



# 2020 January

Monthly newsletter of

Appalachian Hardwood Manufacturers, Inc.

[www.appalachianhardwood.org](http://www.appalachianhardwood.org) | [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org)

## Markets, Promotion Top 2020 Annual Meeting

Markets for hardwood lumber - both grade and industrial - and a new collaborative promotion will be the focus of 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:

**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.

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

**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.

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

Feb. 19-23, 2020

Naples Grande Beach Resort

[www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings)

### Program

**Market for American Lumber In China**  
**World Markets for American Hardwoods**  
**Real American Hardwood Coalition**  
**Hardwood Use In Crane & Road Mats**  
**AHMI 401K MEP Update**

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.

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.

The Spa offers full treatments and relaxation. Other fine dining, shops and activities are moments away in Naples.

There will be ample time for networking with members and guests at receptions, events and dinners throughout the Annual Meeting. Please make reservations at [www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings) or call the Naples Grande at **(844) 210-5931** for Appalachian block with code GAHMI20. Please make your reservation **by Jan. 19, 2020.**

There is a registration form on the last page of this newsletter. For more information, call the AHMI office at 336)885-8315. We look forward to meeting with you there.

## 2 - 2020 January - Solid Appalachian Hardwood

### *The way I see it...*

By Tom Inman, AHMI President

...the New Year is here with lots of promise. It is welcomed by many sawmills as the end of 2019 with its low prices, lower profits and the lowest predictable results.

There has been little forecasting for 2020 because few could have forecast how 2019 went. The dozens of variables that will shape 2020 have many holding back on predictions..

I am certain, however, that sawmill and distribution yard owners will consider all they can before making decisions. AND then I think 2020 will be the year of negotiations.

Sawmills are already negotiating with loggers and timber owners over the value of the resource.

Yards are negotiating with sawmills over the availability of lumber.

Manufacturers are negotiating with solid lumber suppliers over the cost of that material compared to substitutes.

Consumers are negotiating the value of real hardwood products compared to cheap lookalikes.

J. Paul Getty, a known negotiator, once said: "You must never try to make all the money that's in a deal. Let the other fellow make some money too, because if you have a reputation for always making all the money, you won't have many deals."



AHMI welcomes the following new member:

#### **Distributor**

Thomas Mende

Binderholz Timber Inc.

2859 Paces Ferry Rd. Unit 1170

Atlanta, GA 30339

Tel. (404) 301-1490

thomas.mende@binderholz.com

www.binderholz.com

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

## 2020 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.

# AHMI 401K Plan Tops \$28 Million In Investments

Appalachian Hardwood Manufacturers, Inc. is pleased to announce that more than \$28 million has been invested from member companies into 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 the 400 retirement plan provider 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 with a company's current retirement program costs and the estimated savings in the AHMI 401K plan. The transfer can be completed in just a few weeks. UBS Financial 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 36885-8315 and we will send you materials for review.

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## Powell Valley Millwork Buys Metrie Plant

LEXINGTON, KY – Jimmy Thornberry, President of Powell Valley Millwork, announced recently the acquisition of the Metrie Poplar manufacturing facility located in Jeffersonville, Kentucky.

“We are proud to report the purchase of this site and are excited about the added capacity and opportunities on the horizon. With 125,000 square feet under roof, the facility is located 30 minutes east of Lexington and is similar in scope to our Clay City location. We believe it makes an excellent addition to our growing company.”

“Separated by only twelve miles, the business will operate both facilities under the Powell Valley banner and utilize the natural synergies between the two so that the company can meet the needs of a diverse customer base across North America.”

“In addition to adding more volume potential for our existing customers, we will maintain current supply through the Metrie distribution net-



work as well as all direct customers from this location. Our goal is to ensure the transition is seamless to the customer.”

Powell Valley Millwork, a wholesale manufacturer of Poplar mouldings and millwork, is owned by Jimmy Thornberry, Jim Thornberry, Michael Thornberry, Brian Lambert, and Dale Budke.

For more information about Powell Valley, please visit [www.pvmillwork.com](http://www.pvmillwork.com)

## Phase One Of China Trade Deal May Sign Soon

*By Dana Lee Cole, HF Executive Director*

I hope everyone had a happy and joyous holiday season...I hope 2020 is a successful and productive year for us all.

There were several China Trade related developments over the holidays that are of interest to the hardwood industry. As we noted in mid-December, the U.S. and China have agreed upon a "Phase One" trade deal that includes, according to Administration officials, Chinese purchase of \$40-50 Billion in U.S. agricultural products.

According to conversations with USTR officials, wood products, including hardwood and hardwood lumber, are included in the agriculture bucket. This was further confirmed by US Trade Representative Robert Lighthizer in an appearance on Fox News on Dec. 17. The Ambassador specifically mentioned that hardwoods are part of the trade deal with China in the interview.

The White House has announced that the agreement is scheduled to be signed on January 15, 2020. Details about specifics in the agreement are being tightly held and will not be expected to be available until the deal is officially signed.

Just before Christmas, some confusion was created when the Chinese government announced tariff reductions on a list of 850+ U.S. products. Although the list included several forest products categories it did not include hardwood lumber or logs.

However, **it is important to note** that this an-

## HARDWOOD FEDERATION

nouncement and this list **do not specifically address the retaliatory tariffs placed on US goods as part of the trade war.**

Mike Snow and his American Hardwood Export Council team have been in contact with the US Embassy in Beijing and have confirmed that this list represents changes to China's overall tariff rates to **ALL** of its WTO member trading partners (Most Favored Nations or "MFNs") **and again, does not reflect details of the Phase One trade agreement.**

Once the "Phase 1" portion of the bilateral trade deal is signed (and barring unanticipated changes to the contents) we anticipate adjustments to China's retaliatory tariffs aimed at the US and, hopefully, specific reductions for US hardwoods products.

The Federation is closely monitoring this situation. Although detailed information is being closely held we continue to reach out for any insight that is available.

We will share any additional information as soon as possible with Hardwood Federation Board Members and Association Executives. Please do not hesitate to contact the Hardwood Federation team with any questions.

## Wood Pellet Exports Drop

The U.S. exported 550,035 tons of wood pellets during October, according to data released by the USDA Foreign Agricultural Service. Exports were down when compared to the 626,471.8 tons of wood pellets exported in September and the 611,377.2 tons of wood pellets exported in October 2018.

The U.S. exported wood pellets to more than a dozen countries in October. The U.K. was the top destination with 363,540.3 tons, followed by Bel-

gium-Luxembourg with 121,959.5 tons and Denmark with 60,503 tons.

The value of wood pellet exports reached \$75.82 million in October, compared to \$88.48 million in September and \$83.18 million in October 2018.

During the first 10 months of 2019, the U.S. exported 5.57 million tons of wood pellets at a value of \$760.5 million, compared to 4.84 million tons at a value of \$651 million exported during the same period of 2018.

## 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. 10-11: **Hardwood Federation Meetings**, Washington, DC

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

March 4-5: **Ohio Forestry Assoc. Meeting**, Columbus, OH

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

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

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

April 7-9: **KFIA Annual Meeting**, Louisville, KY

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**, Mifflinsburg, PA

June 24-30: **AHEC Southeast Asia Convention**, Thailand and China

July 16-18: **WVFA Annual Meeting**, Canaan Valley, WV

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

If you know of events, contact Tom Inman at [tom@appalachianwood.org](mailto:tom@appalachianwood.org) and provide details. AHMI members are invited to join Inman at the events listed above. Companies can distribute materials and work the AHMI booth or exhibit.

## AHMI Offers Social Media

Social media platforms are great tools that are used to deliver positive messages about your company in a fast and cost-effective manner. Instagram, Twitter and Facebook enable you to give current and potential customers a glimpse into your products and services through postings on company news, events and product pictures.

AHMI has a Social Media specialist who can set up any/all social media account(s) for your company. Once the social media accounts are set up, AHMI can aid in the maintenance of each account by creating graphics and content to post or train your staff to maintain.

The plans are set on a monthly contract and more information is available from the AHMI office. We invite you to follow us on social media and keep up with the latest news and events. Our Twitter account is **Appalachian Hardwood** at [@AppalachianHdWd](https://twitter.com/AppalachianHdWd)

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

## 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 approved 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.



## 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 began on 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.

## USFS: Study Finds 2/3 Of Wood Products Mislabeled

In a recent study, the World Wildlife Fund, World Resources Institute and U.S. Forest Service found that as much as 62% of U.S. wood products — mostly imports — were mislabeled.

Researchers used forensics, checking wood samples against the Forest Service's reference specimens, to uncover evidence of mislabeling, which could mean wood was logged illegally, research lead Alex Wiedenhoft, a botanist with the U.S. Forest Service, explained.

The advocacy groups worked with the government lab to examine 73 commercial wood products sold by major U.S. retailers, which were not identified in the report.

Wiedenhoft and team found that 40 of the 73 products tested were labeled as the wrong tree species; 20 weren't even solid wood, despite being labeled as such.

Wood is considered illegal if it was harvested, transported, processed, bought, or sold in violation of national or international laws.

Wiedenhoft told World Wildlife magazine that no one knows how much wood in U.S. stores is mislabeled. "This study is the first

step in getting some real numbers," he said. "Once we have that foundation, we can develop tools to help law enforcement agencies and companies keep mislabeled wood out of the market."

Mislabeled wood often signals wrongful supply chain violations — illegal logging and deforestation — that consequently hamper endeavors to promote sustainable wood, the advocates say. The implications are widespread. Governments miss out on tax revenue from lawfully logged timber and businesses operating legally are forced to compete with wood market prices depressed by up to 16% by illegal logging.

The U.S. is by far the world's largest importer of wood and wooden furniture by value, at \$51.5 billion in 2017, representing 22% of all global imports. The second-largest importer, China, takes in about half the amount the U.S. does, at \$25.7 billion in 2017, or 11% of global imports.

Whether purposeful or not, mislabeling breaches the U.S. Lacey Act, first enacted in 1900 to ban trafficking of illegal wildlife, then amended in 2008 to include plants and plant products, including timber.



# 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](http://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 \$ \_\_\_\_\_**