

Lumber Sales Follow Demand UP In January

The New Year is off to a great start for most hardwood lumber Producer and Distributor members of Appalachian Hardwood Manufacturers.

In recent contacts, many sawmills are reporting that log inventories are improving. This has generated more green lumber and at a time when demand for hardwood is rising.

Sawmills and distribution yards are busy filling orders from domestic buyers. Flooring, cabinet and millwork customers are buying for home building and remodeling across the U.S.

On the international front, buyers from China are back in the market for lumber and logs. Exporters report buyers have stayed in contact during the traditional Chinese New Year slowdown.

Lumber prices from the hardwood index services show increases in recent weeks and should mean a good start to the year with a strong first quarter.

2021 AHMI Annual Meeting **CANCELLED**

We are sad to report that the 2021 Appalachian Hardwood Manufacturers, Inc. Annual Meeting has been cancelled. There were concerns with Covid and the Florida Department of Health guidelines that asked people to refrain from gatherings of 10 or more.

The AHMI Executive Committee voted to cancel the Meeting and expand plans for the 2021 Summer Conference on Aug. 1-3 at The Greenbrier. More details soon.

Refunds have been mailed to early registrants and any room reservations should be cancelled immediately.



AHMI Video Details Process From 'Forest To Finished Goods'

Appalachian Hardwood Manufacturers has completed a video project with Ascension 336, marketing students from High Point University.

"Appalachian Hardwood Forest to Finished Products" shows a young adult learning the process it takes to make beautiful hardwood products. It starts in a log yard and ends in a furniture showroom.

Special thanks to Church and Church Lumber and Select Hardwoods in Wilkesboro, NC, and Vaughan-Bassett Furniture in Galax, VA, for assisting with this video.

The video is available here on the Appalachian Hardwood youtube channel at <https://youtu.be/4VPnYZ6uYlc>. It is also linked from www.appalachianhardwood.org along with a dozen other videos.

We encourage you to link it to your website and social media. For more information, please contact AHMI at info@appalachianhardwood.org.

The way I see it...

By Tom Inman, AHMI President

...hardwood lumber sales are improving and many sawmill owners and operators I speak with report they are making all of the lumber they can with available logs and workforce.

Timber and employees are among the top issues for sawmills and workers are crucial for distribution yards and secondary manufacturers in 2021. Managers have said they have to see which employees show up each day and then determine what work can be accomplished.

Covid-19 continues to take a toll in some areas as companies ask workers how they are feeling, scan their forehead for temperatures and try to be safe. There are times that these measures reduce the number of people to inefficient levels.

One yard owner said a new employee worked a week and had a temperature on Friday. He was sent home for two weeks to quarantine so as not to infect others.

Managing through Covid-19 is a balancing act. The pandemic has created stress for individuals and companies but it can be a time to consider current business practices to increase operational efficiency.

One business coach suggests that managers try to "innovate for the sake of surviving now and thriving later." Sawmills and secondary manufacturers must consider cross-training employees while adjusting expectations.

While it seems like a great idea, it is often overlooked because it seems too difficult to implement. When workers are hard to find or are sent home to quarantine, cross-training can help ensure stability and provide flexibility.

Business coaches say any organization without backups for key roles can grind to a halt if key personnel are not available. Cross-trained staff can provide safeguards but also the ability to run.

When counting heads each morning, how many of those heads can do more than one or two jobs at the mill? The more cross-training the better to not only operate but bring value to your company.

AHMI Mourns Passing Of Keith Swaner

We are very sad to report the passing of Keith M. Swaner, owner and CEO of Swaner Hardwood Co., on Jan. 6, 2021, at the age of 93.

He was proud of being a WWII Navy veteran who joined at age 17 and served in the Pacific on the hospital ship USS Repose. In the early 1950s, he was a sales representative for E.L. Bruce Co. and in 1962 became general manager, vice-president of Angelus Hardwood. Keith founded Swaner Hardwood Co. in 1967 and later purchased sawmill, Goodyear Nelson, and a hardwood plywood manufacturing plant, Mount Baker Products. Before the pandemic, he came to the office daily.

He adored his family and his lovely wife, Beverly, preceded him in death. He is survived by his two children and their spouses, seven grandchildren and their spouses, and seventeen great-grandchildren, who all loved him dearly. He loved being with his grandsons, Gary II and George Swaner, and Keith and Ryan Haag, and son, Gary.

Keith was an active volunteer of the Verdugo Hills Council Boy Scouts of America, having served as its president as well as receiving the Silver Beaver and Silver Antelope awards, two of its highest honors. The Los Angeles Hardwood Lumberman's Club also presented Keith with Lumberman of the Year. Keith lived his Christian faith and was generous to a fault.

AHMI Dues For 2021

Appalachian Hardwood Manufacturers, Inc. 2021 Membership Dues were due Jan. 31, 2021. The dues are paid annually for 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.)

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

Omnibus Bill Has Relief Money For Loggers

The Emergency Coronavirus Relief Act of 2020 will help loggers receive money to off-set losses experienced due to the COVID-19 shutdown. The bill provides \$200 million in funding for logging and log trucking businesses who saw a greater than 10 percent loss in revenues from Jan. 1-Dec. 1, 2020, as compared to revenues for the same period in 2019.

The measure recognizes the important role the timber harvesting industry plays in the United States economy. These were deemed essential service providers, but have struggled with making fixed cost payments as a result of reduced markets for the unrefined forest products they produce, according to the American Loggers Council.

The USDA will determine how the relief funds will be distributed. A US Forest Service official reported this week that the process has not been completed and should be announced soon.

Companies should check with usda.gov weekly to learn about updates and where to apply. The resources will likely be distributed through the USDA's Farm Service Agency.

Many logging companies experienced severe

COVID-19 RELIEF & SUPPORT

losses when lumber and paper mills across the country reduced or ceased production in response to drops in demand. Nationwide production curtailments have led to lower prices for log delivery to mills. Virtually all raw material delivered to mills by loggers were down more than 5% in 2020 compared to 2019.

"Costs continue to be incurred by the businesses, regardless if they are able to work or not, and with the tight margins and quotas that the industry has seen over the past several months, many logging businesses were not able to keep up with their fixed costs, causing concern about the future of their businesses," said Dan Dructor, ALC executive vice president. "The amount of relief coming from the federal government is not meant to make these businesses whole, but rather to serve as a stop gap while they adjust their business plans to be able to operate under this new economy."

AHMI 401K Plan Grows, Cost To Invest Declines

Appalachian Hardwood Manufacturers, Inc. has nearly \$30 million invested from member companies into the AHMI 401k Multiple Employer Plan and the new threshold reduces costs.

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. 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. For more information, please contact the AHMI office at (336) 885-8315.

2021 Resource Guide Materials Are Due NOW

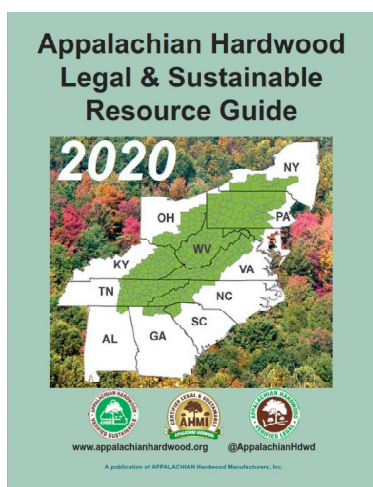
Appalachian Hardwood Manufacturers, Inc. will publish its **2021 Appalachian Hardwood Legal & Sustainable Resource Guide** soon to assist more than 7,500 consumers of hardwood lumber make wise buying decisions.

The annual Guide will be distributed free of charge to furniture and cabinet makers, millwork and flooring producers, architects and designers. An electronic version is emailed twice annually to more than 12,000 buyers in Asia, Indonesia, Europe, and Mexico.

It promotes AHMI members to individuals and businesses around the world. It highlights contact information for all active members and details the specific characteristics of Appalachian Hardwood Lumber that wood consumers should demand!

Are you an Exporter? The AHMI Export Division offers you an exclusive section aimed at international customers of Appalachian Hardwoods. We ask that you complete the "Guide Exporter" form to list your company in this section. There is an additional \$200 fee to be an Export member and this information is emailed to our international customers.

We look forward to your participation in the 2021 Appalachian Hardwood Legal & Sustainable Resource Guide. Please send your materials immediately to be included.



AHMI Event Calendar

Appalachian Hardwood Manufacturers, Inc. is monitoring events and meetings to determine the best locations to promote AHMI member companies and products.

Below are the plans for the next several months. Please check with the AHMI office before you make final plans to make certain the event is still planned.

March 3-4: **Ohio Forestry Association Virtual Meeting**

March 9: **ALC Meeting**, Pinehurst, NC

March 24-26: **HMA National Conference**, Austin, TX

March 30-31, **Ohio Hardwood Furniture Show**, Millersburg, OH

April 6-9: **Kentucky Forest Industries Association Annual Meeting**, Lexington, KY

April 19-21: **IHLA Convention**, Indianapolis, IN

April 30-May 2: **ALC Beach Meeting**, Myrtle Beach, SC

May 21-23: **Expo Richmond**, Richmond, VA

June 5-9: **High Point Furniture Market**, High Point, NC

Aug. 1-3: **AHMI Summer Conference**, The Greenbrier, White Sulphur Springs, WV

Sept. 22-24: **NHLA Convention**, West Palm Beach, FL

Oct. 13-15: **WoodPro Expo**, Lancaster, PA

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

Nov. 9: **ALC**, Johnson City, TN

If you know of events that we should consider, contact Tom Inman at tom@appalachianhardwood.org and provide details. AHMI members are invited to join Inman at the events listed above.

Follow AHMI on social media updates on members, hardwood promotion and more.

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