

June 2002

NEWS

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Included with this newsletter is **The Homestead** Room Reservations Form

APPALACHIAN

Future Meetings

2002 Summer Meeting

July 14-16 - The Homestead, Hot Springs, VA

2002 Inter-Industry Meeting

Oct. 24 - Winston-Salem, NC

2003 Annual Meeting

Feb. 27-March 2 - The Hilton Sandestin, Destin, FL

2003 Summer Meeting

July 20-22 - The Greenbrier, White Sulphur Springs, WV

APPALACHIAN

The Height of Beauty

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.,
serving the lumber industry since 1928

Summer Conference Will Seek Member Input On AHMI Direction

HIGH POINT - Appalachian Hardwood Manufacturers, Inc. will ask members what AHMI can do for them at the 2002 Summer Family Conference.

The meeting is July 14-16 at The Homestead, Hot Springs, VA. The program change is an attempt to get more members involved, said Mark Barford, AHMI executive vice president.

"The Executive Committee wants input on the needs of the industry in general and association members in particular," he said. "The ultimate goal is being sure the association's current programs remain relevant to members' needs.

"The session will be led by professional facilitators who will guide the discussion and be sure all attendees are heard," Barford said. "On Tuesday morning, the Board of Trustees will meet to discuss what the next steps should be, and whether a more intensive long range planning session is needed."

The new session will begin with a brief update by Barford regarding the outlook for various lumber markets. He will also highlight several concerns the association is following which will have a significant impact on the Appalachian hardwood industry. This is a change from the previously announced plans to hear



2002 AHMI Summer Conference - July 14-16

reports on the pulp and paper industries.

AHMI will unveil its 2002 promotion "Appalachian Hardwoods: The Sustainable Resource" at the Summer Conference. The promotion will introduce "The Appalachian Standard," an effort to educate wood consumers about the quality and utility of Appalachian hardwoods.

The Summer Conference begins with a welcoming social hour at 6:30 p.m. on Sunday, July 14. The business session begins Monday at 8:30 a.m. The summer golf and tennis tournaments and an informal sporting clays shooting event are Monday afternoon.

The Monday reception begins at 6:30 p.m. The AHMI Board of Trustees meets Tuesday at 8:30 a.m.

(Meeting on page 2)



Contact AHMI:

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phone: 336-885-8315 fax: 336-886-8865
e mail: ahmi@northstate.net
website: www.appalachianwood.org

Mark my words.....

By Mark A. Barford, CAE
Executive Vice President

Markets for lumber are changing. That has been the message our industry has heard loud and clear from this most recent downturn. As the economy has shown some signs of coming back this spring, it is clear that the demand for lumber will return, but where we will be shipping may be different.



Mark A. Barford

The most obvious new shipping place will be overseas. This is a trend that is only gaining in strength, as exports, particularly to Southeast Asia, have gone up five- to tenfold. The news for the U.S. hardwood industry is while market continues to explode, our share of the market decreases - meaning there is potential for bigger increases in shipments. The Europeans love U.S. wood, but

find the infusion of woods from eastern Europe and the strong dollar keeping their demand constrained.

The second new place where we will be increasing shipments will be "non-furniture" uses of wood, such as in our homes. Furniture is and will continue to be the bread and butter of the Appalachian hardwood industry, both domestically and overseas, but home uses have increased significantly in recent years. Flooring manufacturers have announced expansion of their lines and the addition of production. The wood cabinet business has avoided the onrush of overseas competition and remained strong throughout the downturn.

Hardwoods are also gaining in popularity for commercial uses. Many new hotels insist on using hardwoods throughout their lobbies, rooms, and office suites where Appalachian hardwoods create a unique atmosphere. This market is important overseas, where this use of Appalachian hardwoods keeps our product in their country and not returning it to compete against our domestic industry.

As our markets return, and the survivors are seeing better times, they will find their shipments going to new locations with new demands. The industry will need to stay flexible enough to whip the competition from the other production materials that are learning the same thing.



MEMBERSHIP

HIGH POINT, NC - Appalachian Hardwood Manufacturers, Inc. welcomes the following new member to the association:

Distributor

Chic Forbes
Chic Forbes Lumber Sales
P.O. Box 459
Townsend, TN 37882

Meeting from page 1

"One change this year that people will be interested in is since meals at The Homestead are included in their room charge, we are not planning meals as a part of our meeting," Barford said. "Participants are able to enjoy the full dining experience of The Homestead on their own."

Barford suggests members make their room reservations immediately (the hotel registration form is included with this newsletter). **The AHMI room block reservation cutoff is June 14.**

A meeting registration form is on page 6. If you have questions or immediate needs, contact the AHMI office at 336-885-8315.

2002 Summer Meeting Agenda

Sunday, July 14

Registration.....4-6 p.m.
(Main Lobby)

Welcoming Reception.....6:30-7:30 p.m.
(Mt. Vernon Lawn)

Dinner on your own

Monday, July 15

General Session8:30-11:30 a.m.
(Commonwealth Room)

AHMI Staff Reports, Facilitated Discussion

Golf at the Old Course1 p.m.

Tennis Tournament.....2 p.m.

Reception.....6:30 p.m.
(Commonwealth Room)

Dinner on your own

Tuesday, July 16

Board of Trustees Meeting.....8:30 a.m.
(Hunt Room)

Cherry, Red Oak Top Species At Market

HIGH POINT, NC - Furniture retailers were seeking a new look to update store inventories at the April 2002 International Home Furnishings Market. The manufacturers reported that retailers found and bought it, according to an annual survey.

The Furniture Styles/Material Use Survey was completed at the spring market by survey crews from Appalachian Hardwood Manufacturers, Inc., High Point, NC; the American Walnut Manufacturers Association, Zionsville, IN; and the Hardwood Plywood Veneer Association, Reston, VA. Crews visited each showroom to record the design style and wood species used in bedroom and dining room groups, wall units, entertainment centers and home office in 2002.

An estimated 70,000 manufacturers, sales representatives, furnishings buyers, interior designers, exhibitor support personnel, suppliers, and news media attended the market. Attendance was improved from spring 2001, most exhibitors agreed, but what was more important was the desire to purchase furniture.

Manufacturers responded by offering new products in many categories and manufacturing it in new places. The survey includes the manufacturing origin of products and more goods than ever before were imported. China and Indonesia made significant gains in showing finished furniture at market.

Cherry, red oak, maple and pine continue to be the top four species on display. Rubberwood, alder, and American tulipwood advanced in the numbers, and many were finished to look like cherry.

Asian wood species like parawood, koto, mindi and primavera, were introduced or expanded at market. Exhibitors often referred to these as "Asian oak" or "Asian cherry."

According to the numbers, cherry [20%], red oak [11%], pine [10%], hard maple [9%], mahogany [6%], and white oak [6%] were the most popular wood species used in bedroom and dining room casegoods. Painted on wood, printed on wood, overlays, and brass-glass-metal combinations totaled 19%, up from 18% the previous market.

The bedroom and dining room styles did not change appreciably from last market, as American and Contemporary continued to dominate. In the traditional European styles, English, French, Italian and Spanish were ranked in that order. The same was true for wall units, entertainment centers, and home office.

A major increase in wood use was found in the

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explosion of products in the home office, entertainment center and wall units categories. The number of pieces in these groups rose more than 200%.

According to the numbers, red oak [21.4%] cherry [19.2%], hard maple [10.7%], pine [10.2%], and white oak [9.5%] were the most popular wood species used in wall units, entertainment centers and home office. Painted on wood, printed on wood, overlays, and brass-glass-metal combinations totaled 11%, up from 8% at the previous market.

The survey crew discovered 40% of the products shown were made in the USA, and 60% were made outside our borders. The numbers reflect an increase of 10% for imports.

The survey also asks about the different types of construction used by the manufacturers. Many of the traditional casegoods are made from solid lumber, yet a combination of solids and veneered panels again dominate the construction techniques.

When quality is of the highest priority, the bedroom headboards and dresser tops, dining room table tops, and major portions of the wall units, entertainment centers, and home computer stations will incorporate the use of beautifully matched veneers along with the solids. The vast majority, 80% were made from a combination of solids and veneered panels, 18% were all solids, and 2% were all panels.

Twice a year since 1934, voluntary crews from the various associations have taken an unbiased survey of bedroom and dining room casegoods, identifying the casegoods by style and the materials used in the manufacturing process. The survey crews, usually two-person teams, walk by every showroom in search of the bedroom and dining room units and the modular wall units, entertainment centers, and home office casegoods.

The survey includes wood imitations, metal and glass, and other materials to reflect what is happening in all segments of the market.

In 2002, AHMI assumed primary responsibility, with assistance from AWMA and HPVA. For a complete copy, visit www.appalachianwood.org or contact AHMI at 336-885-8315.

AHMI Sponsors "Pinnacle" Award

NEW LONDON, NC - Appalachian Hardwood Manufacturers, Inc. will again sponsor the Pinnacle Furniture Design Award.

Given by the American Society of Furniture Designers to 15 categories, the award recognizes the top furniture and accessory designs each year. AHMI has sponsored the juvenile furniture category for the past three years.

New for 2002 is the elimination of the Ready-To-Assembly category which is in response to the wishes of many designers and manufacturers. "RTA manufacturers feel that their designs have matured to allow them to compete against assembled fine furniture in each category," said Karl D. Felperin, ASFD 2002 Pinnacle Awards Chairman.

The 2002 awards information will be distributed to approximately 1,000 newspapers and magazines following the October market.

"ASFD is delighted with the increasing enthusiasm and industry participation in the Pinnacle Awards", says Christine Evans, ASFD Executive Director. AHMI staff attends and speaks during the awards banquet and makes the presentation to the design winner.

Phytosanitation Rules Conference Set In VA

CHARLOTTESVILLE, VA - An international phytosanitation regulations workshop will be held here June 11 at the Holiday Inn Monticello.

The seminar is designed for softwood and hardwood lumber manufacturers and suppliers, pallet, crating, and wood container manufacturers and suppliers. Its purpose is to assist these groups in complying with the new international phytosanitation regulations of raw wood packaging and pallets.

This one-day workshop and equipment demonstration will be at the Holiday Inn - Monticello, 1200 5th St. SW, Charlottesville, VA 22902 (exit 120 on I-64), Phone: **800-977-9991** or **434-977-5100**, Fax: **434-293-5228**. The registration fee of \$65 includes refreshment breaks, lunch, and materials.

For additional information, please contact Peter Hamner Virginia Tech Center For Unit Load Design 1650 Ramble Road, Blacksburg, VA 24061 Ph: **540-231-3043** Email: phamner@vt.edu, or visit the website at: www.unitload.vt.edu

Barford, AHEC Promote To Hotel Designers

CANCUN - Appalachian Hardwood Manufacturers, Inc. Executive Vice President Mark Barford will be attending ExpoHotel 2002 in Cancun, Mexico on June 12 - 14, in conjunction with the American Hardwood Export Council (AHEC).

The show is for designers and decorators of major hotels chains from around the world who are specifying decorative and functional wood throughout their properties. Exhibitors include a diverse group of suppliers to hotels, including furniture manufacturers, decorative woodwork and flooring companies.

"This show is a departure from the exhibitions we normally attend with AHEC," Barford said, "because it does not directly target the wooden furniture industry which has traditionally been our bread and butter.

"We are expecting to let them see first hand the natural beauty of wood, and it's importance in the fine hotels of world," he said.

All AHMI members interested in participating or learning more about the show, please contact Barford at AHMI at 336-885-8315 or ahmi@northstate.net.

IWF Set Aug. 22-25

ATLANTA, GA - A great place to learn what the world has to offer the wood products industry is at the International Woodworking Fair, Aug. 22-25 in Atlanta.

Officials report the show will offer ways to operate your business smarter, more efficiently and with less waste. Participants will see live demonstrations of new technology, machinery and supplies that can help manufacture better products, increase profits and stay ahead of the competition.

IWF is making it easier for AHMI members to attend. By completing and mailing the registration form with our association code, you are providing a \$5 rebate to our association to help cover the costs of promotion Appalachian Hardwood Manufacturers, Inc. at IWF.

A copy of the registration form is available from the AHMI office at 336-885-8315. Please copy it to register employees and customers.

Each pre-registered person will receive their badge in the mail three weeks prior to IWF 2002.

IP Signs Land Deal

RALEIGH, N.C. - The Nature Conservancy and International Paper announced recently one of the largest land conservation deals in North Carolina history.

The 38,320-acre transaction is in Pender and Sampson counties. To date, International Paper has sold nearly 43,000 acres of forestland or conservation easements in North Carolina toward the state's open space initiative.

The \$24 million International Paper conservation land deal is the largest single financial transaction for The Nature Conservancy's North Carolina Chapter, which was established in 1977.



FORESTRY

Court: EPA Can Set Limits

Reprinted from the Associated Press

A federal appeals court ruled recently the Environmental Protection Agency can set limits on pollution of rivers from logging and agricultural runoff.

The ruling upholds a federal judge's interpretation of certain provisions of the 1972 Clean Water Act that the EPA began enforcing in 1991 because of pressure from environmental groups.

Those provisions allow the EPA to force states to come up with ways to reduce pollution in rivers and waterways contaminated solely by runoff, as opposed to industrial waste or sewage. Before 1991, the EPA set pollutant limits only on discharges from "point sources," such as drain pipes from sewage systems and industrial plants.

States decide how to achieve the limits, through restrictions on logging, road-building and other practices that cause erosion and chemical runoff. States can lose federal funds if they fail to require reductions.

Farming groups in the case decided by the 9th U.S. Circuit Court of Appeals argued that the government was only authorized to limit pollution from industrial waste and sewage systems.

The suit was filed by two California landowners who were joined by the American Farm Bureau Federation and state and local farm organizations.

AHMI Asks Members To Become Involved

HIGH POINT, NC - Appalachian Hardwood Manufacturers Inc.'s reminds you to get involved with CIP.

AHMI's Community Involvement Program has educated children and adults in 100 communities across the Appalachian region that "it is OK to cut a tree." The effort is three-pronged with school programs, civic club presentations and news media contacts and press releases.

The program is easy to join. AHMI's Director of Communications Tom Inman trains and assists a participant from each member company in developing the program on site using the CIP manual.

For more information, contact Inman at the AHMI office at (336) 885-8315.

AF&PA Targets Tariffs

WASHINGTON, D.C. - The American Forest and Paper Association called on U.S. agencies to work with other governments to eliminate tariffs on wood and paper products.

AF&PA officials said in a recent news release that it submitted comments earlier this month to the United States Trade Representative on U.S. objectives for the World Trade Organization Doha Development Agenda negotiations (DDA).

Without the elimination of tariffs, equitable market opportunities will continue to be denied to the wood sector. Tariffs undermine the comparative manufacturing advantage of highly productive, internationally competitive exporting industries such as the US forest products industry, the release states.

New Home Sales Rise 1%

WASHINGTON, D.C. - Sales of new one-family houses in April 2002 were at a seasonally adjusted annual rate of 915,000, according to estimates released by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.

This is 1 percent above the revised March rate of 906,000 and is 2 percent above the revised April 2001 estimate of 901,000.

The median sales price of new houses sold in April 2002 was \$185,800; the average sales price was \$226,800. At the end of April, the seasonally adjusted estimate of new houses for sale was 316,000. This represents a supply of 4.2 months at the current sales rate.

APPALACHIAN

Hardwood Manufacturers, Inc.

2002 Summer Family Conference

The Homestead, Hot Springs, VA July 14-16

To accurately plan the functions and make sure all members and guests are included on the Registration List, please complete this form and return it with your check for registration to: AHMI, P.O. Box 427, High Point, NC 27261.

Please use The Homestead Reservation Request form to reserve a room or visit www.thehomestead.com. The cut-off for AHMI's room block is June 14, 2002.

MEETING REGISTRATION FEE:

AHMI MEMBER - \$175 per person

GUEST - \$275 per person

MEMBER SPOUSE - \$75

GUEST'S SPOUSE - \$175

Full meeting registration fee will be refunded on cancellations received by July 1, 2002. Cancellations received after that time will be subject to 50% forfeiture.

PLEASE REGISTER THE FOLLOWING FOR AHMI'S SUMMER CONFERENCE

Name: _____ Badge Name: _____ FEE: \$ _____

Name: _____ Badge Name: _____ FEE: \$ _____

Name: _____ Badge Name: _____ FEE: \$ _____

Name: _____ Badge Name: _____ FEE: \$ _____

Company: _____

Address: _____

City/State/Zip: _____

Phone Number: _____ Fax Number: _____

GOLF REGISTRATION

Name: _____ Handicap _____ Fee: \$110

Name: _____ Handicap _____ Fee: \$110

TENNIS REGISTRATION

Name: _____ Fee: \$20 Name: _____
Fee: \$20

Check for \$ _____ enclosed Date: _____ By: _____