwoods in Sustainable Design at the High Point Furniture Market. Please view the videos and distribute to your social media contacts.

## Armstrong Sells Wood Division

Armstrong Flooring announced recently it will sell its entire wood flooring segment to an affiliate of American Industrial Partners (AIP), a private equity firm, for \$100 million.

Armstrong, once the largest manufacturer of wood flooring, said will "intensify" its focus on growing its resilient flooring business following the divestiture of its wood floor segment. The sale is expected to be finalized by the end of the fourth quarter of 2018.

AIP plans to operate Armstrong's six U.S. wood floor manufacturing plants as a separate wood flooring company. AIP will own the Bruce brand and all other wood flooring segment brands.

Armstrong's six manufacturing facilities in the U.S. employ approximately 1,700 employees.

## AHMI Dues & Guide Mailer

Appalachian Hardwood Manufacturers, Inc. mailed its 2018 Membership Dues and Appalachian Hardwood Verified Sustainable Resource Guide information recently. The deadlines for both are Jan. 31.

The dues are paid annually for members of the Distributor, Export, Consumer, Forestry and Supplier Divisions. The Producer members pay monthly based on lumber production. (Export membership is for Producer and Distributor companies in addition to their primary dues.)

The Resource Guide is distributed to thousands of lumber buyers around the world. Please return your materials by Jan. 31 to be included. If you have questions about these, please contact the AHMI office at (336) 885-8315.

# Change Comes To The House; Issues Remain

By Dana Lee Cole

## **Hardwood Federation Executive Director**

The dust has almost completely settled on the wild and historic 2018 Midterm Elections and the narrative for both parties remains a mixed bag. Democrats claimed the House and maintain a 235 - 200 edge.

The Senate elections are complete after the Nov. 27<sup>th</sup> runoff in Mississippi with Cindy Hyde-Smith holding on and Republicans increasing their majority - an advantage heading into 2020 where the map does not break their way quite as well as it did in 2018 - and a 53-47 edge. Democratic incumbents, Sen. Heidi Heitkamp (ND), Joe Donnelly (IN), Claire McCaskill (MO) and Bill Nelson (FL) were defeated but Democrats picked up Republican-held open seats in Nevada and Arizona.

So what does all of this mean? The first take-away is that although we will be working in a very different political environment in 2019, what doesn't change is the Hardwood Federation's commitment to our key policy priorities, including federal forest management reform, support for federal export promotion programs, science based regulations governing the forest products industry, and a tax structure that supports the small and medium sized businesses that comprise the majority of our industry.

With a split Congress, any legislation that passes will be done on a bi-partisan basis. There simply aren't enough votes from one party to move partisan bills through both chambers. This probably means that some of the issues that we have focused on will not move dramatically forward...but it will be our job to make sure that steps are not taken to reverse course. This is an often forgotten, but tremendously important, function of trade associations and Washington representatives. Some issues, where we have had past success gaining both Republican and Democratic support, may have a somewhat less difficult path to navigate as everyone will be looking to rack up some successes before the next election in 2020.

The biggest impact by far on our day to day work will be in the House, where all of the committee chairmanships will change at the beginning of the 116<sup>th</sup> Congress in 2019. Here is a snapshot of key committees for the Hardwood Federation and new leaders:

- **House Agriculture Committee:** Rep. Collin Peterson (D-MN) will take over this panel next year. We know Mr. Peterson and his committee staff team well. They are well-versed in our policy priorities and have been helpful in advancing hardwood-supported provisions in Farm Bill negotiations this year.

- **House Energy & Commerce Committee:** Rep. Frank Pallone (D-NJ) takes over for Rep. Greg Walden (R-OR). Mr. Pallone has not been supportive

of some key issues of interest to the hardwood sector over the years, including Boiler MACT relief legislation and measures related to biomass energy and the carbon profile of biomass combustion.

- **House Natural Resources Committee:** Rep. Raul Grijalva (D-AZ) will take over for Rep. Rob Bishop (R-UT). Mr. Grijalva does not share Rep. Bishop's perspective on issues related to federal forest management and Endangered Species Act reform. Education efforts around the benefits of forest management with him and his committee staff will be critical. The Hardwood Federation is well poised to frame this issue as a national one that affects Lake States and Eastern forests and is not just a Western concern.

- **House Transportation & Infrastructure:** Rep. Peter DeFazio (D-OR) will chair this panel. Mr. DeFazio has entertained truck weight reform on our nation's interstate highways as potentially viable and has vowed to make transportation infrastructure investment a top priority in the next Congress.

- **House Ways & Means Committee:** Rep. Richie Neal (D-MA) takes over for Rep. Kevin Brady (R-TX). Mr. Neal comes from a district heavily populated with anti-biomass advocates and so education efforts will be made with him on the benefits and efficiencies of heating and powering with biomass residuals.

In the Senate, committee leadership will largely remain the same with the exception of the Senate Finance and Senate Foreign Relations Committees. Chairmen—Orrin Hatch (R-UT) and Bob Corker (R-TN) retired.

So what happens during the balance of 2018? Members of Congress have returned to Washington for what promises to be a relatively short lame duck session of Congress. Leadership elections are being held, with Republicans selecting Rep. Kevin McCarthy (R-CA) as their leader in the House with Rep. Steve Scalise (R-LA) as the Minority Whip. Democrats have yet to take a leadership vote. Rep. Nancy Pelosi (D-CA) is still expected to be elected Speaker.

The highest priority for the Hardwood Federation is the Farm Bill and we are hopeful that House and Senate conferees can finish their work and send a final conference report to the President for his signature. The provisions for FMD and MAP are favorable, but the bottom line is we need a Farm Bill to be signed this year and we have been making the rounds with Farm Bill negotiators to forcefully make that point.

Your Hardwood Federation team is gearing up for the action and is reviewing the roster of the many new Members of Congress that were elected. We will be reaching out to all of these new Members to make sure that they know the value our sector brings.

# Attract & Retain Workers in '19 Economy

Appalachian Hardwood Manufacturers cordially invites you to attend the **2019 Annual Meeting** on February 20-24 at The W Hotel in Fort Lauderdale, FL. The business sessions will provide timely information on Workforce Solutions for Labor In Appalachia, the U.S. Economic Forecasts for 2019, Developing Company Succession Strategies and the AHMI Member Pension Plan.

The W Hotel is a contemporary oceanfront venue and recently completed a \$50 million renovation. The beachside resort offers guestrooms with ocean views, Living Room Terrace four floors above the ocean and rooftop views from two pools. The W has dining on-site at an award-winning steakhouse, creative Mexican fare, freshly rolled sushi and savory poolside bites.

The AHMI business presentations are:

**Workforce Solutions In Appalachia** - The Southwest Virginia Alliance for Manufacturing has programs that “work” attracting and retaining employees in the Appalachian Region.

**The U.S. Economy In 2019** - A renowned economist has been invited to share a recap of 2018 and forecast for 2019.

**Business Succession Planning** - TJT Consulting has new business strategies available for transitioning to the next generation or key employees or new owners.

**Appalachian Hardwood Pension Plan** - UBS Financial experts will explain the AHMI MEP plan that saves thousands in expenses and helps employees grow their retirement.

**AHMI Annual Meeting & Member Anniversaries** - Chairman Lowery Anderson will present the State of the Association and recognize anniversaries.

**Producers and Distributors Divisions Meeting** - Separate sessions for these two AHMI members groups to discuss issues of importance to their sectors.



UBS



**2019 AHMI Annual Meeting**  
Feb. 20-24 @ The W Hotel, Fort Lauderdale, FL



**TopGolf Miami Event set on Feb. 23**  
join AHMI for fun at America's premiere venue

The **Annual Golf Tournament** is Friday at Jacaranda Golf Club in Plantation, FL. The **Annual Fishing Tournament** is Friday on the Atlantic with sportfishing from chartered boats.

**New this year!** A trip to **TopGolf Miami Gardens** for fun and competition on Saturday. Or you can join the group on **Saturday on the Beach** from 1-4 pm.

There will be ample time for networking with members and guests at receptions, events and dinners throughout the Annual Meeting.

Please make your reservations early at our website. You may call the W Hotel at (954) 414-8200 and ask for the Appalachian Hardwood block.

Make your airline reservations today for the best choices to Fort Lauderdale or Miami airports.

Car service is available for AHMI Members from FG services for up to 6 people in a SUV for \$75. Make your reservation at (305) 998-8121 or [info@fgcarservices.com](mailto:info@fgcarservices.com). Uber and taxi services available.

For more information, call AHMI at (336) 885-8315 or [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org). We look forward to seeing you in Florida in February!

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# 2019 AHMI Annual Meeting Agenda & Activities

## Wednesday, Feb. 20

6 p.m. **Early Bird Reception** at W's Living Room Veranda

## Thursday, Feb. 21

*Informal golf and fishing available. Call AHMI*

2 p.m. **Board of Trustees Meeting**

4 p.m. **Registration Opens**

6 p.m. **Welcome Reception** at WET East

## Friday, Feb. 22

8:30 a.m. **General Session** in Studios 2-5  
Business Presentations

10 a.m. **Ladies Shopping** on Las Olas Boulevard

11:30 a.m. **Golf Tournament** at Jacaranda Golf Club

12 p.m. **Ocean Fishing Tournament**

6 p.m. **Reception** at W Terrace

## Saturday, Feb. 23

8 a.m. **Producers Meeting** (*Producers only*)

8 a.m. **Distributors Meeting**

9:15 a.m. **General Session** in Studios 2-5  
Business Presentations, Chairman's Report,  
Annual Meeting & Member Anniversaries

11:30 a.m. **TopGolf Event** in Miami Gardens

1 p.m. **Beach Fun**

6 p.m. **Reception** at WET West

## Sunday, Feb. 24

8 a.m. **Fellowship of Christian Lumbermen**

Enjoy Florida and have a safe trip home



*"Love everything about this hotel. Right on the beach. Very nice lobby, rooms were outstanding and so was the service. You're right in the middle of everything! Lots of places to eat and drink. Hope you have as much fun as we did!" - TripAdvisor Review*

## **Dining...**

### **STEAK 954**

James Beard Award Winner Stephen Starr offers a unique interpretation of a classic steakhouse at beachside Steak 954, serving dry-aged meats, delectable sides and innovative cocktails. Snap a photo of the glowing 15-foot jellyfish aquarium. Reservations required. Open for dinner. Dress code: Smart Casual.

### **EI VEZ**

Savor authentic Mexican flavors and creative cuisine at this wildly popular Beach restaurant. Open for breakfast, lunch and dinner. Dress code: Casual

### **SUSHI BAR**

Bite into fresh sushi and sip creative sake cocktails at the Living Room Sushi Bar. Tasty appetizers and bold rolls offer a modern take on sushi fare.

Dozens of restaurants/bars in walking distance.

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## **Activities...**

Enjoy the **Atlantic Ocean beach** with lounge chairs set for you included in your daily service!

Keep your glow going after a day on Fort Lauderdale Beach with a visit to the **Bliss® Spa**. Pamper yourself 17 floors above the resort with ocean and intracoastal views and indulge in: Body scrub; Body wrap; Couple's Massage; Eye Treatments; Facials; Lip Treatments; Manicures/pedicures; Massages; Steam room; and Waxing. Hours: Wed-Sun: 9 AM - 6 PM and Appointment is Required. Phone: 954-414-8232.

**Golf Tournament** at Jacaranda Golf Club on one of the best courses in South Florida. It earned a Four-Star rating in Golf Digest and hosts many PGA, USGA, and FSGA Championship events.

**TopGolf Miami Gardens** on Saturday is a premier venue in Miami Gardens with point-scoring golf games for all skill levels, upscale bar food and drinks, music and more!

Take the **WaterTaxi** to stops along Fort Lauderdale with a pickup two blocks from the hotel.

**Register online at [www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings)**

Appalachian Hardwood, PO Box 427, High Point, NC 27261 336.885.8315 [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org)

# APPALACHIAN Hardwood Manufacturers, Inc.

## 2019 Annual Meeting on Feb. 20-24 The W Hotel, Fort Lauderdale, FL

To reserve your room, call the W Hotel at (954) 414-8200 for Appalachian block

The block cutoff is Jan. 19 and rooms start at \$349. Rate is honored before & after!

Online Hotel / Meeting registration available at [www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings)

To plan functions and include all participants on the Registration List, please complete this form and return with your payment to: AHMI, PO Box 427, High Point, NC 27261. Badges and other materials will be on site.

### Registration before Feb. 10, 2019:

AHMI MEMBER - \$435 per person

GUEST - \$535 per person

MEMBER SPOUSE - \$315

GUEST SPOUSE - \$415

CHILDREN AGE 10 & older - \$200, UNDER 10 - FREE

*Add \$75 to any registration fee after Feb. 10, 2019*

Registration fee includes all evening receptions, business sessions and speakers, afternoon at the beach, and entertainment.

Full registration fee refunded on cancellations received by Feb. 1, 2019. Cancellations received after that time will be subject to 50% forfeiture.

### REGISTER for AHMI'S 2019 ANNUAL MEETING

Name: \_\_\_\_\_

FEE: \$ \_\_\_\_\_

Name: \_\_\_\_\_

FEE: \$ \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_



### Optional Events I / We will attend

*(included in registration fee)*

Early Bird reception  
Wed, Feb. 20

Ladies Shopping  
Excursion to Las Olas  
on Friday, Feb. 22 10  
am-3 pm

Beach Fun &  
Drinks, Saturday, Feb.  
23 1-4:30 pm

**Annual Golf Tournament Friday at 11:45 a.m.** at Jacaranda Golf Club  
*(includes shuttle, lunch, range balls. Rental clubs are available)*

Name: \_\_\_\_\_ FEE: \$175

Name: \_\_\_\_\_ FEE: \$175

**Fishing Tournament Friday at 12 p.m.** sportfishing in Atlantic  
*(4-hour fishing trip, includes boxed lunch, tackle, bait, license)*  
\$150 for each of six slots on multiple chartered boats

Name: \_\_\_\_\_ FEE: \$150

Name: \_\_\_\_\_ FEE: \$150

**TopGolf Miami Saturday 11:45-4:30 p.m.**  
*(Includes shuttle, two-hour segment, food & beverage)*

Number of spaces reserved \_\_\_\_\_ @ \$95 each FEE: \$ \_\_\_\_\_

Check # \_\_\_\_\_ Received \_\_\_\_\_

Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_ Sec. Code \_\_\_\_\_ Billing Zip \_\_\_\_\_

**TOTAL \$ \_\_\_\_\_**