



# 2020 February

Monthly newsletter of  
Appalachian Hardwood Manufacturers, Inc.  
www.appalachianhardwood.org | info@appalachianhardwood.org

## Market Reports Draw Crowd To Annual Meeting

Markets for hardwood lumber - both grade and industrial - and a new collaborative promotion are attracting a great crowd to 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:

### Friday

#### **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 present by live video conference. He will offer perspective on the Chinese market for American hardwoods in 2020. He will answer questions.

#### **World Markets for American Hardwoods -**

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

### Saturday

#### **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

Feb. 19-23, 2020

Naples Grande Beach Resort

*For room info, contact the AHMI office*

### **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**

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.

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 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. The room block has expired and if you plan to attend, please contact the AHMI office for assistance.

There is a registration form on the last page of this newsletter if you have not registered. It is also open at [www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings)

We look forward to meeting with you there.

## The way I see it...

By Tom Inman, AHMI President

...there is a better mood among many Appalachian sawmillers and distribution yard owners and managers at the end of January.

At three meetings and travels last month, I talked with members and others in the hardwood industry. Most report that log supplies are stable and log prices are adjusting to the lumber market.

Not all in the supply chain are pleased with that but it is a reality. It will be worth monitoring what impact that has on timber sales.

The Phase One Trade agreement between the U.S. and China was signed on Jan. 15. Dana Cole of the Hardwood Federation has more details on page 4 of this newsletter but the key point is that hardwood lumber was specifically listed as goods that Chinese importers are encouraged to buy.

Few details of the agreement have been revealed but the signing shows progress. Many exporters believe China will not return to the import levels of 2014-17 but any relief from the 25% tariff would be welcomed. We wait on China to act.

Sales of hardwood products are mixed in the first month with industrials continuing to lead and sawmills adapting to it. That has reduced the lumber volumes of several species in both green and kiln dried.

That may be turning as inquiries are on the rise and pricing stabilized. Let's see what February holds for the industry as well settle into winter.

## 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

Have a safe trip home

For more information , contact the AHMI office.



## MEMBERSHIP

AHMI welcomes the following new members:

### Supplier

Auditech & Associates, Inc.

Joshua Walters

PO Box 550

Wallburg, NC 27373

336-889-3069

### Supplier

UBS Financial

John Faircloth

100 South Ashley Dr, Ste 1800

Tampa, FL 33602

813-227-2892

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

## Poplar Donations Needed Now For CLT Panel Build

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 and we need lumber donations to complete the work.

The two are developing an economic model to determine feasibility of Poplar in appearance and structural applications of CLT. Preliminary results indicate that 1Common Poplar can 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 structural grades. Virginia Tech will work with SmartLam in Alabama to produce CLT panels made of Yellow Poplar and complete tests to meet APA standards.

AHMI is coordinating the lumber donations and seeking help from members. The project needs 40,000 board feet of 1COM and 2COM kiln dried Poplar that is 6" and wider, 10' and longer

and either 7/4 or 8/4.

The donations should be delivered to Blue Ridge Lumber in Fishersville, VA, and attention Tom Sheets. It will be planed and sent to SmartLam in Alabama.

The deadline for donations of either lumber or funds to buy the lumber is **March 1**. If you are willing to assist, please contact the AHMI Office.

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](mailto:quesada@vt.edu).

## Haverty: Appalachian Wood Finds Asia Factories

### *From Furniture Today*

A shortage of workers in Vietnam—a huge beneficiary of the U.S. trade war with China—is getting severe enough that some furniture makers are now scouting Cambodia and Bangladesh for factories, according to an industry executive.

Labor rates in Vietnam are rising and workers are getting increasingly scarce, said Clarence Smith, CEO of Haverty Furniture Cos., which uses Asian factories to make its products.

And even though Asian suppliers continue to source the timber they use from the Appalachian region of the U.S., the manufacturing of wood furniture “is not coming back to the U.S.,” Smith said. Bringing manufacturing jobs back to the U.S. was one of the Trump administration’s stated goals in imposing tariffs on Chinese-made goods.

The Atlanta-based furniture retailer wrestled with supply chain disruptions last year as the manufacturers it buys from fled China and set up

operations in Vietnam. Some suppliers stopped making Haverty’s top-selling goods, forcing it to find new sources in Vietnam and causing shortages at its roughly 120 U.S. showrooms.

For now, most of the disruptions are behind them even if the first phase of the U.S.-China trade deal will keep the 25% tariffs on Chinese-made furniture, Smith said. Haverty imports leather and upholstered pieces from China, although it no longer gets any wood furniture there.

The factory relocations aren’t going to end, he said: “They’re already building plants in Cambodia. It’s moving just like it’s always moved.”

Smith compared the shift from China to Vietnam and into other developing Asian countries to U.S. furniture industry’s shift to North Carolina from Michigan a century ago. He said it’s far cheaper for Asian factories to make wood furniture from logs harvested in the Carolinas than for companies to manufacture the products in the U.S.

## China Trade Details Slow, Tariff Changes Await

*By Dana Lee Cole, HF Executive Director*

The start of this new decade has brought a collective sigh of relief to the greater Hardwood industry as the good news of trade deals with China and a finalized USMCA materialized late in 2019 and have now been signed into law before the end of January 2020. There is a lot of work to be done both at home and abroad, but at least a ray of sunshine has broken through dark, dark trade clouds.

Of most interest to the hardwood industry was the Jan. 15 “Phase One” signing ceremony between U.S. President Donald Trump and Chinese Vice Premier Liu. The Hardwood Federation was pleased to see that hardwood lumber is specifically mentioned, under U.S. manufactured goods, as part of the deal in the White House fact sheet.

Broadly speaking, the agreement commits China to purchasing a total of \$200 billion in U.S. goods and services over the next two years and undertake trade reforms involving intellectual property protections, financial services, technology transfer, and dispute settlement resolutions.

Exactly how purchases will be made by the Chinese, in all categories, is yet to be announced. Our sources at USTR indicate it could be a combination of reduced tariffs, product exclusions and government purchases.

Mike Snow, of the American Hardwood Export Council (AHEC) has also pointed out that China has obligations to all their trade partners under the World Trade Organization; how China increases purchases of U.S. goods without violating these agreements is also unknown. And, of course, much depends on Chinese demand in what most experts agree is a slowing economy.

The Trump Administration has responded to these concerns by pointing out the monitoring and enforcement mechanisms included in the agreement. Administration officials, including the President, have promised swift action if progress towards desired goals is not reached.

**What Can US Exporters Do?** AHEC and the Hardwood Federation have both been reaching

# HARDWOOD FEDERATION

out to contacts both here and in China to assess how Chinese purchasers are reacting to the agreement. The Chinese New Year has put a damper on direct contact with Chinese businesses, but we have received some direction.

According to AHEC contacts, as part of this agreement China will be re-opening its “Tariff Exclusion Process.” This allows Chinese companies and associations to apply for an exclusion from tariffs of specific U.S. exported goods. U.S. officials in China, USDA and USTR officials are all strongly encouraging companies that export to contact their Chinese customers and push them to make the strongest case possible to their government and regulatory authorities for exclusions from currently imposed Chinese tariffs on hardwoods.

Please note that **only Chinese companies and Chinese trade associations** can apply for the tariff exclusions, and it is important that **US hardwood exporters communicate with their Chinese customers in order to encourage as many Chinese entities as possible to push for tariff exclusions on US hardwood.**

The Chinese State Council Customs Tariff Commission requires applicants need to show the tariffs on US goods impact their business in one or more of the following ways: 1)the Chinese importer faces challenges seeking alternative sources of supply; 2)the tariffs cause serious economic damage to the applicant; 3)the tariffs cause major negative structural impacts on the relevant industries or lead to serious social consequences.

We understand that several Chinese companies did apply in the first round last June but to our knowledge none were approved. The Hardwood Federation will be tracking progress very carefully...particularly reports from the industry about hoped for increased orders from China.

## AHMI Event Calendar

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

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

Feb. 10-11: **Hardwood Federation**, Washington, DC

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

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

March 10: **ALC Meeting**, Concord, 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.

## Membership Dues, Resource Guide Info Are Due Now

Appalachian Hardwood Manufacturers, Inc. 2020 Membership Dues are due now and paid annually by members of the Distributor, Export, Consumer, Forestry and Supplier Divisions. The Producer members pay monthly based on lumber production.

Export membership is for Producer and Distributor companies in addition to their primary dues. The additional fee allows for separate listings in the Export Division.

AHMI mailed invoices on Dec. 1 and a reminder on Jan. 1. If you have not received it or need an additional copy, please contact the office.

The materials for the 2020 AHMI Certified Appalachian Legal and Sustainable Resource Guide are also due as soon as possible., The Guide is distributed to thousands of lumber buyers around the world and available at [appalachianhardwood.org](http://appalachianhardwood.org).

Please return your materials immediately to be included. If you have questions about these, please contact the AHMI office at 336-885-8315.

## NCFS Seeks Input On Plan

The North Carolina Forest Service is currently working on a 10-Year Revision to the North Carolina Forest Action Plan (FAP)

The FAP is a broad-based 10-year plan to assess the status & trends of the forest resources of NC; address needs/challenges/opportunities; and outline strategies for action.

The NCFS is asking participants to provide initial input via a Survey Monkey online survey. <https://www.surveymonkey.com/r/2020NCFAPSURVEY>

The goal is to prepare a 2020 Forest Action Plan in a condensed format, with streamlined Strategies, supplementing the existing platform from 2010, and more closely cross-referencing the North Carolina Wildlife Action Plan, when common strategies/goals exist.



# APPALACHIAN

Hardwood Manufacturers, Inc.



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

Online Meeting registration at [www.appalachianhardwood.org/meetings](http://www.appalachianhardwood.org/meetings)  
**REGISTER NOW!!**

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. 10, 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.

### 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 \_\_\_\_\_

**TOTAL \$ \_\_\_\_\_**

Credit Card # \_\_\_\_\_ Exp. \_\_\_\_\_ Sec. Code \_\_\_\_\_ Billing Zip \_\_\_\_\_