

Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of
Appalachian Hardwood Manufacturers, Inc.

November 2019



Hardwood Markets Focus Of 2020 Annual Meeting

Appalachian Hardwood Manufacturers invites you to the **2020 Annual Meeting** on Feb. 19-23 at The Naples Grande Beach Resort in Naples, FL.

The business sessions will focus on Export Markets on Friday and Domestic Markets on Saturday with informative speakers. There will be receptions, networking, golf and fishing tournaments and time with industry friends.

The Naples Grande Beach Resort is on the Gulf of Mexico and offers luxurious rooms, more than three miles of private beach, spa, pools and more. The resort has three restaurants, coffee bar, pool bar and the Mantra lobby bar to gather for a drink and conversation. Other fine dining, shops and activities are moments away in Naples. The Spa offers full treatments and relaxation.

The AHMI business presentations are:

World Markets for American Hardwoods - AHEC Executive Director Mike Snow will share AHEC's international promotion activities for 2020 in existing and new markets.

Market for American Lumber In China - James Xu, founder of AM Forest Products China and a director of the China National Hardwood Council and Shanghai Timber Trade Association, will share his perspective on the Chinese market for American hardwoods in 2020.

Real American Hardwood Coalition - A coalition of hardwood industry associations will discuss a new promotion to consumers titled "Real American Hardwood." The goal is to educate the public on the benefits of solid hardwood over substitutes. Presenters will be the Action Team.

§ee **Meeting** on page 3)



Vaughan-Bassett Oak Bedroom Group for 2019

Red Oak Makes Limited Return To Fall Market

HIGH POINT – Solid wood introductions at the Fall 2019 High Point Market were increased from the show six months earlier and a positive sign for hardwood manufacturers.

The High Point Market opened Oct. 18 with several companies introducing new pieces in solid red and white oak and walnut and other species with a mix of solid and engineered materials. The solid wood push has been growing at market for the past three years.

Kincaid Furniture expanded its offerings to include a new group in oak – truly a mix of oak species with gray and beige finishes. The response to these open grain woods was very positive.

Vaughan-Bassett Furniture in Galax, VA, had a busy market with expansion of its groups designed by Ben and Erin Napier. The "Hometown" television show hosts design for VB under an exclusive agreement and the new

§ee **Furniture** on page 2)

The way I see it...

By Tom Inman, AHMI President

...the High Point Furniture Market for Fall 2019 and the Pinnacle Design Competition were positive for solid hardwoods.

There were introductions from domestic manufacturers in Red Oak, Walnut, Hard Maple and Soft Maple. There were introductions from international makers in Red Oak, Walnut and Maple as well as dozens of other species.

My focus is always on the Appalachian species that are showing and talking with exhibitors about the species they are using. There was more Appalachian on display in traditional places like Gat Creek and Vaughan-Bassett Furniture but it was most encouraging to see Red Oak and Ash lumber in furniture that was sourced from Vietnam.

Solid hardwood held its market share this fall against the flood of engineered woods and substitute materials. Overall business was deemed fair.



**Maker / Design
winner *Secret
Spirits***

Solid was evident at the 2019 International Society of Furniture Designers Pinnacle Awards on Oct. 21. AHMI sponsors the Maker / Designer category and the winner was Bruce Schuttinger for his piece *Secret Spirits* made of mahogany, walnut and exotics woods.

AHMI member Bernhardt Inc. won three Pinnacle awards and was a finalist in two others. Members Century Furniture and Gat Creek Furniture were finalists in two categories.

Many of these designs were in solid hardwoods. During my presentation, I congratulated all of the winners but especially those designing in solid Appalachian Hardwood species which generated cheers and applause from the audience of designers and manufacturers. This continues to provide great exposure to this audience.

Furniture from page 1

product for Fall 2019 including two bedrooms in solid oak and one in solid maple.

“This was very strong for us and our buyers really liked the red oak,” said VB Vice President Doug Bassett. “We have the majority of our lines in solid wood and our retailers really like these designs.”

VB introduced six bedroom designs in oak and maple showcasing solid hardwood from Virginia and North Carolina.

Country View Furniture of Millersburg, OH, expanded its maple designs with a focus on dining room. Owner Roy Miller said the contemporary design was new for the company and response was positive from existing customers. Many appreciated a new dining chair that reclined slightly. Made from maple, the group has a medium finish with upholstered chairs. Country View purchased an upholstery plant last year.

West Virginia manufacturer Gat Creek introduced a walnut bedroom group that received great attention, said President Gat Caperton. Retail store representatives recognize the value of solid hardwood and Gat Creek has become renowned for its products and design.

Gat Creek introduced a solid oak dining room group at the last market named *The Wilson Table* and was a finalist in the International Society of Furniture Designers Pinnacle competition.

American Drew introduced large scale bedroom and dining room groups in ash solids and veneers that were designed in the U.S. and manufactured in Vietnam. The collections had a gray finish that was very popular at this market.

Simply Amish of Arcola, IL, expanded its offerings with a new group in solid red oak. The bedroom collection targets a medium price point with very traditional styling. The company also expanded a cherry group with a brown finish and more contemporary styling. Staff said it was well-received by buyers.

The High Point Market remains one of the world’s largest furniture exhibition trade markets.

Meeting from page 1

Hardwood Use In Crane & Road Mats - Sterling Inc. is one of the largest crane and road mat producers and rental companies in the US. Sales Director Greg Larson will explain this growing industrial application for hardwoods and new technology that glues these timbers.

AHMI Annual Meeting & Election of Officers - Chairman Lowery Anderson will present the State of the Association and recognize anniversaries. There will be an election of officers and trustees.

Also, **Producers and Distributors Divisions Meetings** to discuss issues of importance.

The Annual Golf Tournament is Friday at Naples Grande Golf Course. The Annual Fishing Tournament is Friday on the Gulf of Mexico. There will be a Saturday Golf Tournament or you can join the group for Saturday on the Beach.

There are receptions planned each evening.

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 www.appalachianhardwood.org/meetings.

You may call the Naples Grande at **(844) 210-5931** for Appalachian block with code GAHMI20. The closest airport is the Fort Myers/Naples and car service, taxi and uber are available to the Resort.

For more information, call the AHMI office at 36885-8315.

Annual Meeting Sponsorship

The 2020 Annual Meeting of Appalachian Hardwood Manufacturers, Inc. will be February 19-23 at The Naples Grande Beach Resort, Naples, FL. There are still a few Meeting Sponsorship available to enhance the session and encourage companies.

Sponsors receive: 1) Recognition during the Annual Meeting; 2) Signage for each sponsored event; 3) Recognition in the meeting program; 4) Table for literature at registration or in the Meeting Room.

Please contact the AHMI office today about the remaining sponsorship opportunities.

ANNUAL MEETING AGENDA

WEDNESDAY, FEB. 19

6 pm - Early Bird Reception – Vista Terrace

THURSDAY, FEB. 20

Morning activities on your own

2 pm - AHMI Board of Trustees Meeting – Acacia 1-3

4 pm - Registration – Hotel Lobby

6 pm - Welcome Reception – Sunset Veranda

FRIDAY, FEB. 21

8:30 am - General Session – Orchid 2-4
Business Presentations

11:45 am - Golf Tournament – Naples Grande Golf Club

12 pm - Fishing Tournament – Gulf of Mexico

6 pm - Reception – Poolside

SATURDAY, FEB. 22

8 am - Producers Meeting – *Producers only* – Orchid 1

8 am - Distributors Meeting – *(open to all)* – Orchid 2-4

9:15 am - General Session – Orchid 2-4
Business Presentations, Annual Meeting

11:45 am - Golf Tournament – Naples Grande Golf Club

2-4 pm - Fun on the Beach

6 pm - Reception – Vista Terrace

SUNDAY, FEB. 23

8 am - Fellowship of Christian Lumbermen – Acacia 1-3

Follow AHMI On Social Media

AHMI invites you to follow us on social media and keep up with the latest news and events.

Our Facebook page is **Appalachian Hardwood** at <https://www.facebook.com/Appalachian-Hardwood>

Our Twitter account is **Appalachian Hardwood** at [@AppalachianHdWd](https://twitter.com/AppalachianHdWd)

Our Instagram is [appalachianhdwd](https://www.instagram.com/appalachianhdwd)

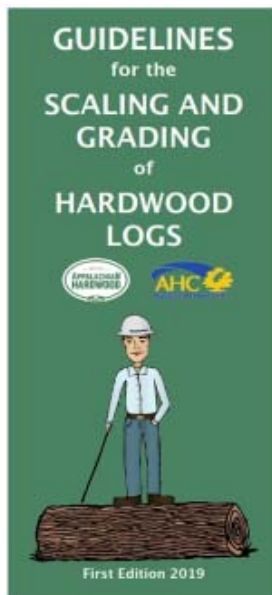
Log Grading Workshop Set Nov. 12-13 In TN

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 (36) 885-8315 or by email to info@appalachianhardwood.org.

Hotel rooms are available at The Carnegie by calling (23)979-6400. There may still be rooms available if you call immediately. There are other hotels in the downtown area.

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.

Inman Discusses Markets With South Central Club

UNION CITY, TN - Appalachian Hardwood Manufacturers, Inc. President Tom Inman spoke at the October meeting of the South Central Lumbermen's Club recently.

The group of hardwood lumber producers, distributors and secondary manufacturers are from the central Tennessee and Kentucky region. He 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. Industrial markets are still strong with railroad ties, stave logs and

road mat sales improving through the year.

Many export markets are down or flat with China decreasing sharply because of the tariffs. Markets in Europe are stable and Mexico has increased slightly.

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

Poplar Donations Sought For CLT Panel Build, Test

AHMI is assisting Virginia Tech Professors Dr. Henry Quesada and Dr. Brian Bond in developing cross-laminated timber panels from Yellow Poplar for testing and inclusion in building codes.

The two are completing research on an economic model to determine feasibility of Poplar in appearance and structural applications. Preliminary results indicate that 1Common Poplar can continue to be used for appearance and 2Common Poplar could be used for structural materials.

The research is also analyzing the willingness of US hardwood sawmills to produce structural lumber in fixed widths and structurally graded. Virginia Tech will work with Smartlam in Montana to produce CLT panels made of Yellow Poplar and complete tests to meet APA standards.

AHMI, the National Hardwood Lumber Association, and the Hardwood Manufacturers Association are partnering with Virginia Tech to promote the project and find potential donors of Yellow Poplar lumber for the manufacturing and testing of the panels.

If you are willing to donate Yellow Poplar to the research, please contact the AHMI Office for specifics. The lumber will be needed in early 2020.

The grant will also fund ways to train lumber graders to structurally grade hardwood lumber. The Northeast Lumber Manufacturers Association has developed grades that are approved and can train interested people.

If you have any questions about the hardwood CLT projects at Virginia Tech, please contact Dr. Henry Quesada at quesada@vt.edu.

AHMI Event Calendar

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

Nov. 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. 11-12: **Hardwood Federation Meetings**, Washington, DC

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

April 28-30: **NWFA Flooring Expo**, Milwaukee, WI

May 1-2: **Expo Richmond**, Richmond, VA

April 30-May 3: **ALC Beach Meeting**, Myrtle Beach, SC

May 19: **Keystone Wood Products**, Lewisburg, PA

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.

Certified Appalachian Helps Sell Lumber

Dozens of Appalachian Hardwood Manufacturers, Inc. members have successfully completed the requirements of Certified Appalachian Hardwood and are completing sales.

Certified Appalachian was developed in 2017 to provide a third-party audit to standards ap-

proved by AHMI Trustees. Member companies can certify the legality and sustainability of logs, lumber and hardwood products.

Please contact the AHMI office to make application and the process is typically completed in 10 working days.

Federal Forest Issues Quietly Advance In DC

By Dana Lee Cole

Hardwood Federation Executive Director

While the trade war with China has consumed the Hardwood Federation's attention and advocacy bandwidth this year, there continues to be activity on other pressing public policy issues which we are engaged.

Federal forest management reform is one of these, particularly now that wildfires are once again raging in California and policymakers are searching for solutions. Earlier this year, Senators Steve Daines (R-MT) and Dianne Feinstein (D-CA) announced that they were working on legislation that would expedite and expand removal of dead, dying and hazardous trees in our national forest system. While we have not yet seen a draft of the bill, indications are that it would include regulatory reform provisions to allow for expedited forest management on federal forests and pair those with language authorizing incentives for utilizing the forest material/biomass from these projects.

In a joint statement, they said: *"We're working together to develop bipartisan legislation to improve management and speed up restoration of forest landscapes, create viable solutions for the removal of woody biomass and dead and dying trees, accelerate post-fire restoration and reforestation, and expedite targeted treatments of dangerously dense forested areas where wildfires are most likely."*

Also under development by our forester friend in the House—Congressman Bruce Westerman (R-AR-4)—is a bill that has more of a climate change/greenhouse gas reduction angle to it. Again we have not seen any language but we understand it will focus on three key areas:

1. Increased tree planting. The proposal will seek to convert more marginal farmland and wetlands back to forest land through changes in existing conservation programs. This will be paired with incentives for planting more trees in urban areas and promoting afforestation through existing foreign aid incentive programs.

2. Growing more wood – The measure will promote making federal forests more resilient and

productive so that they are maximizing the total amount of wood on our forest lands by thinning and other management practices to promote larger trees and more total wood per acre over time. According to Rep. Westerman, the idea is to manage forests in a manner which does not allow their canopies to close, which may make them less prone to catastrophic fires and provide better wildlife habitat. Westerman believes forests managed this way will also have ancillary benefits such as water conservation and increased outdoor recreation and economic development in rural areas.

3. Using more wood – The bill would accelerate more wood demand and creative uses of wood in buildings, paper production, energy, and chemical feedstocks among other areas. The measure would include a sustainable building tax credit that allows residential and commercial builders to receive tax credits for building and renovating buildings that a) are innovative and use environmentally friendly building materials such as wood; b) that are more energy efficient to operate and maintain; and c) store more carbon over time.

Finally, the bill would modernize the Renewable Fuel Standard (RFS) to allow forest-based biomass to qualify for this fuels mandate. Currently, the definition of "forest biomass" in the law authorizing the RFS is severely restrictive so that only energy derived from tree plantations is eligible. Westerman's bill would fund more research and development for wood energy and wood feedstock technology.

These are just a couple of proposals that are germinating. Politically, it does not appear likely that we are going to see substantive action in the federal forest management space this year. Funding the government past Nov. 21 and negotiations on a U.S. Canada Mexico Agreement (USMCA) are clearly ahead of federal forestry in the priority queue. That could change quickly—particularly if the wildfire situation continues to escalate out West. We continue to reach our champions in the House and Senate to remind them that federal forest reform remains a priority for HF.

AHMI Members Eligible For Group Health Plan

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 have 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.

Enrollment In AHMI 401K Plan Continues Growth

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 available to 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.

The early participants in the AHMI 401K MEP have found savings of \$5,000-\$12,000 a year. It also has streamlined recordkeeping.



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

These portfolios are available to every member and shows existing retirement plans with a comparison to the UBS Financial MEP offering. The transfer can be completed in just a few weeks. UBS Financial then schedules meetings with company employees to explain the offerings and help with decisions.

New companies continue to join the plan each week. For more information, please contact the AHMI office at 336-885-8315 and we will send you materials for review.



APPALACHIAN

Hardwood Manufacturers, Inc.



2020 Annual Meeting | Feb. 19-23 | Naples Grande Resort, Naples, FL

To reserve your room, call the Naples Grande at (844) 210-5931 for Appalachian block GAHMI20.

Rates start at \$349 and the cutoff is Jan. 19. Rate is honored before & after!

Online Hotel / Meeting registration at 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. 1, 2020

AHMI MEMBER - \$450 per person

GUEST - \$550 per person

MEMBER SPOUSE - \$300

GUEST SPOUSE - \$400

CHILDREN AGE 12 - ADULT - \$250, UNDER 12 - \$100

Add \$75 to any registration fee after Feb. 1, 2020

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, 2020. Cancellations received after that time will be subject to 50% forfeiture.

REGISTER for AHMI'S 2020 ANNUAL MEETING

Name: _____ FEE: \$ _____

Name: _____ FEE: \$ _____

Company: _____

Address: _____

City/State/Zip: _____

Annual Golf Events

Friday at 11:45 am at Naples Grande Golf Club
(includes shuttle, lunch, range balls. Rental clubs & shoes are \$100 in advance)

Name: _____ FEE: \$250
_____ *Rental clubs & shoes: \$100*

Saturday at 11:45 am at Naples Grande Golf Club
(includes shuttle, lunch, range balls. Rental clubs & shoes are \$100 in advance)

Name: _____ FEE: \$250
_____ *Rental clubs & shoes: \$100*

Fishing Tournament

Friday at 12 p.m. sportfishing in the Gulf of Mexico
(4-hour fishing trip, includes boxed lunch, shuttle, tackle, bait, license)
\$175 for each space on multiple chartered boats

Name: _____ FEE: \$175

Name: _____ FEE: \$175

Optional Events I / We will attend

(included in registration fee)

___ Early Bird reception Wed. at 6 pm

___ Saturday on the Beach from 2-4 pm

Check # _____ Received _____

Credit Card # _____ Exp. _____ Sec. Code _____ Billing Zip _____

TOTAL \$ _____