

Appalachian Hardwood News

April 2022

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

AHMI Promotion Targets Thousands Of Buyers

Trade Shows, State Meetings & Resource Guides Market Appalachian

Appalachian Hardwood Manufacturers, Inc. reached thousands of lumber buyers in the US and internationally in recent weeks.

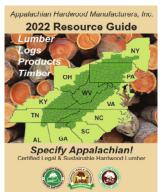
Association staff have participated in state forestry association meetings, a regional hardwood conference, the High Point Furniture Market, the National Wood Flooring Expo and emailed the 2022 Certified Appalachian Legal & Sustainable Resource Guide to international buyers. The response has been extremely positive as buyers seek

sources of Appalachian hardwood lumber, logs and products.

AHMI has revamped its trade exhibit to focus on Appalachian species, their availability from members and growth rates in the forest, all of which are of interest to buyers. At the

which are of interest to buyers. At the recent National Wood Flooring Expo in Tampa, FL, attendees were seeking white oak and hickory but also secondary species ash and birch as supplies of oaks and maples tighten. AHMI also promotes the Certified Appalachian and the Verified Appalachian programs to secondary manufacturers. These companies continue to seek marketing details to

promote their hardwood resources to domestic consumers.



Domestic Furniture Makers Do Well At High Point

U.S. furniture manufacturers who exhibit at the High Point Furniture Market reported another great show as retailers and designers seeking products were able to find them.

Supply chain interuptions have plagued the furniture industry for the past two years as Covid caused delays at foreign factories and in shipping. Furniture companies relying on international goods did not receive products or the cost increased dramatically because of freight.

U.S. manufacturers like Vaughan-Bassett Furniture and Bassett Furniture have seen retailers returning because they have product. It's new product that has fresh design in white oak and hard and soft maple.

"Market has been great for us again this year and we only had one introduction," said Doug Bassett, president. "We can deliver to stores in 14 days and retailers can get it to the consumer.



Bassett
Furniture
highlights
the Solid
Appalachian
Hardwood
lumber used
in its Bench
Made
bedroom
and dining
room
collection.

That's what they want and they like the look of our American hardwoods."

(See Furniture on page 3)

The way I see it...

By Tom Inman, AHMI President

...solid hardwood lumber markets were great in the first quarter of 2022 and forecasts are good for the next two, based on conversations at recent industry events.

Many AHMI sawmill and distribution yard members are reporting excellent sales in 1Q as demand for product was strong. Most note that inventories are sold and they await trucks to pickup goods.

One sawmill official said he is pricing lumber as FOB mill and asking customers to work out the freight. He said it enables the customer to see just how difficult shipping continues to be in 2022.

A trucking industry speaker at the recent Kentucky Forest industries Association Meeting did not offer hope for improvements in the near term. He said every freight company would hire additional drivers if they could find them.

Lack of available workforce continues to limit production at many sawmills and distribution yards. While there are a few more people seeking jobs in the industry, there are also folks leaving for slightly higher wages in other sectors.

One sawmiller said his company provides benefits like health insurance, disability, retirement and vacation and still loses workers to a dollar more an hour. He noted frustration with a lack of understanding that many employees have about benefit packages.

...the AHMI Summer Conference is scheduled for July 24-26 at The Omni Homestead in Hot Springs, VA. The property is in the midst of a multimillion dollar renovation.

I am finalizing the program but we will have speakers on:

Domestic furniture industry
Poplar cross-laminated timber
Appalachian Hardwood Training Institute
Real American Hardwood Promotion

Please mark your calendar now or you can make your room reservations today at www.appalachianhardwood.org/meetings. We look forward to seeing you there.



AHMI welcomes the following new members:

Distributors

Difficult Creek Lumber

Blake Tucker 9025 James D Hagood Hwy Scottsburg, VA 24589 Phone: (434) 454-6555 difficultcreeklumber@gmail.com

Tucker Timber Products, Inc.

Seth Tucker PO Box 630 Keysville, VA 23947 Phone: (434) 736-0804 seth@tuckertimberproducts.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. We have a packet of materials to send them about our promotions, events, 401k retirement plan, health insurance availability and more.

RAH Seeks Your Help

The Real American Hardwood Coalition is educating the industry about its work at many association meetings and expos.



More than 30 associations comprise the coalition, and their respective staff make up the leadership of the coalition. The group continues to meet weekly to build the program's infrastructure, finances, and, most importantly, its participation from industry companies.

The website www.realamericanhardwood.org provides participation resources for industry members. There you can learn the latest about the campaign, download the logo and see the list of companies that have contributed.

For more information, please contact the AHMI office at info@appalachianhardwood.org or the RAH at info@realamericanhardwood.org.

Furniture from page 1

Jeb Bassett, vice president of Bassett Furniture, said its BenchMade Collection sold very well at market and designers liked the white oak and wormy maple designs.

"We expanded with new bedroom and dining that is made in North Carolina and Virginia," Jeb Bassett said. "We take the order and get it out quickly. The retailers know that."

Other U.S. manufacturers reported strong sales to existing and new customers. Overall market attendance during the April 2-6 show was increased from the fall of 2021.

The next High Point Market will be Oct. 22-26, 2022.

AHMI Receives Inquiries For Flooring Solids, Plywood

Manufacturers of hardwood flooring are seeking lumber and plywood supplies to meet the demand for finished goods, according to inquiries received at the National Wood Flooring Association's Expo in Tampa on April 12-14.

AHMI exhibited at the show and received dozens of inquiries about solid hardwood inventories and also requests for plywood. Flooring manufacturers were seeking white oak, red oak, hickory and ash supplies.

The demand for solid hardwood flooring has remained stable in recent months most of the manufacturers report. The forecast for 2022 was good.

Other buyers were asking about plywood inventories as supplies of Baltic imports are dwindling because of the Russia-Ukraine conflict. The materials have supplied large market share of the engineered wood flooring products made in the US and internationally.

AHMI has several Distributor member companies that sell and manufacture plywood products. These companies were shared with the buyers.

The Decorative Hardwood Association was a few spaces away and officials there said U.S. plywood makers are trying to meet the demand for products. Workforce and supply issues have hampered manufacturing for these companies and imports from South America are rising.

China Extends Tariff Exclusion For Many US Hardwoods

Hardwood industry exporters received good news over the Easter weekend when the Chinese Ministry of Finance announced that it would continue to exclude U.S. hardwoods from tariffs for an additional six-month period through November 30, 2022.

The American Hardwood Export Council received initial confirmation of the extensions on April 15. The action effectively means that business will continue as usual with no Chinese tariffs on U.S. hardwood lumber and log exports for the next six months.

The announcement specifies that from April 17, 2022 to November 30, 2022, the goods listed in the annex will continue to be exempt from tariffs imposed to counter the US Section 301 measures. The referenced annex includes HS codes for US hardwood lumber and logs that were previously used in the tariff exemptions from February 2020.

The specific codes listed are:

HS Code English Description 44039100 Oak Logs

44039960 North American Hardwood Logs

44079100 Oak Lumber
 44079400 Cherry Lumber
 44079500 Ash Lumber

44079930 Other NA Hardwood Lumber

For more information, please contact the AHMI office at info@appalachianhardwood.org.



Springtime Appropriations In Washington DC

By Dana Lee Cole, Hardwood Federation Executive Director

The power of the purse is the one major responsibility that the Constitution delegates to Congress. All too often, it seems like about the only legislation that voters can count on to make it across the finish line during the year.

Although appropriations – the process through which Congress funds the federal government – becomes more complex as the debate moves forward, annual congressional spending begins in a relatively straight-forward manner.

In March, through the powerful appropriations committees, Congress will typically begin to draft 12 different appropriations bills to fund all federal agencies for the upcoming fiscal year. Each lawmaker may submit specific requests to the appropriations committees to fund or even clarify the parameters of specific programs important to their constituents.

As the committees finalize their bills and the congressional calendar approaches the August recess, and the end of the federal government's fiscal year on September 30, chaos often ensues. At this time Congress may combine various packages from the appropriations committees into so-called "omnibus" bills.

All throughout this process, the Federation meets with members of Congress, often leadership and appropriations committee members, to urge them to focus on priorities that will create an optimal business climate for the hardwood industry. We consistently have items to advocate and this year were able to secure reauthorization of policy in existing law that promotes federal recognition of the carbon neutral nature of forest-based biomass energy that we use in mills. This will once again be on the table for consideration in the upcoming appropriations bill for 2023.

Another area where we have been active is in funding for the Forest Inventory and Analysis (FIA) program. FIA is a tool used by the U.S. Forest Service to maintain an accurate picture of our country's private and federal forest lands.

As the federal government continues to

sharpen its focus on climate policy and green house gas mitigation, FIA data will be increasingly relied upon to inform policy about the health of our nation's forests and their potential as a climate solution. The Hardwood Federation team has partnered with our forestry and forest product association allies here in D.C. on robust funding for FIA so that it can continue to provide this critical analysis.

Another area of funding in which we have been active is on Lacey Act implementation. HF was one of the leading organizations securing enactment of the Lacey Act amendments to the Farm Bill in 2008 that added wood products to the purview of this law.

We did so then out of concern about illegally harvested wood around the world being dumped into the U.S. market and harming domestic hardwood producers. That concern persists today, which is why we continue to advocate that APHIS—the U.S. enforcement arm for Lacey—receive ample funds in the appropriations process so that it can continue to perform its critical enforcement role.

HF staff is monitoring funds for the Market Access and Foreign Market Development programs as part of the appropriations process. These two programs—which form the backbone of our industry's market promotion efforts overseas—received mandatory funding as part of the last Farm Bill. This was a big win for our sector.

And finally, we remain very close to the appropriations process annually to both defend against and promote policy riders that impact our sector. Depending on the popular issues of the day, these riders can range from environmental policy, including the ever-controversial Waters of the U.S. rule, to provisions opposing various Endangered Species Act listings.

No matter the year or the appropriations cycle, there is always the need to stay close to the action in the appropriations committees as much of the public policy development at the federal level is made within the confines of these panels.

Forest Technology Summit Precedes Expo Richmond

The Department of Sustainable Biomaterials at Virginia Tech will be conducting a one day "Forest Products Innovation and Technology Summit," May 19, 2022, at Expo Richmond.

The program will focus on what technologies in the primary wood products sector can benefit operations in regards to optimization, grading, management and distribution. Innovation and technology for both hardwood and softwood production will be discussed.

The Summit provides the chance to hear about these technologies from experts and to interact and question them about how it fits lumber operations. There will be presentations by the industry's leaders in technology, discussion panels and networking opportunities and include:

- how the latest innovations and technologies
 for the hardwood and softwood industries can help the bottom line.
- Networking with industry technology leaders, academicians, students, and government representatives.

The Summit will be held at the Hilton Garden Inn Richmond Airport. 441 International Drive, Sandston, VA, on May 19 beginning at 8:15 am. For more information, visit https://cfpb.vt.edu/education/2022-expo-richmond-educational-session/

Join AHMI At Expo Richmond

Appalachian Hardwood Manufacturers, Inc. will exhibit at Expo Richmond and invites members to visit and/or meet buyers in our space. The booth is **space 48** in the Commonwealth Building. AHMI members can gather there to talk with potential customers.

Expo Richmond is scheduled May 20-21 at the Richmond Raceway Complex and is sponsored by the Virginia Forest Products Association and Cooperative Extension Service at Virginia Tech.

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:

April 28-May 1: **ALC Beach Meeting**, North Myrtle Beach, SC

May 3-6: **Virginia Forestry Summit**, Blacksburg, VA

May 20-21: **Expo Richmond**, Richmond, VA June 6-8: **Railway Tie Field Trip**, Roanoke, VA

July 20-21: **Furniture Manufacturing Expo**, Hickory, NC

July 24-26: **AHMI Summer Conference**, The Homestead, Hot Springs, VA

Aug. 23-26: IWF Atlanta, Atlanta, GA

Sept. 13-14: **PFPA Annual Conference**, State College, PA

Sept. 21-23: **NHLA Convention**, Cleveland, OH Sept. 28-30: **NCFA Annual Meeting**, Greensboro, NC

Oct. 22-26: **High Point Furniture Market**, High Point, NC

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.

Certified Appalachian Helps Sell Lumber

AHMI members seeking certification for products to meet customer needs should consider Certified Appalachian Legal & Sustainable. The program provides a third-party audit of resources and processing.



For more information, please call the AHMI office at (336) 885-8315 or email info@appalachianhardwood.org.

Chinese Design Contests Require U.S. Hardwoods

Two furniture competitions in China that required the use of American hardwood lumber with an emphasis on products that can be mass-produced have announced the winning designs.

Shanghai AM Forest Products China, the Shanghai Timber Trade Association and several Appalachian Hardwood Manufacturers, Inc. member companies sponsored the two LB Cup Competitions in Furniture Design in 2021 and 2022. Dozens of professional and student designers from across China submitted furniture in a variety of categories.

The LB Cup Competition required participants to use American hardwoods like Red Oak, Maple and Poplar with an emphasis on designs that can be made in factories, said James Xu, founder of Shanghai AM Forest Products and director of the China National Hardwood Council and the Shanghai Timber Trade Association. He said other competitions have beautiful designs, but their results are often difficult to mass-produce.

"This has been an excellent opportunity for students to learn about American hardwoods," Xu said. "The factories in China have been very interested in these designs and making these for sale in China and the U.S." See LB Cup Competition 2022 Video at www.appalachianhardwood.org/designs

The AHMI member companies sponsoring the competition and serving as judges were: Roy Anderson Hardwoods, Allegheny Wood Products, Oaks Unlimited, Walker Lumber Co., and non-member HHP. Inc.

The first LB Cup Competition focused on children's furniture and the second was on overall creative design. Both contests selected the top four design winners based on style, use of hardwood, function and production capability and another dozen Excellent Design awards were given.

Many of these winning designs have been purchased by Chinese companies and will enter the marketplace soon, Xu said.

The LB Cup Competition in 2021 for children's furniture Grand Prize winner was the Elephant Bed which included a bed shaped like an elephant with





LB Cup winning designs were chosen for function and ability to manufacture with ease in factory setting

matching storage furniture. The first-place winner was the Little Monster playroom; second place went to the Pony and Tree playroom; and third place to Bed for Two Kids bunkbed design.

The LB Cup Competition in 2022 emphasized product design and the Grand Winner was Leisure bedroom with headboard, storage cabinet, chair and tables. The first-place winner was Walker which was a traditional walker and seat crafted from hardwood; second place was Comfort Chair which was a chair and storage unit; third place was Yi Ju Bedroom with a bed, nightstands, and storage wardrobe.

Competition organizers have marketed the results to manufacturers and professional designers across China. Xu said results have been extremely successful and a third competition is scheduled for the summer of 2022.