



# 2020 June

Monthly newsletter of

Appalachian Hardwood Manufacturers, Inc.

www.appalachianhardwood.org | info@appalachianhardwood.org

## Growing Hardwood Jobs Added To Agenda

Appalachian Hardwood Manufacturers, Inc. has finalized plans for the 2020 Summer Conference on **July 25-28** at **The Omni Grove Park Inn** in **Asheville, NC**.

We are excited about the meeting and the state of North Carolina continues to address COVID-19. We expect the state to enter Phase 3 of its plan in late June and many members report they plan to attend.

We maintain constant communication with the resort which re-opened on June 1. The management has developed a detailed list of health and safety steps that will be taken each day.

We have completed the business program with a late update. We added a request from the Appalachian Regional Commission (ARC) to survey AHMI members about the need for workplace training and market development. ARC is a regional economic development agency that represents a partnership of federal, state, and local government.

Established by an act of Congress in 1965, ARC is led by the governors of the 13 Appalachian states and a federal co-chair. The agency invests in activities that address the five goals: 1: Economic Opportunities; 2: Ready Workforce; 3: Critical Infrastructure; 4: Natural and Cultural Assets; 5: Leadership and Community Capacity.

ARC commissioned a study of the hardwood industry in 2018 and ways to assist. Two of the top issues were workforce development and new markets (which coincides with the focus of the Real American Hardwood Promotion Coalition. An update from that group will also be presented at the Conference.)



## STILES | HC

ARC leaders will address "Growing Hardwood Jobs in Appalachia" during the Monday business program and a roundtable discussion on Tuesday. All AHMI members are invited to provide input on direction and potential funding for these activities.

The other business presentations include:

1) **2020 Economic Recovery** - A leading economist from UBS Financial will discuss the U.S. economy for the remainder of 2020 as the country rebounds from the COVID-19 shutdown. UBS is a world leader in financial management and follows housing and manufacturing trends.

2) **Solid Wood Processing** - Stiles Machinery's Addison Fox will discuss the latest solid hardwood processing equipment for secondary manufacturers. He will share information from his contacts about lumber needs in the future.

3) **Real American Hardwood Promotion** - an update from the team developing a domestic promotion program for hardwoods. The market research has been completed and a plan should be underway by July.

Two breakout sessions for Tuesday are:

**a. Growing Jobs in Appalachia** - ARC leaders are seeking input on ways to provide workforce (See **Meeting** on page 3)

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**AHMI Summer Conference July 25-28 at the Omni Grove Park Inn, Asheville, NC**

*AHMI and the Omni Grove Park Inn will follow local, state and federal guidelines for masks (available on site) and social distancing. If you have concerns, please contact the AHMI office.*

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

By Tom Inman, AHMI President

the hardwood industry is battling through times that are reminiscent of 2008-09. Then it was a mortgage crisis that crippled the U.S. economy. Now it is the COVID-19 virus that has caused the death of more than 100,000 American, sickened even more and caused fear for millions.

Local, state and federal government orders closed millions of businesses in March, April and May and demand for goods plummeted. While a few states are easing those restrictions and people are getting back to work, the turnaround for the hardwood industry will take weeks.

One example given to me this week was from a lumber sales person about his pallet customer. The pallet guy was buying lumber through the winter and had a substantial inventory of raw material. His business was good so he was maintaining orders.

The virus struck in mid-March causing governments to order people to stay home and manufacturers were deemed non-essential. The orders for pallets slowed because the pallet shop's customers were closed or slowed considerably.

The pallet shop and the sawmill could operate as essential businesses but fewer pallets were needed for the short term. A LOT LESS so inventory of pallets and lumber rose quickly. Pallet guy stops ordering.

Large supply and low demand drives the price of goods down - that is basic economics. It also stops new orders - where we are in the hardwood industry in June 2020.

Few companies are comparing May 2020 to May 2019 and only a handful are comparing month to month. There's too much red to go around.

Many hardwood companies were able to participate in the Paycheck Protection Program and that has provided cash to keep people working. It has also, however, contributed to the high lumber inventories.

Let's hope other manufacturing gets back to work and demand for lumber increases and markets improve.



AHMI welcomes the following new member:

### **Supplier**

TPI Efficiency

Laurie McCabe

2019 Center St, Ste 502

Cleveland, OH 44113

Tel: 757-749-0333

Fax: 216-803-9898

[laurie.mccabe@tpiefficiency.com](mailto:laurie.mccabe@tpiefficiency.com)

[www.tpiefficiency.com](http://www.tpiefficiency.com)

New members are vital to the work of AHMI. If you know of companies that should join, please share that information with the AHMI office.

## **AHMI Website Offers COVID-19 Updates**

AHMI is continuing to offer information about COVID-19 assistance from state and federal governments. These are being reported by email and then placed on the AHMI website.

Many hardwood industry companies received the Paycheck Protection Program payments and are using it to keep employees working. Please talk with your accountant and human resource people to keep accurate records so these payments are processed properly.

There are other updates with COVID-19 workplace recommendations to keep employees safe and healthy.

The current offerings on the website include:

- PPP Forgiveness Application
- Federal and State Agencies Assistance
- Paycheck Protection Program (PPP)
- SBA Application for PPP
- Essential Employee Driving Letter

Please visit:

<https://appalachianhardwood.org/covid19/>

If you have questions, please contact the AHMI office at (336) 885-8315.

# Meeting from page 1

training to assist the hardwood industry and develop new markets. The training session will be facilitated by a representative from the American Association of Community Colleges and the new markets session will be lead by David Caldwell of the Hardwood Market Report.

Participants will be asked for specifics for their company and the industry. Most of the Appalachian region state leaders will join the session virtually.

**b. AHMI 401k Enrollment Information** - Representatives from UBS Financial will be on site to answer questions and enroll AHMI members in this multiple-employer program that offers retirement accounts for employees. The program began in March and dramatically cuts costs while offering a wide variety of investments.

Please visit [www.appalachianhardwood.org](http://www.appalachianhardwood.org) and click on "Meetings" for information and to register online. A paper registration form is included on page 6 of this newsletter.

You may also call The Omni Grove Park Inn at (800) 438-5800 and ask for the Appalachian Hardwood group. You **must book by June 25, 2020.**

The Grove Park Inn has been expanded since the last AHMI Conference with new accommodations, multiple formal and casual restaurants, retail shops, indoor and outdoor pools and its award-winning 43,000-square-foot spa. The resort is a member favorite with its rich history, unique room options, exceptional dining and relaxed southern hospitality.

Meeting attendees will have a different experience this year with social distancing and sanitizing stations in public areas. We will also be served by attendants at all receptions and meetings.

The Omni Grove Park Inn staff has developed policies to meet local, state and federal guidelines for health and safety. These are available from AHMI if you have concerns.

We will follow these each day of the conference and also will have masks on-site. For more information, please call the AHMI office at (336) 885-8315 or email to [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org).

## 2020 June - Solid Appalachian Hardwood - 3

### Appalachian Hardwood Manufacturers, Inc.

#### 2020 Summer Conference - July 25-28

Omni Grove Park Inn, Asheville NC

#### Agenda

##### Saturday, July 25

*Early arrivals enjoy Asheville*

*Biltmore House group tickets available*

##### **6 pm** - Early Bird Reception

*Dinner on your own*

##### Sunday, July 26

**2-4 pm** - AHMI Board of Trustees Meeting

**3-5 pm** - Meeting Registration in Vanderbilt Wing

**6-7 pm** - Welcome Reception by DMSI

*Dinner on your own*

##### Monday, July 27

**8:30 am** - General Session -

1) **2020 Post COVID-19 Economic Recovery** - UBS economist

2) **Growing Hardwood Industry Jobs in Appalachia** - Appalachian Regional Commission

3) **Solid Wood Processing** - Stiles Machinery

4) **Real American Hardwood Promotion**

**12:15 pm** - Golf Tourney - Grove Park Course

**12:15 pm** - Sporting Clays - Biltmore Estate

**6-7 pm** - Monday Reception by UBS Financial

*Dinner on your own*

##### Tuesday, July 28

8:30 a.m. - Breakout sessions (*concurrent*)

1) **ARC Survey of Workforce / Market Needs** - Roundtable discussion on workforce and market development issues in the Appalachian region

2) **AHMI 401k MEP Program** - UBS Financial representatives will be available to explain/enroll members in retirement program.

*Have a safe trip home.*



## Real American Hardwood Promotion



## Now is the Time!

### Research Phase Ends, Message Work Begins

The Real American Hardwood Promotion Coalition (RAHPC) continues its progress this spring to develop a marketing strategy for the American hardwood industry.

There are 25 industry associations funding research and brand development. The research phase has been completed with focus group and online surveys of homeowners, residential and commercial builders and renovators, architects, designers and millennial consumers.

The findings have been compiled and reports given to a market acceleration company from brand and message development. The company has been asked to provide a "playbook" with a list of ideas and associated costs.

Each of these areas will have a financial obligation and RAHPC can begin to consider where to start and how funding needs will be addressed. The plan will provide the associations and their members with ways to market the Real American Hardwood brand to consumers, builders and designers.

For more information or feedback, email [hardwoodpromotion@gmail.com](mailto:hardwoodpromotion@gmail.com)

AHMI is a founding member of the Coalition and Tom Inman serves on the Action Team and Immediate Past Chairman Lowery Anderson on the Advisory Committee.

There will be a presentation at the 2020 AHMI Summer Conference with specifics on the progress to date.

## AHMI Event Calendar

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

July 25-28: **AHMI Summer Conference**, Asheville, NC

Aug. 19-21: **HMA Convention**, Nashville, TN

Aug. 25-27 **KFIA Annual Meet**, Louisville, KY

Aug. 25-28: **IWF**, Atlanta, GA

Sept.: **ALC Meeting**, TBD

Sept. 23-25: **NHLA Convention**, Louisville, KY

Oct. 9-10: **Expo Richmond**, Richmond, VA

Oct. 16-21: **High Point Furniture Market**, High Point, NC

Oct. 19: **ISFD Pinnacle Awards**, High Point, NC

Nov. 10: **ALC Meeting**, Johnson City, TN

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.

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## AHMI Makes IWF Plan

The International Woodworking Fair 2020 is **Aug. 25-28** and one of the top woodworking trade shows in the world for the furniture manufacturing architectural woodwork, custom and woodworking industries.

**AHMI** will exhibit in **Booth BC-529** in **Building BC**. The show has new days: Tuesday-Thursday from 8:30- 5pm and Friday from 8:30-2pm at the Georgia World Congress Center, 285 Andrew Young Intl. Blvd., Atlanta, GA.

Please plan to visit our space or meet potential customers there. This is an excellent opportunity to connect with secondary manufacturers who attend to learn about suppliers and new equipment.

Please contact AHMI in advance if you plan to work in the booth and we can assist with badges. You will avoid fees and long lines at on-site registration.

# Hardwood Advocacy In A Time Of Crisis

*By Dana Lee Cole, HF Executive Director*

Since the onset of the COVID-19 pandemic, the Hardwood Federation has been closely tracking developments related to legislation addressing the Covid-19 crisis. While we typically spearhead and drive advocacy efforts directly related to hardwoods, our most recent focus has been on the implementation of the various relief programs that have been enacted, and future measures that may be introduced.

More than ever before, this all-encompassing COVID-19 challenge has us coordinating with all our allies from the wood products industry to maximize impact and positive outcomes. Since coming to the Hardwood Federation, I've been active in a group of DC-based forest products association executives to discuss issues of common interest, and to identify ways to work together. And now, the COVID-19 crisis has illuminated the need for the group to work even more closely together.

Participating groups include:

The American Forest and Paper Association  
The American Forest Foundation  
The National Alliance of Forest Owners  
The American Wood Council  
The National Association of State Foresters  
The Forest Resource Association  
The Federal Forest Resource Coalition  
Several others.

To work around travel restrictions and locked down office buildings, we've gotten creative, and continue to explore new ways to communicate, in order to keep our message top of line with federal policy makers. For example:

·Via regular web-based meetings, key areas of common interest were identified and joint communications pieces, explaining the value and importance of the industry to the U.S. economy and its recovery from the COVID crisis, the need to maintain and expand domestic and international markets for U.S. wood products, measures to support the financial survival of mills, the industry's ability to retain employees, and the safety measures that

## HARDWOOD FEDERATION

already exist and those that are needed to continue wood products operations, were penned and pursued with Congress.

·We are also signing letters, individually and as a group, to Congress and the Administration that advocate for action that would support the hardwood industry including continued recognition of the entire wood products supply chain as essential.

As communication with Congress and the Administration continues, conference calls are frequent, but the use of web-based video conferencing is quickly becoming the preferred method of communicating in Washington, D.C. At first, I was concerned that this would limit opportunities to present hardwood priorities and issues, but so far, that has not been a problem.

In fact, because these virtual gatherings are usually carefully moderated and kept on a strict schedule, everyone gets a chance to speak, and sidebar conversations and diversions from the topic at hand are much less.

As our nation works to "open up," it is clear that we are heading towards a new normal. How and when we will see full economic recovery is up for grabs. Nonetheless, please know that the Federation will continue to work with our allies in Washington, exploring new and powerful ways to communicate, and advocating for legislation that addresses our priority issues.

Thank you for your support during these extraordinary times.

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