

November 2021

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

Production, Tests Of Poplar CLT Positive

Fall Conf. Reports On Progress & Structural Grade Workshop

The production of Poplar cross-laminated timber and initial tests of the products have been successful, according to a report at the AHMI 2021 Fall Conference.

Virginia Tech researchers Dr. Henry Quesada and Sailesh Adhikari presented updates that panels were produced in September and tests are underway for strength. The project is designed to complete the application for poplar CLT to be included in international building codes.

The poplar lumber was donated by many AHMI members and panels made at SmartLam in Dothan, AL. The company is completing yir structural tests this month.

Adhikari said the research shows poplar has excellent strength and gluing properties for CLT production. The tests of raw materials found that that structural grading increases the value of the



Poplar CLT panels at SmartLam plant

poplar lumber during normal market conditions.

The research discovered that when poplar boards with NHLA visual grades of 2Common and 3Common would grade higher as structural material. The lumber often improved to grade 1 or 2

(See Poplar CLT on page 2)

Mexican Buyers Seek Poplar, Maple Lumber

Furniture manufacturing representatives from Mexico participated in receptions and tours in North Carolina in October and were seeking Poplar and Maple lumber.

Appalachian Hardwood Manufacturers Inc., the North Carolina Furniture Export Office and the North Carolina Department of Agriculture and Consumer Services partnered to host the buyers at the High Point Furniture Market and subsequent tours.

The High Point Market reception attracted both Mexican and US manufacturers seeking to build business relationships. The Mexican buyers reported current buying is through timber importers in Mexico.

The companies said they are interested in

Ryan
Turman
(left) of
Turman
Lumber
meets
with
Mexican
buyers
at the



High Point Furniture Market event

buying direct from US producers.

The list of buyers has been emailed to AHMI Export, Producer and Distributor members. If you would like more information, please contact the AHMI office.

The way I see it...

By Tom Inman, AHMI President

lumber markets continue to be good but sales are not as strong in the past two weeks, according to AHMI Producer and Distributor members.

Demand for maple and poplar in most grades and dimension are steady while white oak has leveled. Other species are more available.

Log production is mixed across the region as wet weather in Pennsylvania has slowed deliveries. Other states are receiving logs at a steady pace and building inventories for winter.

Freight continues to be uncertain with trucks and containers in limited supply. Most mills and yards are spending hours each day dealing with logistics and if they did not have a full-time employee on this before they do now.

An interesting item in recent weeks has been backorders for band saw blades. The supply chain crisis has impacted delivery of new blades and several mills report low inventories and they are reaching out to competitors for materials.

It's never a "dull" moment.

AHMI Sad To Report Passing of Bill Reese

AHMI mourns the passing of William L. "Bill" Reese, 80, who died on Oct. 27 at his home in Spartansburg, PA. The complete obituary is available from the AHMI office.

Bill was a hardwood industry icon establishing Spartywood Products in 1970 and one of the first to establish export markets for veneer logs and grade lumber. He was twice awarded the title "Pennsylvania Exporter of the Year."

In 1995, he founded Penn-Sylvan International, Inc. with his four children, supplying hardwood log and lumber to markets around the globe.

Expressions of sympathy may be sent to Valley View Mennonite Church, 24313 Highway 77, Spartansburg, PA 16434.

Contributions can be made to the East Branch Trail c/o the Clear Lake Authority or the Spartansburg Volunteer Fire Dept.

Poplar CLT from page 1

based on the Northeast Lumber Manufacturers Association grading standards.

The tests were completed on poplar lumber that were 70% 2Com and 15% 3Com. Results were upgrades for all of the lumber to structural grades of Number 2 and higher. Under normal market conditions, the value of the structural lumber would also increase.

"We found improvements for both yield and recovery for some diameter groups using the structural grading system," he said.

The research found that sawmills should consider producing a mix of NHLA graded and structural graded lumber. The models found the NHLA grade boards could be cut from the outside of the log and the structural grades from the center cants using a resaw to improve yield.

Adhikari said the studies discovered current structural lumber dimensions hurt the yield from random width hardwood lumber. CLT production plants request the softwood dimension of 2X6 and 2X8 which limits the use of random width hardwoods and hurts yield.

This is under review with the CLT manufacturers to determine the best methods to incorporate or sort for width.

The atusy found that moisture content for the CLT lumber resource is higher and that will reduce kiln-drying time.

Final results are expected later this year and will be reported to AHMI. For more information or a copy of the presentation, please contact the AHMI office.



Hardwood Lumber Structural Grades Provide Value

AHMI held its first Structural Grading of Hardwood Lumber workshop in conjunction with the 2021 Fall Conference and attendees learned the process requires memorization of rules.

Renewable Resources Inc. owner Lon Sibert offered the basics of structural grades for hardwood lumber during a presentation at the Conference. The next day a workshop was held at AFP Lumber in Buckhannon, WV.

Attendees included sawmill lumber graders, managers and NHLA Chief Inspector Dana Spessert.

Siebert explained the National Grading Rules which focus on knot placement and size and the direction of the grain. These criteria are specifc for the dimension of the board and were similar for all species.

Siebert displayed dozens of examples and the group was able to apply the rules to poplar boards. which were NHLA grades 2Com and 3Com. Most of the boards achieved structural grades of 2 and better.

Lon Sibert
helps
attendees
understand
and apply
structural
grade rules
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3Com



The structural grades must be applied to any lumber that is sold into mass timber and other contruction markets. AHMI is planning additional workshops in 2022.

A special thanks to AFP Lumber and Nick Boyles for help in the success of the workshop.



AHMI promotes Hardwood at Market

US Furn. Makers Sales Booming

The report from the Fall 2021 High Point Market is great for U.S. manufacturers and frustrating for importers.

The furniture industry returned for the October market with thousands of exhibitors and retail buyers and designers eager to see new product. Most domestic producers report very strong sales for 2020 and 2021 because they have furniture to sell.

Many importers are struggling with the supply chain providing finished goods and components from Asia, Vietnam and other countries. There were fewer Asian exhibitors and their showrooms had lower volumes of introductions.

"It has been a great market for us and other American manufacturers because we have product," said Doug Bassett, president of Vaughan-Bassett Furniture. "We have reduced our number of lines to focus on what we can make and deliver that is profitable."

Other makers from Ohio, Indiana, and North Carolina echoed the same success and that retail buying remains strong. Consumers are upgrading their homes with new furnishings.

Maple, walnut and white oak were the American species that dominated at Market. A few lines were introduced in cherry with the manufacturers taking advantage of lower raw material pricing.

Details Emerge On 'Build Back Better' Plan

By Dana Lee Cole, Hardwood Federation Executive Director

On Oct. 28, President Biden unveiled the latest iteration of a "framework" to the Administration's "Build Back Better" plan to include a price tag in the \$1.75 trillion range. Shortly after, House Democrats released almost 2500 pages of draft bill language detailing the parts of the proposal.

These documents are the result of prolonged negotiations with the leadership in the House and Senate and appear to have the support of moderate Democrats. Democratic leadership are hoping that today's roll out will prompt the House to pass the \$550 billion infrastructure bill that has already cleared the Senate.

Under the proposed "Build Back Better" plan, a 15% minimum tax would be imposed on corporate profits that large corporations report to shareholders, as well as a 1% surcharge on corporate stock buybacks. Those provisions would raise \$450 billion in new revenue, according to the White House.

The framework also calls for a global minimum tax and new surtax on the wealthiest Americans' income, as well as bolstered IRS enforcement. The bill would impose a 5% tax rate above those with an income over \$10 million, and another 3% surtax on income over \$25 million.

The White House estimates the new surtax would raise an additional \$230 billion from the nation's highest earning taxpayers. The estimates of new revenue under the proposal would total nearly \$2 trillion.

Also included in the draft bill language are significant funds for forestry related programs, including hazardous fuels reduction, wood innovation grants and carbon mitigation programs among others.

House leadership is aiming for a vote on the Senate-passed, bipartisan infrastructure package as early as this week and then plans to turn to the Build Back Better plan next week.

Last week the Senate Appropriations Committee unveiled nine of the 12 Fiscal Year 2022 ap-

Hardwood Federation

propriations bills, including the FY 2022 Labor, Health and Human Services, Education and Related Agencies bill that funds work force development and Career and Technical Education (CTE). The Senate bill includes some important increases in funding for workforce programs including:

- \$245 million for registered apprenticeships, which is an increase of \$60 million over current fiscal year spending;
- \$2.9 billion for Workforce Innovation and Opportunity State Grants, which is an increase of \$93 million over this year's level.

The Senate bill also increases funding for the Perkins grant program, which is the principal source of federal funding to states and discretionary grantees for improving secondary and post-secondary career and technical education programs across the nation. The legislation provides the Perkins Basic State Grant a \$50 million increase over the FY 2021 level and \$30 million over what President Biden recommended in his budget proposal in May. This total funding level, \$1.38 billion, is identical to the House bill.

The other issue is our biomass carbon neutrality provision. The House Interior, EPA and Related Agencies Fiscal Year 2022 appropriations measure included language recognizing the "carbon benefits" of biomass energy that we use in our mills instead of the term "carbon neutral" that is currently in statute. We were hopeful that the Senate's version would simply reauthorize the existing carbon neutrality provision, but Senator Jeff Merkley, Chair of Senate Appropriations Committee's Interior Subcommittee, opted to emulate the House bill. However, there is a subtle difference in the Senate's language which makes the provision a conferenceable item. Senator Susan Collins (R-ME) is committed to pursuing stronger language as negotiations mature.

Congress will be looking to move this and the other FY 2022 appropriations measures before Dec. 3.

TN Gathers White Oak Acorns For Nursery

KNOXVILLE, Tenn. – Small acorns produce forest giants, and in Tennessee, the white oak is perhaps king.

The White Oak Initiative in Tennessee is a joint project of the Tennessee Division of Forestry (TDF), the Tennessee Forestry Association (TFA) and University of Tennessee Extension. The initiative is promoting the reforestation of white oak by placing focus on acorn collection and education to promote the production of seedlings for planting.

The White oak is a keystone tree species in Tennessee for both wildlife and wood products, but experts are concerned about the long-term sustainability of white oak considering the regeneration difficulties associated with the species.

"We hope to keep white oak in the forest landscape with continuous conservation, reforestation and stewardship projects," says Wayne Clatterbuck, UT Extension forester and member of the project

The White Oak Initiative is asking Tennessee civic organizations, forestry groups, landowners and anyone interested to collect white oak acorns. The acorns will then be planted and evaluated at the East Tennessee Nursery in Delano, Tennessee, and resulting quality, white oak seedlings will be used in reforestation efforts.

The White Oak Initiative has produced a <u>YouTube information video</u> that describes the value of the white oak to the forest and to wildlife species as well as our economy. It also is useful to help identify white oak from other oak species.

Participation is open to anyone. For information about collecting, processing and delivering acorns or requesting an acorn collection kit, visit www.plantTNtrees.org. There is more information at https://youtu.be/PAE BapmrlE

The Acorn Collection Kits are available from Tennessee Forestry Association at 615-883-3832 or the East Tennessee Nursery in Delano, Tennessee at 877-868-7337.

AHMI Event Calendar

Appalachian Hardwood Manufacturers, Inc. plans to attend the following events to promote AHMI member companies and products. Members are welcome to participate in the AHMI exhibit and we can assist with registration if required. Please check with the AHMI office before you make final plans:

Nov. 9: **ALC**, Johnson City, TN **2022**

Feb. 7-9: **IHLA Convention**, Indianapolis, IN March 2-6: **AHMI Annual Meeting**, Hollywood, FL

March 8: ALC Meeting, Roanoke, VA

March 23-25: **HMA National Conference**, Destin, FL

March 30-31: **Ohio Hardwood Furniture Market**, Millersburg, OH

April 2-6: **High Point Furniture Market**, High Point, NC

April 6-8: **Central Hardwood Conference**, WVU, Morgantown, WV

April 12-14: **NWFA Wood Expo**, Tampa, FL

If you know of events that we should consider, contact AHMI at info@appalachianhardwood.org and provide details.

Follow AHMI on social media with updates on members, hardwood promotion and more. Please connect at: /instagram/appalachianhdwd and LinkedIn under Appalachian Hardwood.

AHMI Videos Online

AHMI has increased the number of promotion videos we have posted on our website and YouTube. Visit www.appalachianhardwoodorg for links to these and presentations from previous meetings.

We encourage members to link these from your website or social media pages. Please follow AHMI at @AppalachianHdwd.

For details, please email info@appalachianhardwood.org.

Coalition Begins Building Consumer Website

The Real American Hardwood Coalition had a busy summer and heads into fall with the big news that work has begun on the consumer-facing website.

This site is realamericanhardwood.com and will drive homeowners, architects, designers, and builders to our products. The RAHC Board of Directors reviewed proposals from seven high-level web development firms and selected Canvas United.

The new site will highlight the natural beauty, durability and home healthy aspects of American hardwood, and will aim to reach consumers at the planning step of their projects. We are excited to see how it all unfolds!

The industry website, realamericanhardwood.org, is open for companies to get information about the RAH campaign and download our logo and other materials. Please visit it today for more information.

Creating effective and impactful websites requires significant funding. We are grateful to our funding associations who have been so essential to getting this project off the ground. Those dollars have gotten us far (extensive consumer research, a marketing plan and an industry website) and will continue to support the development of our consumer site and its content.

We are very pleased to report that industry members are also stepping up and joining the effort. Particularly exciting are state level industry fundraising challenges that have increased awareness, excitement and financial support among hardwood companies.

Superior Hardwoods in Ohio was the first to step forward, committing to match every dollar contributed to the RAHC by Ohio hardwood companies up to \$50,000. This goal was reached...and exceeded...in only a few short months.

This effort has also inspired several other states to do the same. Five companies have banded together in Kentucky to launch their initiative and more will be announced in the near future.

The RAHC Board is overwhelmed by the confidence these industry and association leaders have



shown in our Coalition and the goal of a domestic hardwood promotion campaign.

While this is all very positive, we are very much aware that the RAHC will require sustained funding to continue our work beyond these initial development stages. Increasing industry participation and identifying other funding sources is an ongoing priority.

The RAHC Board of Directors will continue to work hard to meet and exceed the expectations hardwood associations and companies have in our efforts. Thank YOU for your continued support.

The Real American Hardwood Coalition has had a presence at over 15 industry events in 2021. Interested in having the RAHC present at one of your meetings? Let us know by emailing info@realamericanhardwood.org. We are happy to participate!



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