

Appalachian Hardwood *Sustainable & Legal*

Monthly newsletter of
Appalachian Hardwood Manufacturers, Inc.

December 2019



Annual Meeting Focus: 2020 Hardwood Markets

Markets for hardwood lumber - both grade and industrial - will be discussed at the 2020 Appalachian Hardwood Manufacturers Annual Meeting.

The business sessions will offer experts on Export Markets on Friday and Domestic Markets on Saturday. There will be receptions, networking, golf and fishing tournaments and time with industry friends during the Feb. 19-23 Meeting at The Naples Grande Beach Resort in Naples, FL.

The 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 Leadership Team.

Hardwood Use In Crane & Road Mats - Sterling Inc. is one of the largest crane and road mat producers and rental companies in the US. Owner Carter Sterling will explain their use of hardwoods and new technology to glue 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.



Reports from Grade & Industrial Users Set

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 at the resort.

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.

There will be ample time for networking with members and guests at receptions, events and dinners throughout the Annual Meeting. Please make your room reservations early and registration 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 Fort Myers/Naples and car service, taxi and uber are available to the Resort.

There is a registration form on the last page of this newsletter. For more information, call the AHMI office at 336-885-8315.

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The way I see it...

By Tom Inman, AHMI President

...and hear it and know it - 2019 has been a difficult year for most hardwood sawmills. It began with a holdover from 2018 with exports down, prices off and neither recovered.

The winter was wet and logging slowed for the first eight weeks which curtailed production at a good time. The two factors helped profitability for many in the first quarter.

Spring came and log supplies increased. Demand remained flat or even fell for a few species so increase in supply and reduction in demand kept prices low. The second quarter was tough.

Summer log supplies were good and sawmills began lowering the price for logs to reflect the value of lumber. Exports to China remained low and domestic markets were flush with lower cost lumber.

Many sawmills reduced red oak grade lumber production and more went into industrial products. This has been one area with sales up for "really" nice railroad ties and mats as prices increased slightly.

I asked one tie representative if they were thrilled with the beauty of the lumber on the sides of the ties. "As long as they meet the spec," was the casual reply.

Other sawmills switched to more poplar and maple cuts and these quickly filled the demand. Fortunately, millwork and cabinet markets were improving and taking increased capacity.

The fall maintained much of the same. Log prices were reduced, lumber prices were flat or down slightly and production was slowing.

The first weeks of winter 2019-20 is a repeat of the fall. There has been great uncertainty about the remaining weeks of the year and what happens in the New Year.

Few people are making predictions for 2020. There have been attempts to resolve the trade war with China that were delayed and requests for subsidies to offset losses have not materialized.

Sawmillers are a resilient bunch but how many more adjustments can be made.

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

Annual Meeting Sponsorship

The 2020 Annual Meeting of Appalachian Hardwood Manufacturers, Inc. is Feb. 19-23 at The Naples Grande Beach Resort, Naples, FL. There are still sponsorships 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.

Sterling Inc. Shows CLT To AHMI, WVU Group

Staff from Appalachian Hardwood Manufacturers, Inc. and West Virginia University's Appalachian Hardwood Center recently toured the Sterling Inc. cross-laminated timber mat plant in Phoenix, IL.

Sterling has been an industrial hardwood production and distribution company for 70 years. It has sold millions of hardwood road and crane mats and pier materials across the U.S.

Company executive Carter Sterling hosted the group and explained its latest process, gluing southern yellow pine into CLT crane mats. The process surfaces the rough lumber, aligns boards in layers, applies glue and then presses three- and five-ply panels.

The plant can produce one mat every minute and the product is widely accepted by construction



Group at Sterling's CLT R&D facility under construction

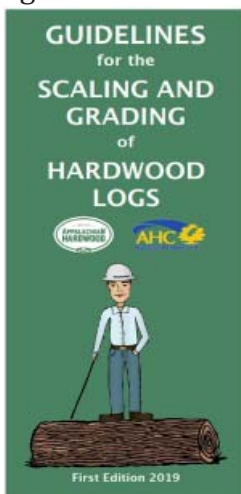
and gas exploration companies.

Sterling is considering a similar application for hardwood lumber. Carter Sterling will speak about that at the 2020 AHMI Annual Meeting in February in Naples, FL.

Attendees Learn Guidelines For Log Grading

Two dozen people attended the first Log Grading & Scaling Workshop sponsored by Appalachian Hardwood Manufacturers Inc. and the Appalachian Hardwood Center from West Virginia University.

This course and demonstration introduced a new publication 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;
- How to determine volume with the four scaling systems
- Log grading with illustrations on diameter and clear faces
- How values decline with diameter and length.



the Parton Lumber Co. Log Yard in Hampton, TN. Attendees appreciated the written guide for scaling and grading logs based on defects.

The group was able to measure and value logs as part of the demonstration. Additional workshops are planned in coming weeks. For more information and copies of the Guidelines, please contact the AHMI office at 336-885-8315.

The workshop was held in Johnson City, TN, and

Hardwood Promotion Readies Market Research

Release from the Real American Hardwood Promotion Coalition

The U.S. hardwood industry is facing significant change driven by stiff competition from wood look-alike products, relentless misleading campaigns about the sustainability of wood products, a slowing world economy, and the ongoing U.S. trade war with China. Markets are shrinking and businesses face an uncertain future.

The American hardwood industry has a powerful story to tell about the beauty and desirability of the products, the small family business that make them, the sustainability of our raw material, and the environmental and health benefits of using real hardwood. It has not yet been successful, however, in developing a coordinated and collaborative domestic initiative to effectively tell this story and communicate the science-based benefits of real American hardwood products.

That is changing with a new emphasis by a group of hardwood association executives, reenergized by the success of joint efforts on the Hardwood Economic Impact Study. This Real American Hardwood Coalition came together in early 2019 to brainstorm on a voluntary industry-wide promotion initiative.

The top priorities are transparency and moving forward in a way that engages **all** members of the hardwood community. The mission is to develop a clear, concise and overarching brand statement and promotion program. Objectives are:

- Establish a real American hardwood promotion program directed at domestic consumers, specifiers, educators, influencers and end-users with a launch date of spring 2020.
- Identify steps and deliverables for a coordinated initiative to promote the truth and science-based benefits of real American hardwood.
- Bring other association executives to the program and expand the reach of the message.

More than 30 executives of hardwood industry organizations and associations – local, state, regional and national, have been a part of the conversation to establish consensus and develop an action plan. The focus is to capitalize on the expertise and skillfulness of the hardwood association executives who manage diverse priorities

and expectations, sharing the same common denominator: Real American Hardwood.

Broad participation from every industry segment is vital to develop the overarching brand statement. To date, 24 organizations representing lumber, flooring, moulding, cabinetry, veneer and industrial market segments have come forward to participate, agreeing to pool funds and finance at least the first two phases of work.

A successful program will:

- * Educate consumers and raise public awareness of real American hardwood;
- * Generate new products;
- * Increase markets and sales;
- * Improve industry stability.

The Coalition believes key components to success are sustaining a promotion program based on Advocacy, Research & Development, Marketing and Education. The group plans to:

Collect Data: Review existing data; identify missing data regarding consumer attitudes towards hardwood products; identify the unknown. The coalition will work with a vetted research firm to collect significant data from consumers, architects, builders, designers, educators and industry associates on buying habits, key influencers, little known (and) truths about hardwood products and the environmental favor they hold versus other materials.

Develop a Brand: Engage a firm specializing in brand acceleration to utilize the research results to develop the over-arching brand statement, AND identify the most effective market road map.

Implementation: Identify feasible tactics and move forward while evaluating and adjusting.

Education: Develop a database of post-secondary programs related to forestry, sustainability and wood as a primary building material.

The next Coalition meeting will be Feb. 3 at the Indiana Hardwood Lumbermen's Association (HLA) Convention in Indianapolis. All interested association executives are encouraged to attend. A Coalition update will be presented at the general session on Tuesday, February 4.

To become active, support the initiative financially, or have questions, please email hardwoodpromotion@gmail.com.

AHMI Event Calendar

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

- 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 24-28: **High Point Furniture Market**, High Point, NC
- April 28-30: **NWFA Flooring Expo**, Milwaukee, WI
- April 30-May 3: **ALC Beach Meeting**, Myrtle Beach, SC
- May 1-2: **Expo Richmond**, Richmond, VA
- May 19: **Keystone Wood Products**, Lewisburg, PA
- June 24-30: **AHEC Southeast Asia Convention**, Thailand and China
- July 25-28: **AHMI Summer Conference**, Asheville, NC
- Aug. 25-28: **IWF**, Atlanta, GA
- Sept. 8: **ALC Meeting**, Concord, NC
- Sept. : **Hardwood Federation Fly-In**, Washington, DC
- Sept. 23-25: **NHLA Convention**, Louisville, KY
- Oct. 16-21: **High Point Furniture Market**, High Point, NC
- Oct. 19: **ISFD Pinnacle Awards**, High Point, NC

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.

December 2019 - Appalachian Hardwood - 5 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.

The build has been delayed to late January. If you are willing to donate Yellow Poplar to the research, please contact the AHMI Office for details.

AHMI, the National Hardwood Lumber Association, and the Hardwood Manufacturers Association are partnering with Virginia Tech to promote the project and secure donations of Yellow Poplar lumber for the production and testing.

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.

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)

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 \$ _____