

Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of
Appalachian Hardwood Manufacturers, Inc.

May 2019



CLT, White Oak & Scanning on Agenda 2019 Summer Conference Has Informative Sessions

The first Appalachian Poplar Cross-Laminated Timber structure will be discussed at the **2019 Summer Conference** of Appalachian Hardwood Manufacturers on **July 28-30** at **The Greenbrier** in **White Sulphur Springs, WV**.

The observatory is under construction in Radford, VA, and overlooks the New River. It was designed by the School of Architecture at Virginia Tech students and the two professors who lead the effort will explain the project.

It is the first structure in the U.S. to be built from cross laminated timber made exclusively of Appalachian Poplar. AHMI members are invited to tour the building on July 30 at the conclusion of the Conference.

The other business presentations are:

- **Scanning For Lumber Grade** - Technology has increased dramatically to scan hardwood lumber for grade. Two presentations from Eagle Machinery and JoeScan will discuss new equipment that saves time and labor with impressive results.

- **White Oak Initiative** - A coalition has been formed to increase white oak growth across the U.S. The plan would focus on Appalachian forests, landowners and manufacturers to improve management and harvesting practices for this valuable



hardwood resource.

- **Log Grading Rules Implementation** - AHMI and the Appalachian Hardwood Center have developed Guidelines for Scaling and Grading Hardwood Logs. AHC's Curt Hassler will explain these guidelines and the yield improvements.

INVITED - West Virginia Gov. Jim Justice and owner of The Greenbrier Resort has been invited to speak to our group on Business in West Virginia.

Representatives from UBS Financial will attend and schedule meetings to complete enrollment in AHMI's 401K Multiple Employer Plan. It began on March 1 and companies are registering and moving assets into the plan weekly.

There will be ample time for networking with members and guests at receptions and between sessions. We will also have the Summer Golf and Sporting Clays tournaments.

The Greenbrier is a National Historic Landmark and world-class resort that has been welcoming guests from around the world since 1778. America's Resort has long been a favorite destination.

(See Summer on page 3)



Poplar
CLT
Structure
Radford,
VA

The way I see it..

By Tom Inman, AHMI President

...the hardwood industry can benefit from any and all promotion of solid hardwood products.

AHMI was founded 91 years ago to promote the distinct advantages of logs and lumber from the Appalachian region. Our bylaws list the counties where the hardwood is harvested and staff and members have promoted that to millions of lumber buyers, manufacturers, designers and consumers for nine decades.

Other groups like the Hardwood Manufacturers Association and the National Wood Flooring Association do promotion too. HMA targets architects, designers and the media with its American Hardwood message and NWFA just unveiled its "Real Wood. Real Floors" campaign.

Other regional and state groups do specific work promoting products, the resource and the forest. These have been effective and helped the industry grow at times and other times hold market share.

The competition today from substitute materials going after hardwood markets is fierce. Engineered wood, plywood, MDF, plastic, tile and grass that is glued together all want this market. They all say their products "look like hardwood."

The consumer is confused at the least and often misled. The hardwood industry must maintain efforts and broaden this fight for markets.

AHMI, HMA, NWFA and National Hardwood Lumber Association elected leaders and executives are talking about a collaborative promotion program. NHLA President Darwin Murray has written about it for months in the Hardwood Matters magazine.

We recently held a conference call to begin a process that could lead to a joint promotion. We agree that individually we can accomplish a lot on multiple fronts. We also know that a collaborative promotion can have a huge impact.

This dialogue will continue in coming months and more details will be shared as they are developed.



AHMI welcomes the following new member:

Consumer

Oliver's Woodworking

Jake Oliver

248 Judge Don Lewis Blvd

Elizabethton, TN 37643

Tel: 423-543-0028

Fax: 423-543-7296

pallets@oliverswoodworking.com

www.oliverswoodworking.com

If you know of companies that should join, please share that with the AHMI office.

AHMI Supports Students With Design, Forestry Scholarships

Appalachian Hardwood Manufacturers has helped support two students in furniture design and forestry. The West Virginia University Foundation has awarded the Howard D. Bennett / AHMI Scholarship to Joshua Carver. The Kendall College of Art and Design has awarded the Grand Rapids Endowed Scholarship to Joe Dunaske. He wrote a thank you to AHMI and said "I have tremendous passion for furniture design."

Teacher Workshops Set In NC, TN

AHMI encourages members in North Carolina and Tennessee to consider sending teachers from your area to camps this summer.

The NC Forestry Association is planning three Sustainable Forestry Teacher Experiences:

Piedmont: Southern Pines June 17-20

Coastal Plains: New Bern June 24-27

Mountains: Asheville July 22-25

Visit www.ncforestry.org for information.

The TN Forestry Association plans four camps:

June 11-13 Domtar in Kingsport

June 18-20 UT-Forest Resources in Oak Ridge

June 24-26 Shipley Farm in Cookeville

July 9-11 Cardin Forest Products in South Pittsburg

For info, visit www.tnforestry.com.

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tion of business leaders and AHMI members.

AHMI Ladies are invited to breakfast on Monday at 9 in the Main Dining Room and then join the Greenbrier Interior History Tour at 10:30.

The Dining Collection at The Greenbrier is diverse with 20 restaurants and lounges with world-class cuisine, served by staff dedicated to gracious hospitality. The Greenbrier's team of culinary professionals carefully designs ingredient-driven menus, using locally sourced produce and regional flavors. Please make reservations early.

There are dozens of indoor and outdoor activities at the resort that offer fun, challenges and relaxation. See the Resort's website for details.

Please visit www.appalachianhardwood.org and click on "Meetings" for information and to register online. A paper registration form is included on page 6 of this newsletter.

You may also call The Greenbrier on a special number set up for Appalachian Hardwood at (877) 493-2941. You must book by June 27, 2019.

For more information, please call the AHMI office at (336) 885-8315 or email to info@appalachianhardwood.org.



Meeting attendees can enjoy golf and sporting clays at The Greenbrier

Saturday, July 27

Early arrivals enjoy The Greenbrier

6 pm - Early Bird Reception on Golf Club Patio
Dinner on your own

Sunday, July 28

2-4 pm - AHMI Board of Trustees Meeting in McKinley Room

3-5 pm - Meeting Registration in Lobby

6-7 pm - Welcome Reception Cameo Ballroom
Dinner on your own

Monday, July 29

8:30 am - General Session Chesapeake Room
- **Scanning For Lumber Grade** - Technology has increased dramatically to scan hardwood lumber for grade. Two presentations on new equipment that can save time and labor with impressive results.

- **White Oak Initiative Strategy**- A coalition has been formed to increase white oak growth across the U.S. The plan would focus on Appalachian forests, landowners and manufacturers to improve management and harvesting practices.

- **Hardwood CLT Tower In VA** - Virginia Tech's School of Architecture is constructing the first Appalachian Poplar Cross Laminated Timber structure in North America. It is in Radford, VA.

- **Log Grading Rules Implementation** - Appalachian Hardwood Manufacturers and the Appalachian Hardwood Center have developed Rules for Scaling and Grading Hardwood Logs.

INVITED - **West Virginia Gov. Jim Justice** and owner of The Greenbrier Resort has been invited to speak to our group on Business in West Virginia.

9 a.m. - **Ladies Breakfast** in Main Dining Room

10:30 a.m. - **Ladies Tour** - participate in Greenbrier Interior History Tour - Upper Lobby

12:15 pm - Golf Tournament - Meadows Course

12:15 pm - Sporting Clays Tournament

6-7 pm - Monday Reception Champions Room
Dinner on your own

Tuesday, July 30

9 am - Breakout on Log Grading Rules

9 am - UBS Financial Meetings

1 pm - Tour Hardwood CLT Observatory Tower in Radford, VA (*drive on your own*)
Have a safe trip home.



**Wilson
Table at
Gat Creek
made of
Oak**

Furniture Show Is Down

Furniture exhibitors reported that fewer buyers participated in the Spring 2019 High Point Furniture Market than one year ago.

The decrease was attributed to slowing retail sales, warehouses with ample inventory and the lingering impact of tariffs with China. The combination limited the retail buyers who attended the market April 6-10.

Vaughan-Bassett (VB) Furniture in Galax, VA, had a busy market with its "Against The Grain" line designed by Ben and Erin Napier.

"This continues to do very well for us," said VB Vice President Doug Bassett. "Our retailers really like the design and solid wood. We have moved everything to solid wood several years ago and the retailers and consumers are responding."

VB introduced four new bedroom designs in maple, cherry and oak in its Grayson Manor Collection. The pieces showcased solid hardwood from Virginia and North Carolina.

West Virginia manufacturer Gat Creek had international and domestic buyers who were seeking solid hardwood, reported President Gat Caperton. He said retailers recognize the value of solid wood and promote it to their customers.

Gat Creek introduced a solid oak dining room group named The Wilson Table to honor long-time hardwood distributors Frank Wilson Lumber in Elkins, WV. The pieces were popular.

Other manufacturers has new groups in maple and white oak with the volume of ash decreasing. The use of mixed hardwoods was seen in a number of showrooms.

High Point Market Authority CEO Tom Conley said the trade dispute with China has curtailed sales for U.S. furniture into their second-largest market.

Inman Discusses Hardwood Markets At KY, NC Programs

AHMI President Tom Inman recently spoke at the Kentucky Forest Industries Association Annual Meeting and the Association of Consulting Foresters North Carolina Meeting on hardwood markets.

The review of 2018 and the first quarter of 2019 saw hardwood sales decline in many export markets and remain stable domestically. USDA data shows that exports of Red Oak to China were down 19 percent and White Oak was down 10%. Sales of log and lumber products to Vietnam were up.

The China decrease has lumber producers seeking buyers in the U.S. and other countries. The flooring and cabinet industries had a stable 2018 and increases in industrial material demand help boost sales. The first quarter of 2019 have export flat and domestic sales markets have cooled.

AHMI Event Calendar

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

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

May 2-5: **Appalachian Lumbermen's Club**, Myrtle Beach, SC

June 7-8: **PA Forest Products Show**, State College, PA

June 20-21: **AHEC Greater China Convention**, Ningbo, China

June 24-25: **AHEC SE Asia Convention**, Hanoi, Vietnam

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

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

For more info or to participate, contact AHMI.

USMCA: The Other Trade Issue

*By Dana Lee Cole, Hardwood Federation
Executive Director*

To say that developments in international trade policy have held the Hardwood Federation's attention over the last couple of years is an understatement. From log exports to China to the tariffs with China and retaliation to the U.S. Mexico Canada Agreement (USMCA), there has been considerable activity on all trade fronts.

While we anxiously await the conclusion of trade negotiations with China, the Trump Administration is ramping up lobbying efforts on Capitol Hill to recruit support for USMCA. The new Democrat House majority has made the fate of this agreement far from certain, as was evident in a House Ways and Means Trade Subcommittee hearing late last month. It was the first hearing of this subcommittee in the new Congress and concerns were raised by witnesses and the majority about aspects of the agreement.

Concerns generally fell into three baskets: Labor provisions, pharmaceuticals and enforcement. On the labor front, there is concern that wages for workers in Mexico are artificially low and have served to not only depress wages for workers across North America, but have led to manufacturers moving operations south of the border. To address this, House Democrats have said they want the agreement to incorporate union organizing provisions with Speaker Pelosi offering this statement: "We can and should insist that Mexican workers are able to join unions and participate freely in collective bargaining agreements..."

Pharmaceutical pricing has taken center stage. The issue is a class of drugs known as biologics. There is language in the agreement that allow biologics manufacturers a 10-year extension on their patents. The effect of this is that generic drugs would not be able to enter the market over that time period, thereby increasing costs for consumers. Drug pricing has been a hot topic on Capitol Hill over the last year or so and this provision will certainly attract more scrutiny.

Finally, the issue of enforcement was a point

of emphasis. Mexico's legislature is poised this month to approve a comprehensive set of labor reforms that the country committed to during USMCA negotiations. This will be critical for building support for the deal in the House.

Meanwhile, Senators Ron Wyden (D-OR) and Sherrod Brown (D-OH) are drafting legislation that would allow U.S. and Mexican government officials to audit and inspect facilities that are suspected of breaking new Mexican labor laws.

Complicating the situation is the Section 232 tariffs on steel and aluminum. Senate Finance Committee Chairman Chuck Grassley (R-IA) has said repeatedly over the last month or so that the deal would not move forward in his committee while these tariffs are still in place. And adding complexity is the fact that Canada holds national elections in October.

It is difficult to envision a scenario where Canadian lawmakers approve the agreement while the tariffs remain. President Trump has not yielded to pressure to remove the 232 tariffs on aluminum and steel.

In terms of process, the Administration has not submitted USMCA implementing legislation to Congress. Once the legislation is submitted, its consideration must begin in the House, first with the House Ways & Means Committee and then the full chamber. Only a simple majority is needed to pass each chamber, however securing the 218 votes in the House will require Democrat support.

U.S. Trade Representative Bob Lighthizer and National Economic Council Director Larry Kudlow have been working House Democrats aggressively. The Hardwood Federation attended a recent event for Rep. Stephanie Murphy (D-FL), who is a second term Blue Dog Democrat from central Florida and sits on the Ways & Means Committee. She walked through many of the concerns that Democrats have with the proposal but was fairly optimistic that implementing legislation would get a vote before the August recess. That timeline is the "make or break" for USMCA. We will keep you informed.

6 - May 2019 - Appalachian Hardwood

2019 AHMI Summer Conference

July 28-30 The Greenbrier



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 July 12, 2019 and mail to: AHMI, P.O. Box 427, High Point, NC 27261.

MEETING REGISTRATION FEES

AHMI MEMBER - \$350 per person

GUEST - \$450 per person

AHMI MEMBER SPOUSE - \$250

GUEST SPOUSE - \$350

CHILDREN 10 & older - \$200

MONDAY SESSION ONLY - \$175

CHILDREN UNDER 10 - free

Full registration will be refunded on cancellations received by July 12, 2019. Cancellations received after that time subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S SUMMER CONFERENCE

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

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

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

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

Company: _____

Address: _____

City/State/Zip: _____

AHMI GOLF TOURNAMENT (Monday at 12:15 p.m. The Meadows Course includes boxed lunch)

Name: _____ FEE: \$275

Name: _____ FEE: \$275

SPORTING CLAYS TOURNAMENT (Monday at 12:30 p.m. The Gun Club includes lunch)

One round of 100 - Includes gun, ammo and targets, boxed lunch

Name: _____ FEE: \$250

Name: _____ FEE: \$250

LADIES BREAKFAST (Monday at 9 a.m. in Main Dining Room)

Name: _____ FEE: \$30

LADIES TOUR (Monday at 10:30 a.m. in Upper Lobby)

The Greenbrier Interior History Tour

Name: _____ FREE

POPLAR CLT STRUCTURE TOUR on Tuesday at 1 p.m. in Radford, VA

NAME: _____ FREE

Check enclosed _____

Credit Card: _____

Expiration date _____ Security Code _____ Billing ZIP code _____

Name on card: _____

Total _____

You may also register online at www.appalachianhardwood.org and follow the link to Meetings. Please make your room reservations there or directly with The Greenbrier at (877) 493-2941. Book your room by June 27, 2019.