



# Appalachian Hardwood News

August 2022

Monthly newsletter of  
Appalachian Hardwood  
Manufacturers, Inc.  
[info@appalachianhardwood.org](mailto:info@appalachianhardwood.org)

## Furniture Boom Slows With Inflation

The two-year run for furniture makers and re-tailers is slowing with inflation on the rise, reports a veteran domestic manufacturer.

Doug Bassett, president of Vaughan-Bassett Furniture (VB) in Galax, VA, spoke at the 2022 Appalachian Hardwood Manufacturers, Inc. Summer Conference. He said 2020 and 2021 were "black swan" years for the domestic furniture industry.

Covid-19 had many people at home and evaluating their home furnishings. These consumers purchased new living room, dining room and bedroom furnishings to upgrade their homes.

"There was unprecedented government spending to prop up the economy — \$4.6 trillion in government outlays over three years," Bassett said. "Many people spent this on their homes."

VB sales grew from \$62 million in 2019 to \$99 million in 2021. The company reduced the number of offerings and focused on popular and profitable items.

He said imported furniture was at a disadvantage during the same time period. Freight costs for shipments from China or Vietnam increased from \$4000 per container to \$20,000 (or more).

There were also supply chain disruptions with missing components, factory slowdowns, and shipping delays. Covid outbreaks in Vietnam and Malaysia halted production.

"We are here in Virginia, making bedroom furniture that we could deliver in days and selling it like crazy," Bassett said. Just one year later, however, the boom has slowed considerably. Fuel and freight prices and inflation have reduced demand.

Bassett said the company has 100 new accounts that were formerly dependent on imports. He was cautious that lower shipping costs and higher production have imports back.

"We will see but many tell us they will not be as dependent on international supply chains moving forward," he said.

## Real American Hardwood Opens Consumer Site

The Real American Hardwood Coalition (RAHC), a domestic, industry-wide promotion initiative for Real American Hardwood™ products, has launched its consumer website at [RealAmericanHardwood.com](https://RealAmericanHardwood.com).

"The website takes visitors on a digital journey to learn how and why they should choose *Real American Hardwood* flooring, cabinetry, millwork, furniture, and other goods for their homes," says Michael Martin, president and CEO of the National Wood Flooring Association and RAHC Board member. "Today's consumers are overwhelmed with product choices and often believe they're buying natu-

ral and renewable hardwood products, when in fact, they're buying look-alikes such as vinyl and plastic that are manufactured from non-renewable resources. Now, the industry has an informative

tool that's setting the record straight and separating fact from fiction—backed by research and science."

Designed by CANVAS United—a high-profile agency known for its exceptional creativity, impressive project portfolio, and extensive experience promoting commodity and agricultural goods—the website educates consumers on the advantages and long-term benefits  
**(See Real American Hardwood on page 2)**



## The way I see it...

By Tom Inman, AHMI President

...the 2022 Summer Conference was a great success with a terrific group of people, timely and entertaining presentations and fun events at The Homestead.

The overall mood from attendees remained upbeat as demand for lumber has eased slightly in recent weeks. Anxiety about the economy and rising interest rates were cited as concerns for the next two quarters.

Many attendees reported a softening of prices on some species and grades that had reached record levels. There are still orders for White Oak, Poplar and Soft Maple but not at the levels of one year ago.

The conversations centered on the "good run" of the past 24 months and preparations for adjustments in the third and fourth quarters of 2022. Production capacity is still capped by labor shortages and logging.

One sawmiller noted that they have learned how to operate with fewer people but it is inefficient. He said they move employees from the mill to the warehouse each week and have not gained on inventories.

That could change with lower demand in the next two quarters.

### Axe Throwing Fun

AHMI held its first axe throwing contest at the Summer Conference and sponsored by Blue Ridge Lumber. During the Stringer Industry Reception, attendees had a chance at cash prizes by throwing the axe at play money that was taped to the target.

Winners of \$100 were Mary Catherine Baldridge and Jeremy Pitts. It was the first time that many had attempted AND fortunately no injuries resulted.

Thanks to all who participated!



## Real American Hardwood from page 1-----

of *Real American Hardwood* products in ways that make emotional connections. Interactive site modules engage consumers and compare the appearance, durability, value, home health, and environmental attributes of real wood products to faux, wood-look alternatives. The site also serves as a hub for project inspiration, maintenance tips, and environmental facts, and explores how hardwood is influencing lifestyles and culture in the modern world.

"Our industry has a rich history and compelling stories to tell," says Dean Alanko, vice president of sales and marketing, Allegheny Wood Products. "The website spotlights the generational, family business that make up our industry. I'm proud of how the website tells these stories and presents information that can make a difference in consumers' lives and benefit all industry stakeholders."

AHMI is a founding member of the Coalition and contributes financial support annually. More than two dozen AHMI members contribute and ways companies can engage are available at [www.realamericanhardwood.org](http://www.realamericanhardwood.org).

### Thank You Conference Sponsors

Sunday Reception: **Stringer Industries**

Monday Reception: **DMSi and Tally Express**

Morning Break: **Stella-Jones Corp.**

Sporting Clays: **Farm Credit of the Virginias**

Sporting Clays Lunch: **Stiles Machinery**

Golf Prizes: **Corley Manufacturing**

Golf Lunches: **Nyle Dry Kilns**

Golf Refreshments: **SII Dry Kilns**

General Meeting: **ISK Biocides and CombiLift**

### Sporting Event Winners

**Golf:** Low Gross (tie) 1st - Justin Tanner (*card play-off winner*) and Joe Pryor; 3rd-Peter McCarty  
Low Net: 1st-Ryan Harman; 2nd-Bruce Horner  
Closest to the Pin: Max Kutz; Long Drive: Joe Pryor

**Sporting clays:** 1st-Emory Honeycutt; 2nd- Steve Hamer; 3rd-John Crites II

# Appalachian Hardwood Training Begins In Sept.

Appalachian Hardwood Manufacturers members will be able to send workers to specific training courses in September.

The Appalachian Hardwood Training Institute is preparing classes at three campuses in the region for the fall semester. AHTI Project Coordinator Brooke Shehan offered details at the AHMI Summer Conference.

The program is funded by the Appalachian Regional Commission to improve the skills of existing workers and attract new employees to the hardwood industry. It is a partnership between AHMI, Mountain Gateway Community College, Glenville State University and Big Sandy Community College.

Workforce coaches have been hired at each campus and are working with administrators to develop courses. Shehan said there will be workshops and training sessions on industry needs.

Conference attendees were asked to complete a survey of course offerings to guide the program. The top five results were:

- 1) Lumber Grading & Scaling
- 2) Edging Lumber & resaw Operations
- 3) Class A CDL License
- 4) Log Grading & Scaling
- 5) Lumber Drying Techniques

There were 28 other subjects that included:

- Basic commercial electronics
- Basic computer operations
- Basic Machinist
- Basic Welding

- Chainsaw operation and maintenance
- Class B CDL
- First-Aid and CPR
- Hardwood sawing for grade lumber
- Log yard equipment operation (loading and unloading with knuckleboom and Wheeled loaders)
- Log yard OSHA Safety and Environmental monitoring
- Lumber defects, stresses, figures and character
- Operating Microsoft Excel, Access or other Database Software
- Sawmill OSHA Safety and Environmental monitoring
- General mathematics skills

AHTI will develop short-term training sessions (1-2 days) focused on these identified needs of industry and employer partners in Virginia, West Virginia, and Kentucky.

The overall goals are:

- Create a model beyond the three states.
- Continue training sessions at each of the college sites.
  - Develop pathways for trainees into certificate/degree programs.
  - Develop a whitepaper to outline a training model for the remaining ten states in Appalachia.
  - Expand within the ARC region with assistance from Community Colleges of Appalachia.

For more information on the college contacts and ways to enroll, please contact the AHMI office at (336) 885-8315.

## Speyside Hosts AHMI Conference For Tour Of Stave Mill

AHMI members and guests attending the 2022 Summer Conference were treated to a tour of the Speyside Bourbon Stave Mill in Millboro, VA.

Speyside Bourbon Cooperage, Inc. is a division of Speyside Cooperage Ltd. which was founded in Scotland in 1947. Speyside currently operates two cooperages in Scotland and two in the U.S; in Kentucky and Ohio.

The stave mill in Millboro is one of three operated by Speyside. The facility produces staves from Appalachian White Oak that are cut, inspected,

sorted by size, air-dried and then shipped to cooperage plants in Atkins, VA, and Jackson, OH.

The plant produces 30,000 plus pieces per day with 80 percent for staves (sides) and 20 percent for headers. The mill employs approximately 50 people.

Officials said the facility uses about 7 million board feet of white oak a year. It opened in May 2018 and Speyside has other stave mills in Waverly, OH, Glade Spring, VA; Bolivar, TN; and Manchester, KY.

# Look For Federal Lawmakers In August At Home

*By Dana Cole, Hardwood Federation*

Beginning this week the US House and August 8 the Senate members will be making the rounds in the states for their traditional five-week summer break, which lasts through Labor Day.

Constituents can make appointments to meet more formally with their lawmakers in state and district offices. An invitation to those on the campaign trail to visit your place of business is a fantastic way to make an impression...and one those looking for votes will be happy to accept.

You, as a member of the hardwood industry, can play a role in advocating for better laws and regulations related to growing and maintaining a healthy hardwood business community. Remember, YOU are the expert in your field and those in elected office are there to listen to YOU, the voter, and essentially their boss.

If you have an opportunity, engage elected officials...at every level!! Local and state officials can also impact your business, and these are often the people who move up to the Federal level.

Once you connect with an elected official, it's important to identify yourself right away as a member of the hardwood industry. Sharing information about your company is essential, especially specifying the location of your operations and the number of employees you count on your payroll in the state. Then focus on what keeps you up at night...what laws, regulations or economic uncertainties make it harder for you to stay in business. If you have a recommendation for improvements, make sure they know that too.

We invite you to share the Hardwood Federation message and for this election cycle they are:

**Build Markets for Hardwood Products!** We seek opportunities to grow markets and add value to hardwood products.

**Wood Products are Part of the Climate Solution!** With the federal government putting a climate twist on almost every policy that takes shape, tell your lawmakers that hardwood lumber, floors, furniture and other products store carbon and prevent its release into the atmosphere. *Lawmakers cannot hear this message enough.* Delivering it re-

peatedly will make sure that the industry gets credited, instead of penalized, by climate policies that move at the federal level. Also, don't forget biomass is a key factor in the clean energy equation and that the spending bill should continue to memorialize the "carbon neutrality" of biomass energy.

***Protect and Expand International Markets!***

The hardwood sector is a powerful exporter of products "Made in the USA" and relies on foreign customers to support high quality jobs at home. Remind lawmakers of the importance of continued and increased funding for the U.S. Department of Agriculture's Market Access Program (MAP) and the Foreign Market Development (FMD) Program which support U.S. hardwood exports.

***Oppose Tax Increases that Harm American Hardwood Companies!*** HF supports favorable tax systems for small and medium sized businesses, including family-owned companies. It's important to communicate the benefits of the Sec. 199A tax deduction for small business and the flexible estate tax provisions included within the tax reform law of 2017 and oppose efforts to roll them back. Also, lawmakers must reject the idea of imposing a surtax on small business to pay for Medicare or other initiatives, a proposal which has recently been floated in the halls of Congress.

***Help Wanted! Fix the Worker Shortage.*** To address the long and short-term need for more workers, HF advocates for programs that promote workforce training, retention, and development to address shortages that hinder growth. Fortunately, Rep. Elise Stefanik (R-NY), has introduced the "Employer Directed Skills Act" (H.R. 6255) to bridge the gap between employer needs and employee skills by making existing workforce development programs more business friendly and flexible. Urging lawmakers to join H.R. 6255.

***Get More Drivers on the Road!*** Enactment of the bipartisan "Infrastructure and Jobs Act of 2021" addressed some of the challenges related to the driver shortage. This includes a pilot program allowing young drivers (18-20 years old) to operate trucks interstate after completing rigorous operational and safety training.

# Supplier Members Expand, Purchase Others

USNR, a division of Wood Technologies International, announced that it has acquired Timber Automation, an industry leader in wood processing equipment and technology. The combination solidifies USNR's position in providing equipment and technology to the global wood processing industry, adding more than 250 employees and over 200,000 square feet of manufacturing space.

The transaction will help Timber Automation gain wider market distribution for its state-of-the-art sawmill and woodyard equipment, while USNR will benefit from the addition of Timber Automation's highly-skilled team members and production capacity.

"The addition of Timber Automation's LogPro line of log yard equipment represents a major market expansion for USNR, and their Baxley products—including optimization, edgers, and lumber processing equipment—complement our product offering, providing our customers with more options of high-quality machinery," said Dale Brown, President of USNR. "We are also excited to build upon the VAB division's highly innovative optimization and grading solutions and the opportunity to bring those products to new markets."

## WestRock Buys Grupo Gondi

WestRock Company ("WestRock") announced that it has entered into an agreement to acquire the remaining interest in Grupo Gondi for \$970 million, plus the assumption of debt, representing an estimated implied enterprise value of \$1.763 billion.

Upon completion of this transaction, WestRock will further enhance its leading position in the growing Latin American containerboard, paperboard and consumer and corrugated packaging markets. Grupo Gondi operates four paper mills, nine corrugated packaging plants and six high graphic plants throughout Mexico, producing sustainable packaging for a wide range of end markets in the region.

## Taylor, Terberg Form Venture

Terberg Taylor Americas Group, LLC, a joint venture between The Taylor Group of Companies of Louisville, MS, and Royal Terberg Group of the Netherlands, will establish a factory in Mississippi and build up a distribution network for the sales, after-sales and rental of the Terberg models of terminal tractors. The project is a \$15.9 million corporate investment and will create 90 jobs.

The facility will be built as a scalable design so that it may continually meet production demands. The first terminal tractor is expected to be built in the third quarter of 2023. In time, various Terberg models will be built here in accordance with customer specifications. The Terberg Miami office will also become part of the joint venture to coordinate the sales and after-sales of Terberg Taylor Americas.

## AHMI 401K Plan Grows, Cost To Invest Declines

Appalachian Hardwood Manufacturers, Inc.'s Multiple Employer Plan for retirement has exceeded \$36 million invested from member companies 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.

UBS Financial representatives have 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.

## IWF Atlanta Attracts New Technologies

AHMI members are invited to attend and see engineering breakthrough innovations in products to keep business moving forward at IWF Atlanta on August 23-26.

IWF will deliver the industry's newest business solutions and largest U.S. product mix in North American woodworking's must-attend show. At IWF 2022, visitors will see new technologies.

**The show is held at the Georgia World Congress Center at 285 Andrew Young International Blvd., Atlanta, GA on Aug. 23 - 26.** AHMI will exhibit in **space BC 516**.

You can register now at [www.iwfatlanta.com](http://www.iwfatlanta.com). A discount of 60% is available from the AHMI office. Please email [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org) or call (336) 885-8315.



**AUGUST 23 - 26 | 2022**

## USFS Has 'Reforest' Plan

On July 26, the Forest Service announced its plans to reforest lands it manages. The National Forest System Reforestation Strategy outlines a plan to reforest the 4 million acres of tree planting backlog on Forest Service lands.

In the plan, the Forest Service states, "*Uncharacteristic wildfire, insect infestations, diseases, drought, flooding, invasive species, and climate change endanger forests and create a need for restoration on NFS lands.*"

Among the six goals identified, the agency says it will increase seedling and workforce capacity to help meet tree planting goals. These goals may be difficult to carry out as non-immigrant workers supply labor for nurseries and plant 85 percent of the trees on public and private forestlands through the H-2B visa program every year.

## 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:

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

Sept. 13: **ALC**, Asheville, NC

Sept. 21-23: **NHLA Convention**, Cleveland, OH

Sept. 28-30: **NCFA Annual Meeting**, Greensboro, NC

Oct. 18-20: **NWPCA Tours**, Augusta, GA

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

Oct. 26: **Export Conference**, Greensboro, NC

Nov. 8: **ALC**, Johnson City, TN

If you know of events that we should consider, contact AHMI at [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org) and provide details.

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



## MEMBERSHIP

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 that explain the promotion work, retirement plan, health insurance and meeting opportunities through membership.

We are ready to send these materials to prospective members that you do business with. Remember the suppliers who sell you goods and services can also benefit from membership in AHMI. Please contact the AHMI office for details or if you know of companies that should join.

Membership information is available on the web at [www.appalachianhardwood.org/join-us](http://www.appalachianhardwood.org/join-us). The application can be submitted online and information is updated weekly. For more information, please call the AHMI office at (336) 885-8315 or email [info@appalachianhardwood.org](mailto:info@appalachianhardwood.org).