



Appalachian Hardwood News

October 2022

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

AHMI Offers Training & Buyer Meetings

Appalachian Hardwood Manufacturers members have four opportunities in coming weeks to meet lumber buyers, meet potential workers or learn about log grades and structural grades for lumber.

The programs have changed slightly from previous announcements with the consolidation of the Oct. 11 & 12 programs. Below is the current list:

Oct. 12 - Hardwood Lumber Structural Grading Workshop – for lumber graders and potential graders to introduce structural grading rules and application for hardwoods. The course prepares employees to learn how structural grades are applied to lumber used in construction. These rules apply to hardwoods used in cross-laminated timber and more. It is set at Mountain Gateway Community College from 9 am to 2 pm and ends with lunch.

The Appalachian Hardwood Training Institute (AHTI) is preparing classes at three campuses in the region for the fall and winter semesters. It was formed in 2021 by AHMI and three colleges (Mountain Gateway Community College, Glenville State University and Big Sandy Community College) to develop and implement hardwood sawmill and secondary manufacturing courses. It is funded by a \$1.5 million grant from the Appalachian Regional Commission and matches.

Rooms are available at the Col Alto Hampton Inn in Lexington, VA, and are available by calling (540) 463-2223. The rate is \$159.

Oct. 22-25 - High Point Furniture Market will host thousands of furniture manufacturers showcasing new product. AHMI members are encouraged to attend Oct. 24 & 25 to meet buyers and potential customers. Contact the AHMI office for details.



This is a great show for suppliers and I recommend visiting on Monday, Oct. 24 or Tuesday, Oct. 25. You can build your business or at least meet with companies that are seeking lumber.

The Market Authority makes it easy with a website on lodging, transportation, events and more. Please visit www.highpointmarket.org. For more information, contact AHMI.

Oct. 26 - Export Trade Conference with 25 international buyers invited to presentations on wood resources and species, lumber exports and reports from international markets. It includes a panel of international buyers AND **breakout rooms where buyers and sellers can meet** in private to discuss sales opportunities.

The invited buyers are from Mexico, Pakistan, Dubai, Vietnam, India, Thailand and China.

It will be held at the Guilford County Extension Center at 3309 Burlington Road, Greensboro, NC. The program begins at 9 am and will conclude at 4 pm. Lunch is at noon and is provided by the North Carolina Forestry Association.

There will be a reception at 5 pm at the Springhill Suites Hotel (*host hotel*). Please contact the AHMI office to register.

Tours have been scheduled for Oct. 27 & 28 at sawmill, distribution and log yards in central North Carolina.

(Please see Meetings on page 2)

The way I see it...

By Tom Inman, AHMI President

...conversations were NOT all gloom and doom at the National Hardwood Lumber Convention recently in Cleveland. Several folks were concerned that attendees would complain about current markets and lack of sales.

It was surprisingly upbeat as everyone knows where sales are in September or now October 2022. The pricing guides have many species and grades down substantially. Buyers are slow to return phone calls.

BUT

The hardwood industry has seen the market swings before. It has been a historic run for poplar and white oak in the past 18-24 months. Demand was overwhelming and the prices reflected it. Now we are seeing an adjustment as demand slows and inventory builds.

One veteran salesman said "it's not a market correction, it's an adjustment. A correction means the increase last year was incorrect. It was not. It WAS THE MARKET!"

He is correct about that. Market fluctuations occur annually and the industry had weeks of up and now weeks of down. Some sawmill owners are accepting the low prices to move their inventory. Others are putting the lumber of sticks to rebuild air dried inventory. Others are delaying cuts of the species of logs that are not in demand.

It truly is a time of adjustment! How are you adjusting?

...there are still labor shortages in the hardwood industry. I visited a sawmill in Virginia last week that was not running the edger because the operators were pulling lumber on the green chain.

Managers are filling holes in the workforce however they can. At times it means taking people from one job to another and that is a challenge to a mill's efficiency.

They are able to operate and that is the goal. Workers are accepting the cross-training and making the best of it. Hopefully worker training programs in coming months will provide new people for these positions.

Meetings from page 1 -----

November - Hardwood Log Grading Guidelines – for log graders and potential graders to train on guidelines published by AHMI in 2020. (*This was set for Oct. 12 but has been postponed due to positive Covid test for the instructor.*) It updates previous rules with current practices for a better understanding of log grades. There will be a presentation from the Guidelines written in 2019 and practice on logs. These were published by AHMI in 2020. It updates previous rules with current practices for a better understanding of log grades.

There will be a presentation from the Guidelines written in 2019 and practice on logs. The program will be held in western Virginia.

Export Lumber Conference Agenda In NC Oct. 26

8:00 – 9:00 a.m. Registration

9:00 – 9:10 a.m. Opening Remarks

9:10 – 9:30 a.m. Resource-Hardwood Forest Statistics

9:30 – 9:50 a.m. Lumber Export Statistics

10:00 – 10:20 a.m. Export Credit Insurance

10:30 – 10:50 a.m. Introduction of minor species

11:00 – 11:20 a.m. International Currency Transactions

11:20 – 12:00 p.m. Foreign Markets Panel Discussion

12:00 – 1:00 p.m. Lunch

1:00 – 4:00 p.m. Buyers meeting

The event will be held at the NC Cooperative Extension Service facility at 3309 Burlington Road, Greensboro, NC 27405

5 - 7 p.m. Reception at the Springhill Suites by Marriott Hotel in Greensboro (host hotel for the group)

Oct. 27-28 Tours of sawmills and yards in central North Carolina

Please register at

<https://www.eventbrite.com/e/north-carolina-lumber-export-conference-2022-tickets-254635390307>

White Oak Initiative Offers Assessment & Conservation Plan

Appalachian Hardwood Manufacturers, Inc. is a member of the White Oak Initiative and a new report details the current state of America's white oak forests.

"Restoring Sustainability for White Oak and Upland Oak Communities: An Assessment and Conservation Plan" is a science-based report that recommends a practical plan of action to avoid forest decline.

According to the report, shifts in land management and ecological changes throughout much of the white oak range are resulting in an increase of competing species establishing themselves in white oak forests. These competing species, most notably maples and beech, are shading out white oak trees and preventing them from regenerating.

As a result, older white oak trees are not being replaced by younger white oak trees at a pace that will support long-term sustainability.

The report also highlights the importance of other challenges such as invasive insects and diseases, climate change and behavior change.

Without swift intervention today, the American white oak population will begin to decline significantly within the next 10 to 15 years, with more extreme declines over the next several decades. The plan is available from the AHMI office at (336) 885-8315 or info@appalachianhardwood.org or www.whiteoakinitiative.org.



RAHC Launches Social Media Strategy

The Real American Hardwood's™ social media strategy supporting the new consumer focused website was the keynote presentation at the National Hardwood Lumber Association Annual Convention in September.

CANVAS United, the marketing and public relations firm the RAHC has engaged to create the consumer site and media strategy, presented a comprehensive plan to educate consumers about the beauty and value of American hardwood products through social, earned and paid media.

The first step is to initiate a coordinated social media campaign using various channels (Instagram, Facebook, Twitter, Pinterest) that feature hardwood products in timeless applications, as well as positioned in ways that respond to up-to-the moment cultural happenings.



This effort is currently underway and will be followed in 2023, pending available funding, by paid and earned media campaigns. The ultimate goal is to launch larger scale media campaigns ...think HGTV or Magnolia Network partnerships. But again, this depends on the ability to raise the necessary resources to support the plans.

The current strategy can be completed with a 5-year commitment of \$2 million per year. It is attainable if 500 companies committed to \$4,000 the RAHC would hit its goal.

The RAHC recognizes not every company can commit to this and has recommended funding levels, from \$600 to \$6,000, based on company size.

Financial support is essential, but your company can engage in other ways:

Display the Real American Hardwood logo on your products, invoices and business cards;

Send RAHC photos of your products;

Follow RAHC social media channels;

Buy a guitar raffle ticket (*see page 4*).



AHMI is pleased to announce the following new member and return of a former member:

Supplier (new)

Tarheel Paper & Supply Co.
Jordan Martin
3200 Centre Park Blvd
Winston-Salem NC 27107
Tel: 336-714-4747
Fax: 336-714-4755
jordan@tarheelpaper.com
tarheelpaper.com

Distributor (returning)

Missouri Walnut LLC
Steve Arnold
11417 Oak Road
Neosho, MO 64850
Tel: 417-455-0972
Fax: 417-455-0255
Cell: 417-389-9141
sarnold@missouriwalnutgroup.com
www.missouriwalnutgroup.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 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/members. 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.

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:

Oct. 12: **AHMI Fall Training Workshops**, Clifton Forge, VA

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 and provide details.

HMR Donates Guitar For 'Real American' Raffle

You have the opportunity to win a custom guitar and proceeds benefit Real American Hardwood.

Hardwood Market Report (HMR) is celebrating its 100th Anniversary and giving everyone a chance at this truly custom guitar from Ferner Fine Instruments in Memphis, TN.

Only Real American Hardwood Coalition can give you that opportunity. Just visit www.hmr.com/guitar and follow the instructions.

It is an incredible, one-of-a-kind Custom T model electric guitar, valued at more than \$4,000. It is also your chance to support RAH's work for the hardwood industry.

RAH domestic consumer promotion initiative. It's consumer website is RealAmericanHardwood.com and its industry website is www.RealAmericanHardwood.org.

View the latest video on the promotion plans for the future here:

<https://www.youtube.com/watch?v=oA-IR9Oh9-Y>

AHMI is a founding member of the Coalition and contributes financial support annually. More than two dozen AHMI members have contributed

Hardwood Federation Offers Congress 'To Do' List

*By Dana Lee Cole, Executive Director
Hardwood Federation*

With less than 30 days left before Election Day on Nov. 8, Congress has decamped from the Capital to hit the last legs of the campaign trail. Both chambers will convene again the week of Nov. 14. This will kick off a lame duck session that will give lawmakers about four working weeks to take care of end-of-year business.

Here are “to do’s” that Congress will address before closing out the 117th Congress:

- **Fiscal Year (FY) 2023 Spending Legislation** – Congress is currently funding operations for the federal government under FY 2022 spending authority through Dec. 16. During the lame duck session, lawmakers will either have to pass an omnibus to move forward with funding for FY 2023 operations, or failing that, pass another stop-gap funding measure, known as a Continuing Resolution (CR). Although House and Senate Appropriations Committee staff are working behind the scenes to establish a framework for a FY 2023 omnibus, the viability for such a package during the lame duck remains uncertain.

- **National Defense Authorization Act (NDAA)** – Sen. Majority Leader Chuck Schumer (D-NY) has punted consideration of its version of the defense authorization bill, which must pass by Dec. 31 to Nov. 14 and beyond. Behind the scenes, House and Senate staff are continuing to discuss the NDAA to ensure they can pass the legislation as quickly as possible once Congress returns in November. The wood products industry has been active in the FY23 NDAA, as the House-passed version contains a mass timber pilot program which directs the Secretary of each military department to carry out a program to evaluate the use of mass timber as the primary construction material in military construction projects and its effect on environmental sustainability, infrastructure resilience and cost effectiveness.

- **Hurricane Relief** – The wild card this year comes in the form of what will be a multi-billion-dollar relief package to rebuild after Hurricane Ian. This, combined with the must-pass items above

could push the adjournment date close to the Christmas holidays, and maybe beyond.

- **Tax Extenders** – The U.S. tax code houses more than 40 specific credits or tax breaks - many of them focused on the renewable energy sector - with an attached expiration date, usually set at the end of a given calendar year. These sunset provisions cause lawmakers to take steps to renew, make permanent, or completely drop specific tax breaks that give a leg up to certain sectors.

This year, the credit for “100% bonus depreciation of equipment” is drawing attention from many lawmakers because it’s due to phase down beginning Dec. 31. “Bonus depreciation” is a key provision enshrined in the tax reform law of 2017 that incentivizes investment in heavy-duty equipment in sawmills and other manufacturing facilities. The Federation will work with its allies to secure extension of the credit for full depreciation of equipment.

- **Sen. Manchin’s Energy Permitting Proposal** - When Sen. Joe Manchin (D-WV) unveiled his energy permitting proposal on Sept. 21, officially known as the Energy Security and Independence Act of 2022, he had planned to attach it to a Continuing Resolution (CR) or stop-gap spending measure that Congress passed on Sept. 30 to fund federal operations through Dec. 16. However, it became clear that attaching the permitting measure would derail the stop-gap funding bill, as members of both parties in both chambers expressed concerns.

To increase the likelihood of future success for what he sees as important permitting reforms, on Sept. 28 Mr. Manchin agreed to drop the language from the broader bill, paving the way for passage of the CR.

Clearly Congress has a lot to do following the mid-term elections. The lead-up to the mid-terms, election outcomes and lengthy end-of-year agenda will guarantee an interesting fall and set the stage for a new Congress that will convene in January.

The Hardwood Federation will be closely tracking developments during the Lame Duck Session and will keep you updated.



GLENVILLE
STATE UNIVERSITY

AHTI
APPALACHIAN
HARDWOOD
TRAINING INITIATIVE



Appalachian Hardwood Training Initiative would like to invite you to a

NHLA Lumber Grading Training

Location:

Glenville State University Department of
Land Resources

Date & Time:

October 26-28, 2022
8 am- 4 pm

Price:

- Tuition: \$100.00 for employer-sponsored students
- Tuition assistance is available and you may be eligible to attend this class for **FREE!** Please contact Gabrielle at (304) 462-6377 or Gabrielle.Dean@glenville.edu for more information and to see if you qualify.

Class Information:

- 3 day hands on Lumber Grading Training
- 8 am - 4 pm every day

Details:

PPE and other necessary supplies will be provided! **Please RSVP no later than 10/24/2022.** The class size is limited to 20 students.

This course will provide trainees with an introduction and basic knowledge of lumber grading.



RSVP by phone or email to Gabrielle Dean, AHTI Workforce Coach
at 304-462-6377 or gabrielle.dean@glenville.edu