Crowd Gains Key Insights At Conference

The 2019 Summer Conference of Appalachian Hardwood Manufacturers in July hosted a large crowd of members and guests at the The Greenbrier in White Sulphur Springs, WV.

Attendance was up 25% from last year with business sessions drawing people to learn about new technologies, a strategy to grow more white oak and the nation’s first poplar cross laminated timber structure.

There were also breakout sessions on AHMI’s 401K plan and Guidelines for Log Grading that kept members engaged. Several left the meeting and viewed the CLT structure.

There are reports on the Conference throughout this newsletter. The presentations have also been posted on our website: www.appalachianhardwood.org.

50-Year Anniversaries

AHMI recognized three companies who achieved 50 years of membership in 2019. Pictured with AHMI Chairman Lowery Anderson (from left) are Mitch Carr, Shenandoah Forests; Wendell Cramer, W.M. Cramer Lumber; and Dan Parker, Tillinghast & Neely Consulting Foresters.

Justice: President Knows Hardwood's Hurting

West Virginia Gov. Jim Justice told attendees at the 2019 AHMI Summer Conference that he has spoken with President Trump about the losses to the hardwood industry in the trade war with China and that resolution is coming. The unknown is when.

Justice visited with members during an evening reception at The Greenbrier, which he owns with his family. He thanked AHMI for its long history at the resort.

"I have heard from a lot of you about what is happening in your industry right now," he said "I understand it. I have talked with the President about it."

Justice could offer no specific timeline for the end of the trade conflict. He said he hoped that it was soon.

The Governor said West Virginia was improving its business climate and education. He encouraged the business group to consider relocation or expansions in the Mountaineer state.
By Tom Inman, AHMI President

...we had terrific Summer Conference last week at The Greenbrier with increased attendance, relatively positive attitudes but still concerns for the days ahead for the hardwood industry.

There was a great mix of long-time members (including three companies who achieved 50-year membership. See page 1) and new members. They learned that AHMI is a gathering of sawmill and secondary manufacturing owners and top management from the region.

It is THE unique feature of Appalachian Hardwood meetings - competitors come together and discuss industry issues, share ideas, develop solutions and work to implement.

There was talk of trends in production, better log availability, demand for species and lack of demand in others. What the future holds was central to many conversations.

It is that unknown that is causing unease. Sawmills report that logs are rolling into their mills at a steady pace and they need to produce to avoid stain and degrading.

Concentration yards are finding availability in most species - some that they want and others they may not. Secondary manufacturers report that sales are fair to good for many products.

But export sales continue to be down because of the trade dispute with China. That market has grown every year for the past decade and slowed in 2018 and has slowed considerably this year.

I am completing my 25th year with AHMI in a few weeks and that seems unbelievable. There have been many great years for the industry and other times that have been challenging.

We are certainly in one of the more difficult times now. There are new ideas being developed - like a collaborative hardwood promotion by industry associations - that you will hear more about in coming weeks.

The industry is resilient because of its owners, managers and employees. These are the people who will work through this once again.

VT Surveys Interest In Poplar CLT Panels

Currently, the annual production of cross-laminated timber (CLT) panels in the US is about 35,000 m³. It is expected that in 10 years production will be close to 2 million m³ per year.

Hardwood lumber is not included in the North American CLT standard, APA-PRG 320. AHMI and others are trying to complete research to expand the code to include poplar.

A Virginia Tech researcher has developed a survey to better understand:

1) the feasibility of the hardwood industry to produce CLT raw material

2) the willingness of the hardwood industry to pursue this market.

Please help by completing the survey at: https://virginiatech.qualtrics.com/jfe/form/SV_4U8crw6x03zsooB

This is a joint effort of AHMI, the National Hardwood Lumber Association (NHLA), the Harwood Manufacturers Association (HMA), and Virginia Tech.

If you have any questions or comments, please email the researcher at sailesh@vt.edu.
First Poplar CLT Structure Gets Rave Reviews

The first Appalachian Poplar cross-laminated timber structure in the U.S. has been completed in Radford, VA, and the architects who designed it spoke at the 2019 AHMI Summer Conference.

Virginia Tech professors Kay Edge and Edward Becker and their students designed and built two observatory buildings for public use overlooking the New River. They said the students learned of CLT and wanted to design the buildings from locally sourced hardwoods.

The poplar was donated by Robert S. Coleman Lumber of Culpeper, VA, and Allegheny Wood Products in Princeton, WV.

The concept was approved by Radford city planners based on research from Virginia Tech. The panels were produced in South Boston, VA, and one building was built on campus while the second was constructed on site. Conference attendees visited the observatory site the next day.

The professors said it was a great learning experience for them and students about the use of poplar CLT. They look forward to future designs using the materials.

AHMI, Virginia Tech, West Virginia University and other groups are coordinating to get poplar CLT accepted into building code standards.

Log Grading Guidelines Near Completion

AHMI and the Appalachian Hardwood Center from West Virginia University have developed "Guidelines for Scaling and Grading Hardwood Logs" and the final draft was presented at the 2019 Summer Conference.

AHC’s Curt Hassler explained the guidelines and reviewed a booklet that has been developed. The guidelines are designed to have a better understanding for sellers and buyers of logs.

It has been developed under the direction of the AHMI Board of Trustees and been peer reviewed by landowners, foresters, log buyers and sellers, the American Loggers Council and industry.

There was a breakout session at the Conference and attendees offered final suggestions for the booklet. These will be completed in the next two weeks and books will be available to members in late August.

AHMI hopes to offer workshops in the fall at log yards or sawmills to educate members about the guidelines. More details will be announced soon.
New Technology Helps Log, Lumber Scanning

Two technology companies presented information on their latest offerings to help sawmills and secondary manufacturing companies improve efficiency at the 2019 Summer Conference.

Staff from Eagle Machinery in Sugar Creek, OH, and WoodEye of Sweden presented the latest technology for scanning hardwood lumber for grade. While equipment has been in the marketplace for 10 years, Lief Erlandsson of WoodEye said there have been substantial improvements in the past two years.

The software allows users to scan boards and use standard NHLA grade formulas or design their own for proprietary grades. Eagle Machinery’s Kirk Spillman said the equipment allows companies to grade more consistently and efficiently.

Joe Nelson of JoeScan presented information on new technology for sawmills that allows companies to see inside logs and gives saw operators better options for breakdown. The company has worked with dozens of mills to install scanners and software to improve yield and results.

He said the technology has improved and the cost has reduced to make it a better return on investment. New line lasers allow for more accurate results which increases information and yield.

Initiative Seeks To Grow White Oak - literally

A coalition has been formed to increase white oak growth across the U.S. White Oak Initiative Director Jordy Jordahl spoke at the 2019 AHMI Summer Conference and said the group has brought together landowners, foresters, manufacturers, state government and universities to determine the impact of harvesting on the white oak resource.

Forest inventory analysis data from the U.S. Forest Service shows variation in the availability and sizes of white oak trees growing in the U.S. There are a large number of older trees and a lower volume of trees in the 10-20” diameter size classes.

The group hopes to improve management and harvesting practices for this valuable hardwood resource. A key emphasis will be to engage, encourage, and reward landowners with short and long-term goals.

More than a dozen organizations have joined the Initiative. AHMI plans to support the group financially and other in-kind assistance. The strategy will likely begin in the AHMI region.

More information is available from Jordahl at jjordahl@forestfoundation.org or visit www.whiteoakinitiative.org
Enroll Now In AHMI 401k

Appalachian Hardwood Manufacturers, Inc. encourages members to enroll in the AHMI 401k Multiple Employer Plan.

In a partnership with UBS Financial, the AHMI plan allows hardwood companies to pool existing retirement accounts or start new programs for employees. The plan offers economies of scale pricing that lowers costs for recordkeeping, third party administrators and financial consultants.

Participants have access to low cost investments that are typically only accessible for very large corporate plans. There is also no individual company audit requirement saving staff time and creating efficiencies.

Adopting employers have plan design flexibility and can retain their individual plan features such as a matching formula, vesting and eligibility. UBS is the world’s largest wealth managers and the AHMI team, Southeast Wealth Consultants, is one of the 400 retirement plan providers designated by UBS.

UBS Financial representatives attended the Summer Conference and have detailed packets for every company. It shows a company’s current retirement program costs and the estimated savings in the AHMI 401K plan.

One Consumer Division member has enrolled after learning of more than $8,000 in savings with the AHMI 401K Plan. That company pays $250 in dues to AHMI so the benefit is substantial.

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

Follow AHMI On Social Media

Appalachian Hardwood Manufacturers, Inc. invites you to follow us on Facebook and Twitter. AHMI members are featured each week and we encourage you to look for your company or learn more about others.

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

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

AHMI Event Calendar

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

- Aug. 15: SFC Sustainable Wood Webinar, High Point, NC
- Sept. 10: ALC Meeting, Concord, NC
- Sept. 17-19: Hardwood Federation Fly-In, Washington, DC
- Sept. 24: Penn York Club Meeting, State College, PA
- Sept. 25: PA Forest Products, State College, PA
- Oct. 2-4: NHLA Convention, New Orleans, LA
- Oct. 19-23: High Point Furniture Market, High Point, NC
- Oct. 21: ASFD Pinnacle Awards, High Point, NC
- Nov. 13: ALC Meeting, Johnson City, TN
- Nov. 20-22: GreenBuild, Atlanta, GA
- Jan. 14, 2020: ALC Meeting, Asheville, NC
- Feb. 3-5, 2020: IHLA Convention, Indianapolis, IN
- Feb. 20-23, 2020: AHMI Annual Meeting, Naples, FL

AHMI is constantly seeking new outlets to promote Certified Appalachian Hardwoods Sustainable and Legal. If you know of events, please contact Tom Inman at tom@appalachianwood.org and provide details.

AHMI members are invited to join Inman at the events listed above. Companies can distribute materials and work from the AHMI booth or exhibit.

Sporting Events Winners

Winners of the Summer Golf Tournament were:
- Low gross: 1st-Brian O’Dea; 2nd-Lowery Anderson
- Low Net: 1st-David Anderson; 2nd-John Lyle
- Closest to the pin: Lowery Anderson
- Long Drive: Davis Inman

The winners of Summer Sporting Clays tournament:
- 1st-Lance Johnson; 2nd-Tony Honeycutt; 3rd-Stephen Hamer
By Dana Lee Cole

Hardwood Federation Executive Director

The ongoing trade war with China has sent many in the industry reeling. And there is no end in sight as the Administration continues to push hard on China. The Hardwood Team continues to talk to Administration and Congressional officials about the consequences of their actions on the hardwood industry and the need for assistance. Now that members of both the U.S. House and Senate are back in their home states and districts...many on the campaign trail...it is the perfect time for YOU to make your voice heard!

You can take action in several ways:

(1) **Talk to Your Elected Officials Personally:**
Take the opportunity to attend town meetings or make appointments with candidates while they are home. Another way to engage is to invite Members to visit you and your business...SHOW them the impacts of the dispute.

You can get more information about your Member of Congress and Senators, district offices locations and contacts, and information at [https://whoismyrepresentative.com](https://whoismyrepresentative.com). You can also use this link to send electronic messages.

(2) **Talk to the Press:** Write a letter to your home town newspaper. The Hardwood Federation will work with you to craft the message.

If you are interested in taking calls from the press, the Hardwood Federation can put you in touch with the Tariffs Hurt the Heartland (tariffshurt.com). This D.C. based coalition that we have been working with closely. THHT is collecting stories, organizing listening sessions, and getting businesses and farmers in touch with media outlets to relate how tariffs are affecting the lives of real people. Please let us know if you want to be added to their list of impacted businesses.

(3) **Come to the Fly-In!** This is your opportunity to come to DC and get in front of elected officials where they work. The annual Fall Fly-In is one of the Hardwood Federation's biggest, most anticipated, and most important events of the year.

Each fall members of the hardwood industry gather in Washington D.C. to stroll the halls of Congress and meet with Representatives and Senators and staff from their - and other important - states to tell their stories and relate the most important issues affecting the industry. The 2019 Fly-In will be held Sept. 17-19. You may register now by visiting www.hardwoodfederation.com.

Regardless of how and when you speak to your elected officials, it is important that you tell YOUR story. This is your most important and most effective data point. Below are some additional talking points you may also want to refer to during your conversations.

- Prior to the trade dispute, half of the grade lumber exported by U.S. hardwood companies went to China. Over $2 billion if you include all hardwood products. US hardwoods enjoyed a $1.5 billion trade surplus with China.
- China imposed 10% retaliatory tariffs on US hardwoods last summer leading to an immediate and severe drop in exports. Between January and June of 2019, exports of US hardwood to China declined by 40% (valued at $452 million) compared to the same time period in 2018.
- The increase of tariffs to 25% in June 2019 is escalating losses. Hardwood exports to China for the month of June 2019 were down 50% compared to June 2018 exports.
- We expect the situation to continue to worsen as China is shifting away from U.S. hardwoods to materials from other countries.
- Jobs, mostly rural areas, are at risk as companies struggle with declining sales and low prices.
- US hardwoods are not receiving financial support from USDA to help us weather the storm. Ask them to talk to USDA and encourage them to take another look and figure out how to support the industry so that it survives.