

Carbon Credits, Lumber Markets Top Agenda

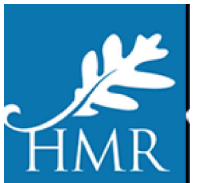
2022 Annual Meeting Returns To FL With Key Industry Issues

Appalachian Hardwood Manufacturers invites you to attend the **2022 Annual Meeting** on March 2-6 at The Diplomat Beach Resort in Hollywood, FL. The Meeting will include a **reception and dinner cruise on the South Beach Lady** for all attendees on Saturday.

The AHMI business presentations are:



Forest Carbon Credits in Appalachia - NCX Carbon is America's top provider of forest carbon credits and Manager Jeff Wright of North Carolina will explain the program in the AHMI region.



HMR Marks Century of Price & Production Indexing - Hardwood Market Report's Judd Johnson will detail the 100th anniversary of the leading hardwood lumber pricing and production guide.



Domestic Hardwood Lumber Market - A secondary manufacturing sector leader *has been invited* to discuss demand for hardwood lumber.



Insurance Forum - Four AHMI member insurance professionals will present the state of the marketplace for: (1) Cyber Security & Best

Practices; (2) General Liability, Commercial Automobile, Workers' Comp.; (3) Umbrella / Excess Liability Coverage; (4) Contractual Risk Transfer Agreements Specific to Logging / Hauling
Real American Hardwood In 2022 - Coalition members will report an exciting recap of 2021 and plans for 2022.

AHMI Annual Meeting & Member Anniversaries - Chairman Jay Reese will present the State of the Association and member anniversaries. This will include election of officers / board members.

Producers and Distributors Divisions Meeting - Separate sessions for these two AHMI groups to discuss issues of importance to their sectors.

FUN!! The **Annual Golf Tournament** is Friday at The Club at Emerald Hills Course in Hollywood, FL. The **Annual Fishing Tournament** is Friday on the Atlantic with sportfishing from chartered boats.

A return trip to **TopGolf Miami Gardens** for fun and competition on Saturday. Or you can join the group on **Saturday on the Beach** from 1-3 pm.

Please REGISTER by DEC. 31 for a drawing for \$100 Spa Gift Certificate or \$100 AMEX gift card. Make room reservations at the Diplomat Beach
(See Meeting on page 3)

NEW THIS YEAR!! **Saturday Reception and Dinner Cruise** aboard the **South Beach Lady**. All attendees will board the yacht at the Diplomat Landing for a trip south on the Intracoastal Waterway to Miami and return.

Your registration fee includes this reception, dinner, DJ for dancing and decks for sightseeing!



Saturday Cruise on South Beach Lady

The way I see it...

By Tom Inman, AHMI President

the review of 2021 is positive for the majority of hardwood sawmills, distribution yards and secondary manufacturers in the Appalachian region.

Demand for hardwood resources were very strong in the first two quarters and kept a healthy pace in the final six months. Producers and distributors say they were able to move the majority of products to customers who often were asking for more.

These markets were replenishing inventories that were depleted in 2020. Other buyers were trying to keep up with demand for finished goods.

Domestic markets lead the way in the first six months with flooring, millwork, cabinets, furniture, pallets and railroad ties all increasing sales from the previous year. Export markets remain hampered by Covid outbreaks in China and Vietnam but improved slightly in the third quarter.

Most Appalachian sawmills and yards report profitability for the year as a result of working harder than ever. Worker shortages have limited the volume of lumber that can be produced and processed and mills are still hiring.

More sawmills are seeking automated alternatives in the near future to maintain production. This equipment is improving but suppliers report long lead times for delivery.

Production was also limited by the lack of available freight. Demand for domestic trucking far exceeded supply and rising costs and cancellations hindered the movement of lumber and dimension products.

This was compounded for export companies by a lack of containers and cancellations for booking on ships. The issue will likely continue into 2022.

Overall the news is also very good for AHMI with membership up, great attendance at the Summer Conference and completion of several key promotion efforts. The plans for 2022 are great!

I wish you and your families a Merry Christmas and a Happy and Prosperous New Year!

Sherrill Furn. Expands In NC

From Furniture Today

CONOVER, NC – Sherrill Furniture will invest \$2.96 million in a new 140,000-square-foot upholstery facility in North Carolina, its fifth production plant.

“Backlogs within the furniture industry are at an all-time high,” said Thad Monroe, president of Sherrill Furniture. “We are 100% focused on substantially reducing lead times for our customers and are willing to invest heavily to more quickly fulfill orders of our U.S.-made products. We appreciate the support and partnership we have received at state and local levels to ensure this goal.”

The plant will create 90 new jobs over three years. Hiring for the plant is underway.

“The furniture capital of the world is growing,” said N.C. Gov. Roy Cooper. “North Carolina companies like Sherrill Furniture understand the advantages of doing business in our state, and we’re grateful for their contributions to our communities and our economy.”

Founded in 1945, Sherrill’s brands include Hickory White upholstery and case goods, CTH-Sherrill Occasional case goods, Precedent, Motioncraft, and Whittemore-Sherrill leather.

HF Surveys Industry For 2022 Priorities

As the Hardwood Federation prepares to fight for the industry in 2022 leading up to a pivotal midterm election, they are asking the hardwood industry to complete a survey on what issues have the greatest impact on business.

Please complete a four-minute survey at the web address below to share your opinion. The Federation has provided summaries of key concerns including carbon sequestration and storage, federal forest management, trade, and tax reform, along with a quick ranking metric for you to review and gauge the importance of each issue.

To participate in the survey, please visit
www.surveymonkey.com/r/7NFM9B8

Meeting from page 1

Resort by calling (855) 689-2911 and ask for the Appalachian Hardwood block. Make your airline reservations today to Fort Lauderdale or Miami airports.

Please complete the registration form on page 7 or at www.appalachianhardwood.org/meetings.

Have questions? Call AHMI at (336) 885-8315 or info@appalachianhardwood.org.

The Diplomat Resort is a Curio Collection by Hilton and an elegant retreat with spacious rooms, gorgeous views of the Atlantic Ocean, Intracoastal Waterway, white sandy beaches or city skyline. Located in the heart of Hollywood, FL, the resort is a AAA Four-Diamond Award winner and recently completed a multi-million dollar renovation.

Dining...

Diplomat Prime is a luxury boutique steakhouse with prime beef aged in-house, seasonal seafood dishes, and select fare;

Monkitail is celebrity and famed Chef Michael Schulson's seventh restaurant with a contemporary take on classic Izakaya, featuring sharable small plates and sushi and an array of specialty cocktails and sake.

Playa is a beachfront Nuevo Latino bar and restaurant featuring a variety of dishes along with a traditional rum and tequila bar. Open lunch and dinner.

Counter Point offers specialty espresso drinks, coffee (including cold brew), tea and a daily selection of house-baked breakfast pastries, salads and sandwiches. Wine, beer and light bites are available all day, every day.

Activities...

The **Diplomat Spa** is designed to melt away the stress and strains of the day while viewing the ocean. After a massage, facial or body treatment, head to the relaxation lounge for refreshments.

Enjoy the Atlantic Ocean beach with jet skis, lounge chairs and more available on-site from the Diplomat staff! Dozens of restaurants are also minutes away in Hollywood and Fort Lauderdale.

2022 Annual Meeting Agenda

Wednesday, March 2

6 p.m. Early Bird Reception

Thursday, March 3

Informal golf and fishing available. Call AHMI

3 p.m. Board of Trustees Meeting

4 p.m. Registration Opens

6 p.m. Welcome Reception by Stringer Industries

Friday, March 4

8:30 a.m. General Session
Business Presentations

12:30 p.m. Fishing Tournament

12:30 p.m. Golf Tournament at The Club at Emerald Hills

6 p.m. Reception by Ally Global and TS Manufacturing

Saturday, March 5

8 a.m. Producers Meeting (*Producers only*)

8 a.m. Distributors Meeting

9 a.m. General Session

Business Presentations

Annual Meeting & Member Anniversaries

Chairman's Report

12:30 p.m. Top Golf Tournament

1 p.m. Beach Fun at the Diplomat

5:30 p.m. Yacht Cruise Reception and Dinner from Diplomat Landing sponsored by TMX Shipping, USNR and others.

Sunday, March 6

8 a.m. Fellowship of Christian Lumbermen

Register EARLY!!

before Dec. 31 for drawing
\$100 Spa Gift Certificate

or

\$100 AMEX Gift Card

Infrastructure Bill Passes Congress

*By Dana Lee Cole, Hardwood Federation
Executive Director*

On Nov. 11, President Biden signed his signature infrastructure package, the Infrastructure Investment and Jobs Act. The legislation was approved by the U.S. Senate on a bipartisan vote in August and passed the House on a vote of 228-206. Thirteen (13) Republicans voted for the bill; six (6) Democrats voted against.

The bill includes over a half trillion dollars in new spending on roads, ports, bridges, and rail, among other priorities. Total spending over five (5) years is estimated to be around \$1.2 trillion. Key provisions of the bill include:

- \$110 billion for roads, bridges, and other major infrastructure projects.
- \$39 billion to modernize public transit, \$66 billion in passenger and freight rail and \$7.5 billion for electric vehicles.
- \$65 billion to improve the nation's broadband infrastructure.
- \$17 billion in port infrastructure and \$25 billion in airports.
- \$170 billion to improve power and water systems.
- \$21 billion for environmental remediation.

Included within the 2,740-page document are a few items of **interest to the hardwood sector**:

- A favorable provision grandfathering existing gross vehicle weight limits on state roads converting to interstate highways. Currently in North Carolina, several state roads are slated to become federal interstates in the near future. The current maximum gross vehicle weight limit on North Carolina state roads is 90,000 pounds for 5-axle trucks carrying logs and forest products. Once those roads convert to interstates, the weight limit would decrease to 80,000 pounds unless the 90,000-pound standard is grandfathered.
- Authorization for a pilot program allowing young drivers (between 18-21 years old) to operate trucks interstate after completing rigorous operational and safety training. Currently, younger drivers may drive all day every day within

Hardwood Federation

a state's borders but may not cross state lines. For the last few years, the provision, known as the DRIVE Safe Act, has been a priority of truck-dependent industries as a way of attracting younger drivers to the profession.

- Language creating a new federal system for subsidizing sawmills and other wood processing facilities, along with \$400 million in new financial assistance. The provision specifies that "close proximity" to a sawmill would become a factor for agencies to consider when funding federal land restoration. One of the ongoing challenges to making thinning projects economical is access to processing facilities. Existing wood processing infrastructure is not in close proximity to many federal forests that need active management.

- Authorization of a bioproduct pilot program to explore the use of agricultural commodities in building construction materials and products. The provision provides \$4 million to the US Department of Agriculture to partner with a college or university to examine cost savings of using alternative materials, greenhouse gas emissions benefits, landfill quantity and waste management cost reduction benefits and other factors.

- Provisions of the *Repairing Existing Public Land by Adding Necessary Trees (REPLANT) Act* are included in the bill. The *REPLANT Act* quadruples investments to support reforestation projects on national forests by removing the current funding cap of \$30 million per year on the Reforestation Trust Fund. This will help the U.S. Forest Service plant 1.2 billion trees on national forests.

- Language establishing a vehicle miles travelled (VMT) fee pilot program. Specifically, the legislation authorizes \$125 million for grants that would enable creation of pilot VMT programs to collect data on whether a VMT is a viable option for replacing the gas tax. The VMT would apply to both private and commercial vehicles.

- Provisions promoting work force development
(See Federation on page 5)

Federation from page 4

ment in the transportation sector. Specifically, language authorizes grants to educational institutions or state departments of transportation, in partnership with industry, to develop, test and review new curricula and education programs to train individuals at all levels of the transportation workforce.

- Authorization of an Electric Vehicle Working Group led by the Secretaries of Transportation and Energy to make recommendations regarding development, adoption and integration of light, medium and heavy duty electric vehicles into the transportation systems in the U.S.

- Several Buy American provisions, including language that precludes any funding in the bill on projects that use any amount of iron, steel, manufactured products or construction materials that are not produced in the U.S.

- Efficient Manufacturing—\$2.1 billion in assistance to help manufacturers improve energy, water and material efficiency, load management and onsite generation to reduce waste and pollution while increasing profit. The provision includes a special set aside for small to medium sized manufacturing operations.

Democrat Leadership will now turn their attention to passing the Build Back Better legislation (also known as the Reconciliation Bill). When, and if, the bill is passed by the House, it will almost certainly pass along partisan lines without Republican support. It will then be sent to the Senate where it is certain to face challenges and revisions. Some Senate leaders have expressed hope that a deal can be struck by early December, although negotiations could drag on past that deadline.

The Hardwood Federation is closely tracking provisions in this legislation directly related to the Hardwood industry including:

- Research funding related to sustainable forestry methods, maximizing carbon sequestration on federal lands and life cycle analysis of wood products.

- Funding for initiatives that protect older and mature forests in the National Forest System.

- Grant programs that support private land-owners entering voluntary carbon market programs.

We are also working closely with our business and manufacturing association partners to track and comment on proposed tax reform measures that would directly, and negatively, impact the small, medium, and family-owned companies that comprise the majority of the hardwood sector.

It is sure to be a busy holiday season in Washington, D.C. and unfortunately, not the kind of busy we usually hope for during December.

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:

2022

Jan. 11: **ALC Meeting**, Asheville, NC

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](https://www.instagram.com/appalachianhdwd)

Appalachian Hardwood Successes In 2021

PROMOTION

- Increased participants in the Certified Appalachian Legal & Sustainable program that provides third-party audit of member companies.
- Continued the Appalachian Hardwood Verified Sustainable and Verified Legal programs for member companies utilizing U.S. Forest Service data for the Appalachian Region that proves growth-to-removal is 2.4 to 1. Legality is proven by records from timber owners.
- Published 2021 Appalachian Hardwood Verified Sustainable and Legal Resource Guide with member information that was sent to 8,000 domestic wood consumers and distributed at events.
- Released videos on the Appalachian Hardwood Youtube channel "Benefits of Certified Appalachian" and "Verified Appalachian Boosts Sales"
- Participated in High Point Furniture Market in October and sponsored the Sustainable Solutions with a booth.
- Participated in 20 state, regional and national association meetings and trade shows as a speaker, exhibitor and attendee.
- Distributed hundreds of promotional brochures and wood sample kits to wood consumers, individuals, schools and civic groups.
- Financial support of the Hardwood Federation and the American Hardwood Export Council.
- Continued use of social media through Instagram with dozens of followers
- Participant in the Real American Hardwood Promotion Coalition.



PROMOTION - Export

- Distributed the 2021 Resource Guide to more than 15,000 lumber buyers in Europe, Asia, the Middle East and north Africa.
- Hosted lumber buyer delegation from Mexico during High Point Furniture Market
- Hosted webinar meetings with lumber buyers from Mexico
- Distributed trade leads to Export Division members.
- Member of the American Hardwood Export Council Board of Directors.

EDUCATION

- Scholarship to a West Virginia University student in the forestry program.
- Scholarship to Kendall School of Furniture Design student.

MEMBERSHIP

- Membership stable at 202 member companies
- Successful Summer Conference and Fall Meeting in West Virginia

FORESTRY

- Advocate for active management of the Eastern hardwood forest through emails to decision makers, and participation in pro-forestry groups.
- Staff is active with state forestry associations.



2022 Annual Meeting on March 2-6 The Diplomat Beach Resort, Hollywood, FL REGISTRATION FORM



To reserve your room, call the Diplomat Resort at (855) 689-2911 for Appalachian block

The room cutoff is Feb. 2 and rooms start at \$349. Rate is honored before & after!

Online Hotel / Meeting registration available at 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. 11, 2022:

AHMI MEMBER - \$525 per person

GUEST - \$625 per person

MEMBER SPOUSE - \$375

GUEST SPOUSE - \$475

CHILDREN AGE 10 & older - \$250, UNDER 10 - \$200

Add \$75 to any registration fee after Feb. 12, 2022

Registration includes Saturday Reception & Dinner on South Beach Lady Yacht, two other receptions, business sessions and breaks, afternoon at the beach, and fun.

Full registration fee refunded on cancellations received by Feb. 11, 2022. Cancellations received after that time will be subject to 50% forfeiture.

REGISTER for AHMI'S 2022 ANNUAL MEETING

Name: _____

FEE: \$ _____

Name: _____

FEE: \$ _____

Company: _____

Address: _____

City/State/Zip: _____



Optional Events I / We will attend

*(included in
registration fee)*

___ Early Bird
reception Wed,
March 2 at 6 pm

___ Beach Fun &
Drinks, Saturday,
March 5 1-3 pm

Annual Golf Tournament Friday at 12:30 p.m. at The Club at Emerald Hills
(includes shuttle, lunch, range balls. Rental clubs are available)

Name: _____

FEE: \$160

Name: _____

FEE: \$160

Fishing Tournament Friday at 12:30 p.m. sportfishing in Atlantic
(4-hour fishing trip, includes boxed lunch, tackle, bait, license)
\$175 for each of six slots on multiple chartered boats

Name: _____

FEE: \$175

Name: _____

FEE: \$175

TopGolf Miami Saturday 12:30 p.m. *(Incl shuttle, two-hours, food & beverage)*
Number of spaces reserved _____ @ \$80 each FEE: \$ _____

Check # _____ Received _____

TOTAL \$ _____

Credit Card # _____ Exp. _____ Sec. Code _____ Billing Zip _____