

Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of
Appalachian Hardwood Manufacturers, Inc.

October 2019



Collaborative Hardwood Promotion Begins

An industry-wide Hardwood Promotion Coalition was unveiled at the 2019 National Hardwood Lumber Association Convention.

The effort is planned to combine industry resources to reach consumers and their influencers with messaging on Real American Hardwoods. It is a joint effort of more than 18 hardwood associations that are developing the strategy and will provide the initial funding.

Several hardwood industry executives and elected leaders (including AHMI) have been discussing ways to collaborate on domestic promotion that is open and engages all members of the diverse hardwood community. It follows the example of the Hardwood Federation.

There are three distinct phases:

Stage 1: Assess Current Marketing Resources - identify existing promotion efforts, research

Goals To Accomplish

- Educate consumers and raise public awareness of the benefits of Real American Hardwood
- Generate new products
- Increase markets and sales
- Improve industry stability

projects, advocacy work, and data related to consumer trends and competing products. Research firms have been contacted that will ask consumers about their choices and what influenced their decision;

Stage 2: Collaborate with Educational Influencers - identify university architecture and design courses and competitions related to the use

(See Promotion on page 3)

Hardwood Markets Focus Of 2020 Annual Meeting

Markets for grade and industrial Appalachian Hardwood lumber and products will be the focus of the 2020 Annual Meeting of Appalachian Hardwood Manufacturers, Inc.

The program is set for Feb. 19-23, 2020 at the Naples Grande Beach Resort in Naples, FL. AHMI has been to this beachfront hotel on the beautiful Gulf of Mexico previously. The property offers fine dining, golf, world-class spa, three outdoor pools, and a private beach.

The business program will be divided in two distinct days:

Friday - Exports with speakers: (1) one of China's largest lumber importers to share the state of business in the country. (2) American Hardwood

Export Council's Executive Director Michael Snow to detail all world markets for hardwoods.

Saturday - Domestic with speakers: (1) Sterling Inc. has become the nation's leading producer of road and crane mats. Greg Larson will discuss their growth and CLT Mat development. (2) Two invited speakers on grade lumber use in manufacturing.

The meeting will include golf and fishing tournaments, a ladies program, and networking. There will be an Early Bird Reception for attendees who arrive on Wednesday.

Please make your room reservations at www.appalachianhardwood.org/meetings/ Registration materials will be mailed soon.

The way I see it...

By Tom Inman, AHMI President

...the mood at the National Hardwood Lumber Association Convention last week was better than expected.

Several hardwood lumber producers reported increased sales of grade lumber domestically to distribution yards and millwork as well as industrial products moving to pallet and railroad tie makers. Hardwood distributors said they are having a good year as most of their customers are busy and these cabinet and custom homebuilders are willing to pay for just-in-time deliveries.

The challenge continues to be exports as the trade war with China has seen no change and shipments to other countries have risen slightly but prices have not. The common thread between sawmills and yards that export is determining where these markets are today, and the need to adjust accordingly.

Many sawmill owners said they are working through or have finished receiving their higher priced timber. New tracts and gate logs arriving now are at a reduced cost.

How long this will continue remains to be determined as forest landowners review the pricing. This is bringing lower cost inventory to the mills and yards and should help compensate for the low lumber prices.

Several sawmills report they are working 40-45 hours a week and that could change based on the fall market. All are striving to compete and survive with the changes in the marketplace.

Former NFL quarterback Archie Manning was the NHLA keynote speaker and said from what he reads, the hardwood industry is struggling. He compared it to the New Orleans Saints when he played in the late 1970s and early 1980s.

In 1980 the team won one game. Manning said it was tough but he challenged his teammates to persevere. He said it is no different than the hardwood industry today and the leaders of a company or the industry must step up and lead.

Manning reminded that life is a journey that is determined by each one of us.

Mrs. Pat Crites Honored With 1st Women's Award

The National Hardwood Lumber Association awarded its first Women in Leadership honor posthumously last week to Mrs. Patricia Crites, co-founder of Allegheny Wood Products, Inc. (AWP).

The award was given to the Crites family at the 2019 NHLA Convention in New Orleans. Nearly 50 years ago, Mrs. Crites and her husband, John, co-founded Allegheny Wood Products, Inc. which has grown to be one of the largest hardwood lumber companies in the world with exports to 30 countries.



Pat Crites

Mrs. Crites played an active and instrumental role in building and maintaining AWP's customer relationships around the globe. John Crites reflected about his wife during the event that "she was Allegheny Wood's ambassador, she knew all of Allegheny Wood's customers by name, and the names of most of their family members. Treating customers like family was her superpower."

Like many women senior executives, Mrs. Crites set a standard for AWP's family business culture and women in the hardwood lumber industry that still exists today. John said his wife "was my business partner, my guiding light and moral compass. Her's was a life well-lived, and she was well-loved."



Accepting the award

Members of the Crites family and friends accepting the award on behalf of the late Mrs. Patricia Crites were (from left) Aaron Roth, Kelly Crites, Kevin and Jessica Mongold, John W. Crites I, Valerie and John Mongold.

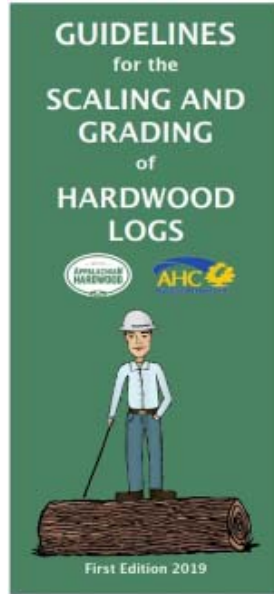
Log Grading Workshop Set Nov. 12-13 In TN

Appalachian Hardwood Manufacturers Inc. and the Appalachian Hardwood Center from West Virginia University invite you to participate in a workshop and demonstration introducing "Guidelines for Scaling and Grading Hardwood Logs."

This new publication was developed by the two groups to help landowners, loggers, sawmills, and brokers understand scaling, grading and valuing hardwood logs in the US. The Guidelines explain:

- Best forest management practices
- Log scaling including diameter; log length; defects; and how to determine volume with the four scaling systems
- Log grading with illustrations on diameter and clear faces

There will be a presentation, workshop and log yard demonstration on Nov. 12-13 in Johnson City, TN. Guidelines author Curt Hassler of AHC will speak at the Nov. 12 meeting of the Appalachian Lumbermen's Club at The Carnegie Hotel in Johnson City, TN. The reception is at 6 pm, dinner at 7 pm and the program at 7:30.



There will be a class on Nov. 13 from 8:30-10 a.m. at The Carnegie Hotel to detail the Guidelines. The group will move to Parton Lumber's log yard in Hampton, TN, for a field demonstration at 10:30 a.m. An informal lunch will follow at 12:30 pm.

There is a guest fee for dinner and ALC Meeting on Tuesday, Nov. 12 for non-members of the Club. There is no cost for the workshop and demonstration on Nov. 13.

You may register for the ALC Meeting at www.lumberclub.org. To register for the workshop and demonstration only, contact the AHMI office at (336) 885-8315 or by email to info@appalachianhardwood.org.

Hotel rooms are available at The Carnegie by calling (423) 979-6400 and ask for the Appalachian Lumbermen block. Room reservations must be made by Oct. 12.

You may attend the workshop and demonstration on Wednesday only. Please contact AHMI.

Four hours of Continuing Education Credits have been approved by the Society of American Foresters.

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of hardwoods and share existing educational materials. The group will recommend industry experts to participate in classroom presentations and consider design competitions. There have been successes by AHMI, Hardwood Manufacturers Association and American Hardwood Export Council;

Stage 3: Increase Collaboration With Secondary Manufacturers - identify and welcome those who have an interest in working with the hardwood industry in expanding markets. The succinct and accurate message will underscore the value and create a desire for Real American Hardwood by separating it from substitute materials and focusing on benefits for every industry stakeholder.

A team has been identified to draft communi-

cation materials that can be widely shared at industry meetings. The next meeting of the group is on Oct. 29-30.

For more information, please contact Tom Inman at the AHMI Office or info@appalachianhardwood.org.

Follow AHMI On Social Media

AHMI invites you to follow us on Facebook and Twitter. Our Facebook page is **Appalachian Hardwood** at <https://www.facebook.com/Appalachian-Hardwood-115082515210245/>

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

AHMI Joins NAM For Health Insurance Offering

Appalachian Hardwood Manufacturers, Inc. has been approved to offer an association health plan to its members, extending affordable health care to small and medium-sized manufacturing companies in approved states.

AHMI has joined the National Association of Manufacturers Health Care program. It is designed to meet the unique health care needs of smaller manufacturing companies. The health benefits options are offered by UnitedHealthcare.

Depending on the state, businesses with 2 to 99 employees may be able to choose from a variety of PPO (Preferred Provider Organization) and HSA (Health Savings Account) health plans. AHMI members will also have access to UnitedHealthcare's Choice Plus care provider network of more than 1.3 million physicians and care

professionals, 6,000 hospitals and other care facilities nationwide.

Under NAM Health Care, eligible member companies can access to supplemental benefits including dental, vision and life. UnitedHealthcare will work with any licensed and appointed agents who want to sell NAM Health Care.

Mercer will provide AHMI members with consulting services for health benefit offerings and contribution strategies, marketing support to sign up and enroll their employees, plan administration and compliance consulting services.

AHMI was approved in late September and offerings will begin on Dec. 1 and Jan. 1, 2020 depending on the state. More details will be sent directly to AHMI members in the coming weeks. For more information, contact the AHMI Office.

Inman Reports On Markets At Penn-York Meeting

STATE COLLEGE, PA - Appalachian Hardwood Manufacturers, Inc. President Tom Inman spoke at the September meeting of the Penn York Lumbermen's Club sponsored by AHMI member Walker Lumber Co.

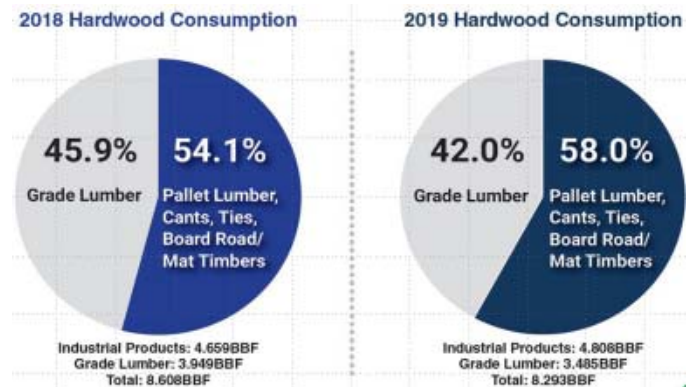
More than 100 people attended the meeting of lumber producers, distributors and secondary manufacturers from the northeast. The session preceded the Pennsylvania Forest Products Association Annual Meeting.

Inman updated the group on hardwood lumber markets domestically and internationally. U.S. markets for hardwood lumber have increased in the past two years with a rise in construction and remodeling.

Most domestic grade markets are up for the year with millwork leading the way. Many export markets are down or flat with China decreasing sharply because of the tariffs.

Some international markets have improved like India which is up almost 200% in one year. The growth includes new markets for Red Oak, Hickory and Walnut.

Inman discussed two new AHMI member programs that provide valuable services. The Multi-



Exports: India Use of US Hardwoods

- Volume of U.S. hardwood lumber shipped to India during the first half of this year **increased 190% in volume** to 1,661 cubic meters and **up 102% in value** to USD \$1.06 million.
- Over **1/3 was Red Oak** with 0 shipments 2018
- The remainder was Hickory, Walnut, White Oak, Ash, Maple and Cherry
- Shows in October will tell

Employer Pension 401K plan and a new health insurance program will provide substantial cost savings and great benefits to members.



AHMI welcomes the following new member:

Distributor

JL Gardner Hardwoods
James Leeland Gardner, Jr.
1199 Muse Field Rd.
Rocky Mount, VA 24151
Tel: 540-420-1649
Fax: 540-483-0874
leeland@jlgardner.org
www.jlgardner.org

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

Fall
High
Point
Furniture Market Is Oct. 18-23



The 2019 Fall High Point Furniture Market is Oct. 18-23 and an opportunity to meet with manufacturers and buyers from around the world, and talk with designers.

AHMI visits dozens of showrooms during the market to discuss current and future production and explain hardwood lumber sourcing. Staff distributes dozens of AHMI Resource Guides and cards about Certified Appalachian Sustainable and Legal programs.

AHMI is again a sponsor of the International Society of Furniture Designers Pinnacle Awards for the Maker / Designer category. Tom Inman will present the award on Oct. 21 at 7 p.m.

AHMI members and guests are invited to market and staff can provide passes and maps of showroom locations. The Market allows AHMI members to see the latest trends in furniture design and determine species requirements in the coming months.

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

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AHMI Event Calendar

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

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

Oct. 21: **International Society of Furniture Designers Awards**, High Point, NC

Oct. 23: **South Central Lumbermen's Club**, Union City, TN

Nov. 5-6: **Stiles Machinery Wood Seminar**, High Point, NC

Nov. 12: **ALC Meeting**, Johnson City, TN

Nov. 13: **Hardwood Log Grading Workshop**, Hampton, TN

Jan. 14, 2020: **ALC Meeting**, Asheville, NC

Feb. 3-5: **IHLA Convention**, Indianapolis, IN

Feb. 19-23: **2020 AHMI Annual Meeting**, Naples, FL

March 10: **ALC Meeting**, Greensboro, NC

March 18-19: **Central Hardwood Conference**, Charleston, WV

March 25-27: **HMA Convention**, Nashville, TN

AHMI is constantly seeking new outlets to promote Certified Appalachian Hardwoods Sustainable and Legal. If you know of events, 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.

Enroll Now In AHMI 401k

Appalachian Hardwood Manufacturers, Inc. encourages members to enroll in the AHMI 401k Multiple Employer Plan. It allows hardwood companies to pool existing retirement accounts or start new programs for employees.

UBS Financial representatives will compare a company's current retirement program and the estimated savings in the AHMI 401K plan. For more information, please contact the AHMI office at (336) 885-8315 and we will send you materials.

Fly-In 2019: Telling The Hardwood Trade Story

By Dana Lee Cole

Hardwood Federation Executive Director

The Hardwood Federation Fly-In to Washington D.C. is often billed as one of the most important advocacy events the industry holds in our nation's capital. This year was a true characterization of a whirlwind 36 hours spent on Capitol Hill meeting with Members of Congress and their staff.

The trade war with China continues without relief and the impact on the hardwood industry have been fast, furious and relentless. Participation in this year's Fly-In was driven by the ongoing U.S. trade dispute with China and the resulting tariffs on both Chinese imports and U.S. exports.

There were nearly 70 participants from across the country to tell their stories and relate the industry's message directly to Congress. Our participants were a great mix of knowledgeable Fly-In veterans and invigorated new faces spurred to action by the impacts of the trade dispute.

The Hardwood Federation PAC sponsored social events for Republicans and Democrats during the Fly-In. These events also provide us with an outstanding opportunity to reconnect with friends on the Hill and establish new relationships. We also heard from two members of Congress who are completely tuned into our issues and are joined with us in efforts to provide relief to the industry while the trade dispute continues.

Cong. Ann Kuster (D-NH) spearheaded a letter to Secretary of Agriculture Sonny Perdue encouraging him to include hardwoods in agricultural relief efforts. She gave a terrific pep talk the night before our Hill meetings.

Cong. Jackie Walorski (R-IN) gave a fiery keynote to wrap up our Hill Day, encouraging continued action and sharing insight gleaned from her significant efforts communicating with the Administration, including the President, on our behalf.

Our message on trade was simple: Trade is having a devastating impact on hardwood companies, workers and consumers and is causing long term damage to international markets. We asked that the Trump Administration provide



PA group (from left) Scott Cummings of Cummings Lumber; Mark Hayes of Northwest Hardwoods; Norm Steffy of Cummings Lumber; PA Sen. Bob Casey; Marlana Wheeland and Ray Wheeland of Wheeland Lumber

some relief to the hardwood industry just as they have for other agricultural commodity groups. Ideally, we would like to see a quick resolution to the trade war, but in the meantime, we need some help if our industry is to survive and ask them to return to the negotiating table as soon as possible.

It cannot be emphasized enough how impactful personal stories of what the trade war is doing to your business, your employees and your state and local economy. It is not too late to make some noise...call, write or tweet your Member of Congress and Administration officials...tell them what you are thinking.

Our Contact Congress outreach tool makes it easy...you may access it here: <https://www.votervoice.net/THF/campaigns/66462/respond>.

We hope everyone enjoyed their time on the Hill, learned something new, and came away with a new appreciation of how their engagement can make a difference on public policies made in Washington. I encourage everyone reading this to join us for next year's Fly-In so we can reach more offices, be even more effective, and set even more new records! We hope you can join us!

For more information on the Fly-In, issues discussed, or to find out about participating in Fly-in 2020, contact us at (202) 463-2705.