

CLT, BioChar Offer New Appalachian Markets

An outstanding crowd participated in the 2023 Appalachian Hardwood Manufacturers, Inc. Summer Conference at the Greenbrier in White Sulphur Springs, WV.

Participants heard timely updates on markets for hardwood lumber, chips and dust and issues relating to promotion, training and cross-laminated timber. There was time for networking among owners, general managers and suppliers to the industry.

The business sessions began with a presentation on Wood Chip Demand in Appalachia by WestRock's Aaron Plaugher, fiber sustainability manager. WestRock is a fiber-based packaging company with 31 paper mills and over 230 converting facilities that turn rolls of paper into sheets, boxes, and add coatings.

The company's fiber supply team procures about 46 million tons of fiber for WestRock's paper mills every year. Of that about 39 million tons are virgin fiber and 7 million tons are recycled.

Plaugher said the production of paper and paperboard in the US has been declining since the 1990s. He said there was an uptick in 2021 in the packaging and paperboard segment. There continues to be a steady increase in demand for



From left Timberkraft's John Pannacione and Jeremy Adams talk with SWVA BioChar's Jeff Wade

corrugated containers and containers from paperboard.

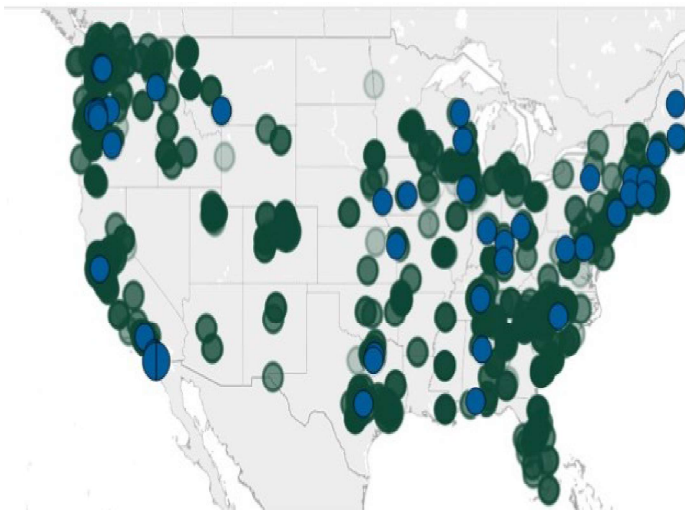
There was a spike in paperboard consumption during the pandemic as consumers had items shipped directly to their homes instead of going out to stores and restaurants. It continues but at lower rates.

A highlight of the session was a presentation on the first Poplar CLT manufacturing plant proposed by Timberkraft. Company President Jeremy Adams discussed the Waynesboro, VA, facility that will produce panels for structural use across the region.

The company received a Wood Innovations Grant earlier this year, has leased a facility and will order equipment soon. Timberkraft's location in the heart of the Appalachian region gives easy access to Appalachian Poplar.

He said the company will focus on hardwood utilization and is positioned to provide materials to East Coast markets.

Adams said developers have talked with him about medical offices in a Virginia complex and
(See **Conference** on page 2)



Mass timber projects in US as of June 2023

Conference from page 1

affordable housing options. He said there are dozens of CLT buildings either announced or under construction across the United States and they hope to begin producing panels in the spring of 2024.

The next presentation dovetailed with the CLT plant to discuss equipment options for companies considering production of mass timber. Chuck Carter and Roland Hernandez of Stiles | Homag explained the recent purchase of Kallesoe which manufactures presses and other CLT equipment.

Hernandez said CLT and mass timber resources are increasingly used in commercial construction. He cited dozens of projects in the United States that are underway or have been proposed.

The construction includes both CLT and glu-lam products. Softwoods are used in most of these materials.

Kallesoe manufactures equipment for each phase of CLT production. He gave examples of plant designs and capacities.

The presentation included a video tour of a production facility in Europe. Hernandez explained the equipment options available to manufacture the materials.

The fourth presentation was a biochar manufacturing facility in Virginia that plans more facilities in the region. SWVA BioChar President Jeff Wade explained the process of turning wood fiber into carbon filter material in special kilns.

It begins with solid wood waste material that is ground into chunks that are burned for several hours that results in pure carbon. The chunks are



Forms of Biochar



removed and ground into sizes ranging from a powder to ½ inch. The product can be used in dozens of filtration and waste removal processes.

SWVA BioChar has plans for other production facilities in Virginia and across the region. Biochar can absorb toxins, odor, nutrients and water and store carbon in the ground. Biochar can also improve soil structure, fertility, acidity, and water quality and reduce greenhouse gases, irrigation and fertilizer needs.

The next meeting of AHMI will be the 2024 Annual Meeting on February 22-25 at the Hammock Beach Resort in Palm Coast, FL.

For more information, visit www.appalachianhardwood.org/meetings.

Sporting event winners were:

Golf – Low Gross: 1st Jay Reese, 2nd Peter McCarty; Low Net: 1st Peter McCarty, 2nd David Snizik; Long drive: Sawyer McCarty; Closest to the Pin: Jay Reese.

Sporting Clays – 1st Ross Frazier; 2nd Tony Honeycutt; 3rd Tom Wilder

Croquet – 1st Duke and Mary Catherine Baldrige; 2nd – Kin and Vicki Church.

2023 AHMI Summer Conference presentations

The business programs both days are available online www.appalachianhardwood.org/meetings.

- 1) Wood Chip Demand in Appalachia (*n/a*)
- 2) Poplar CLT Plant in Virginia (*video & PDFs*)
- 3) Stiles | Homag Explains CLT Process (*video & PDFs*)
- 4) BioChar Converts Fiber to Carbon (*video & PDFs*)

Tuesday Breakouts:

- 1) Appalachian Hardwood Training Institute (*PDFs*)
- 2) Progress on Building Codes for Poplar in CLT (*PDFs*)
- 3) Real American Hardwood Promotion on Magnolia (*PDF*)

Breakouts Give Details RAH, Training & CLT

There were also three breakout sessions the next day for attendees to learn about industry issues.

Progress on Poplar in Building Codes

Virginia Tech researcher Sailesh Adhikari reported on his work testing Appalachian poplar for use in cross-laminated timber. The research has been the basis of an application to receive approval from the APA for poplar to be used as a resource.

The results were very positive and exceeded requirements for structural strength. A national committee is considering the tests and expected to make recommendations this fall for inclusion in building codes in 2024.

Real American Hardwood on Magnolia Network *(see story on page 6)*

Consumer promotion of Real American Hardwood (RAH) begins on Magnolia Network and streaming services in July. Presented by RAH Coalition member Renee Hornsby of NHLA and Dana Cole of the Hardwood Federation reported on advertisements and consumer promotion that expands to the network founded by Chip and Joanna Gaines.

RAH will sponsor a show and have advertisements on shows and the streaming service. The two also asked participants to financially support the effort with annual donations. More information is available at www.realamericanhardwood.com.



Appalachian Hardwood Training Institute

Representatives from two Virginia and West Virginia community colleges gave an update on hardwood sawmill and yard specific training programs. The colleges are engaged with AHMI in the Appalachian Hardwood Training Institute which has trained more than 100 workers in lumber and log grading, commercial driver licensing, OSHA compliance and more in the first six months.

The colleges are Mountain Gateway Community College in Clifton Forge, VA; Glenville State University in Glenville, WV; and Big Sandy Community College in Prestonsburg, KY. More information is available at www.mgcc.edu/appalachian-hardwood-training-initiative-ahti.

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:

Aug. 21: **Penn York Lumbermen's Club**, Titusville, PA

Sept. 12-13: **PFPA**, State College, PA

Sept. 12: **ALC**, Asheville, NC

Sept. 15-17: **Virginia Forest Products Association**, The Homestead, Hot Springs, VA

Sept. 25-27: **GreenBuild**, Washington, DC

Sept. 27-28: **White Oak Initiative**, Washington, DC

Oct. 4-6: **NHLA Convention**, Louisville, KY

Oct. 14-18: **High Point Furniture Market**, High Point, NC

Oct. 19-20: **NC Export Conference**, Greensboro, NC

Nov. 14: **ALC**, Johnson City, TN

Corporate Transparency Act Means New Reporting

By Dana Lee Cole, Executive Director
Hardwood Federation

The Hardwood Federation would like to highlight a little-known reporting requirement that will be imposed on small and medium-sized businesses at the beginning of next year.

The requirement results from enactment in 2021 of the Corporate Transparency ACT or CTA. The statute was signed into law to combat money laundering, tax fraud and other corruption as well as terrorist activity. In general, the law requires most existing and new corporate entities in the United States beginning Jan. 1, 2024, to file reports with the federal government regarding their beneficial owners. Reports are to be filed with the Department of the Treasury's Financial Crimes Enforcement Network, or FinCEN.

The impetus behind this new law was a sense from a majority in Congress at the time that criminals were increasingly exploiting corporate structures such as shell and front companies to hide their identities and move money through the U.S. financial system. As many U.S. states do not require corporations and similar entities to disclose information about their beneficial owners, Congress concluded that federal legislation providing for the collection of beneficial ownership information (BOI) for entities formed under the laws of U.S. states was necessary.

Proponents of the CTA, and eventually Congress, viewed such legislation as necessary to protect vital U.S. national security interests, better enable law enforcement efforts to counter money laundering and the financing of terrorism and bring the U.S. into compliance with international anti-money laundering/combating the financing of terrorism (AML/CFT) standards.

So who must comply? Generally speaking, every existing, amended or new corporation, Limited Liability Company (LLC) or other entity created by filing registration papers with a secretary of state (or foreign entity registering to do business in the state), must file a report with FinCEN. The report must include the business name, current address, state of formation and Employer

Identification Number of each entity, as well as the name, birth date, address and government issued photo ID (such as a driver's license or passport) of every direct or indirect Beneficial Owner of the entity. The law defines "beneficial owner" as any individual who, directly or indirectly, either exercises substantial control over the reporting company or owns or controls at least 25 percent of its ownership interests.

While the required information is not terribly onerous, what has the business community's increasing attention is the penalties for non-compliance. Failure by a "reporting company" to comply will result in fines of up to \$500 a day capped at \$10,000, and up to 2 years in jail.

In terms of timing, Reporting Companies created or registered *before* January 1, 2024, will have until January 1, 2025, to file their initial reports. For Reporting Companies created or registered *after* January 1, 2024, these entities will have 30 days after creation or registration to file their initial reports.

So who will have access to the beneficial ownership information (BOI) submitted by reporting companies? All information that is reported to FinCEN will **not** be public, and it will **not** be subject to disclosure under the Freedom of Information Act. FinCEN will be required to keep the filed information secure in a restricted-access database.

Federal agencies will be able to access the database for certain purposes, including national security, intelligence, law enforcement and, perhaps most noteworthy—tax administration. State, local, and tribal law enforcement agencies can also obtain access, but only with a court order. Banks and other financial institutions can request specific BOI, but only with the Reporting Company's consent.

A final rule implementing the BOI reporting requirements was finalized in September 2022. More information may be found here: <https://www.fincen.gov/boi>

A lawsuit initiated by the National Small Business Association to block implementation is in its final stages, and members of Congress have raised concerns over the rollout of the regulations.

2023 NC Global Lumber EXPORT CONFERENCE

Sheraton Greensboro • Koury Convention Center
3121 W Gate City Blvd, Greensboro, NC 27407

The focus is to provide export education and provide opportunities to learn about foreign markets.
There will be business meetings between wood buyers from
Asia, Mexico, Africa, and the Middle East.

October 19: Conference & One-to-One Buyers Meeting
8:00 am - 6:00 pm

Agenda

8:00 – 9:00 am	Breakfast and Registration
9:00 – 9:20 am	Opening Remarks
9:30 – 10:00 am	Export Finance (Regions Bank)
10:00 – 10:30 am	Global Lumber Markets and Trade (Dan Meyer, Hardwood Review)
10:30 – 11:00 am	Freight Market and Forecast (Stephen Zambo, Ally Global Logistics)
11:10 – 12:00 pm	Global Markets Panel Discussion
12:00 – 1:00 pm	Lunch (provided)
1:00 – 5:00 pm	One-to-One Buyers' Meetings
5:00 – 6:00 pm	Reception at Hotel & Dinner on your own



Thomas F. Matthias,
Senior Vice President,
Global Trade Finance & Services



Steve Zambo,
CEO,
The AGL Group



Dan Meyer,
Managing Editor & Analyst,
Hardwood Review

NORTH CAROLINA COMPANIES REGISTRATION:



CONTACT

Michelle Wang,
NC Dept. of Agriculture
& Consumer Services
+1.919.714.1562
michelle.wang@ncagr.gov

Non-NC companies registration fee is \$500.
Please contact AHMI for details and to pay fee.

FOR HOTEL RESERVATIONS:



RAH Launches *Build Your World* Campaign

Promotion Sponsors Magnolia Network Programs & Streaming

The Real American Hardwood Coalition (RAHC), the domestic hardwood industry's consumer promotion initiative, has begun its *Build Your World™* advertising campaign to promote Real American Hardwood® flooring, cabinetry, furniture, and millwork. The integrated digital campaign launched on Magnolia Network on July 29.

"An advertising campaign on this scale is a first for the American hardwood industry," says Michael Martin, RAHC Board member and president/CEO of the National Wood Flooring Association (NWFA). "For decades, misinformation has spread and the industry has seen market share slip away to alternative products that offer the wood look, without any of the benefits of real wood. Through the Build Your World campaign, our industry is showing how Real American Hardwood products offer unmatched aesthetics, natural durability, and lasting value—as well as why they are healthier for our homes and environment. And Magnolia Network is the perfect partner to share these stories."

Developed by CANVAS United, the campaign relates the authenticity and attributes of Real American Hardwood products to the uniqueness and lifestyles of consumers. Five different vignettes capture the spirit of individuality in real-life settings, encouraging consumers to envision how they can build their world with hardwood.

"We're particularly proud of this campaign's



capacity to highlight both the emotional and rational benefits of hardwood," said Mark Lainas, president of CANVAS United. "Leveraging entertaining yet poignant storytelling in the creative will feel relatable to consumers across the country, and allow us to showcase not just the beauty of American hardwoods, but the lasting value."

The campaign will run on the Magnolia Network channel and streaming platforms and the discovery+ digital streaming platform. The campaign also includes digital and social media.

Appalachian Hardwood Manufacturers, Inc. is a founding association partner of RAHC. To learn more about the Build Your World campaign and Real American Hardwood products, visit realamericanhardwood.com/build-your-world.

Please share this with all of your contacts and use the tag #RealAmericanHardwood

Also contribute to the Campaign to help keep the message going by visiting How to Get Involved

Promotion encourages consumers to Build Your World and match style to Real American Hardwood species, grains and choices. It includes four advertisements to launch on Magnolia Network.

