



Since 1928

# The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.

*Demand the Appalachian Standard*

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## Forest Investment, Research Top Meeting

More than 160 members and guests learned of changes in forest land ownership and management goals at the 2005 Appalachian Hardwood Manufacturers, Inc. Summer Family Conference.

The session was held July 24-26 at the Nemaocolin Woodlands Resort and Conference Center in Farmington, PA. The summer meeting is usually hosted within the Appalachian region.

The attendees heard presentations on forest ownership and management issues, forest research, national legislative activities and hardwood export promotion. The crowd was not a record but above average for a summer meeting, reported AHMI President Mark Barford.



**Crowd in Nemaocolin Lecture Hall**

production. He said lumber exports increased almost 20 percent in 2004 while log exports were down 6 percent.

Snow offered specifics about the market for American hardwoods in China. The top three species exported to China are Alder, Red Oak and Poplar and total about \$50 million in sales in 2004.

China has taken over the lead as the world's largest importer of logs. The United States, however, sends less than 2 percent of its logs to China. Most imports come from Southeast Asia, Africa, Russia and the European Union.

Snow said a growing middle class in China should prove to be a new market for American hardwoods. He said AHEC staff is working diligently to reach this potential market by furnishing model apartments, marketing interior design groups and participating in fairs throughout the region.

Snow concluded his remarks that there are other key markets to watch. He said these are Southeast Asia and Vietnam, the Middle East, Latin America, India and the Caribbean.

The keynote address was presented by Chris Zinkhan, president of the Forestland Group, Chapel Hill, NC. The company, a timberland investment

**(See Meeting on Page 2)**

**APPALACHIAN**  
Hardwood Manufacturers, Inc.

**2005 Summer  
Conference**

“ We were extremely pleased with the attendance and believe it was the result of a

great program and an excellent meeting facility,” he said. “We have not had a Pennsylvania meeting in several years and the additions, improvements and changes at the Nemaocolin Resort have made it a true one-of-a-kind location.”

The session was opened with a presentation by Mike Snow, executive director of the American Hardwood Export Council. He said the United States continues to be the world's leading hardwood lumber exporter with more than \$1.5 billion in sales in 2003.

Exports have continued to rise in the past five years now exceeding 12 percent of total hardwood

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### APPALACHIAN Future Meetings

**2005 Inter-industry Meeting - Oct. 26**

The Inn at Virginia Tech, Blacksburg, VA

**2006 Annual Meeting - Feb. 23-26**

The Registry Resort, Naples, FL

**2006 Summer Family Conference July 22-24**

The Homestead, Hot Springs, VA

## Mark my words.....

By **Mark A. Barford, CAE, CF**  
President

Have you been bowling lately? If you have not, you may not have heard of the new promotion that bowling alleys have started. It's called "midnight madness," and it involves late night bowling, with flashing lights and music. This is not your Daddy's bowling - but the lanes say it has brought excitement back to bowling, and some renewed interest in the game.

Some think this is the same idea behind the new furniture market in Las Vegas, which was completed last week. By bringing something new and different to the wholesale furniture business, they could rekindle the industry.

From most accounts, it was a strong success. The new showrooms in Vegas are modern, and were packed with a crowd that was 30% higher than they anticipated, with over 60,000 people.

Attendance came from throughout the United States and world. In fact, there were representatives from 83 different countries,

and 161 international exhibiting companies. It seems the world likes Las Vegas and based on the initial success, will return for the next show in late January.

The Las Vegas press release states, "World Market Center has created a new sense of purpose for the industry which ... generated change on an emotional level. A visible and contagious excitement permeated the air..."

Wow! All that from one market held out in the desert with 120 degree temperatures and all of the other temptations of Vegas to compete with.

Is the big market in High Point dead? Not anytime soon - but hopefully this will energize organizers to keep up with the competition.

As lumber people, we love it when one of our major consumers group has success.... we just hope they don't gamble it all away in Vegas and forget about their roots in North Carolina.



**Mark A. Barford**

## Meeting from page 1

management organization, was founded in 1995 and owns 1.8 million acres of forestlands in 15 states.

Zinkhan said TIMOs are largely funded by institutions—pension funds, insurance companies, university endowments, and foundations. There are approximately 20 TIMOs in the United States with 13 million acres in ownership.

The U.S. forest products industry has three critical issues before it in the next few years. These are:

1) The increasing global nature of the forest products sector with the consumption of hardwoods by American furniture manufacturers down more than 50 percent from 2000-2002.

2) The increased interest in timberland as a portfolio asset.

3) The increased parcelization of timberland.

Zinkhan said institutionalizing timberland means that conversion facilities must be profitable on a stand-alone basis (no timber subsidy). These large timberland tracts are more likely to be fully priced with lots of potential buyers and timber flows should be relatively stable.

For investment groups to justify buying/keeping timberland, the land must monetize array of attributes—recreation, conservation, limited development, etc.

Zinkhan offered a few insights into the future. He said timberland is more likely to be fully priced and there will be significant pressure from rural/recreational real estate buyers. He predicted that equity investors represent a relatively stable source of timber supply and timberland owners must be more innovative and capture non-timber benefits.

The presentation was followed by remarks from Curt Hassler, research director for the Appalachian Hardwood Forest Research Alliance. The group was formed to conduct research and transfer the results into practical solutions that enhance the productivity and value of natural hardwood forests in the Appalachian Region and AHMI has offered to assist with administration.

Hassler said the approach to forest research:

- Will be based on an industry driven agenda

**(See Meeting on Page 3)**



**Chris Zinkhan**

## Meeting from page 2

- Will include member contributions that will be leveraged to generate additional funds for research
- Will result in an implementation plan for all findings.

Hassler and AHMI's Barford will begin contacting forest companies in the next few weeks to discuss participation.

Hardwood Federation officials updated AHMI members and guests on activities of the coalition since the last report. Federation Executive Director Betsy Ward and Lobbyist Grace Terpstra explained the direction of the federation, plans for 2005 and legislative issues.

The federation began in 2004 to present a united front for the hardwood industry with an emphasis on government relations. The membership currently includes 22 organizations representing more than 4,500 companies.

The federation also has its own Political Action Committee that contributes to politicians who are supporters of issues that matter most to the hardwood industry.

"Our speakers did an excellent job presenting timely information on each of their subjects," Barford



**Hardwood Federation's Betsy Ward (left) and Grace Terpstra (right) with AHMI Chairman Ed Ramsey**

said. "That is the key to any effective meeting and this was no exception."

AHMI has scheduled its annual Inter-Industry Meeting for Oct. 26 at The Inn at Virginia Tech.

## AHMI Congratulates Tournament Winners

AHMI would like to congratulate the following tournament winners from the Summer Family Conference:

### **Golf - Men**

Low gross - John Winkler; Low net - Dee Curtin

Long drive - Peter Ramsey

Closest-to-the-pin - Ron Jones

### **Golf - Women**

Low gross and Long Drive- Marijo Wood

Closest-to-the-pin - Sally Jones

### **Tennis**

Men - Kent Carr

Ladies - Grace Terpstra

### **Sporting Clays**

1st - Matt Begley; 2nd - Will Sutherland; 3rd - Keith Price

## AHMI Thanks Meeting Sponsors

AHMI would like to thank the following companies for their sponsorship of Summer Family Conference events:

### **Sunday Welcoming Reception -**

Co-sponsored by Corley Manufacturing Inc.

**Golf Tournament Prizes -** Sisler Lumber Co.

**Golf Tournament Refreshments -** SII Dry Kilns

**Sporting Clays Tournament -** Farm Credit of the Virginias

**Tennis Tournament -** U\*C Coatings Corp.

**Monday Reception -** Co-sponsored by SII Dry Kilns

## Presentation Details AHMI Oak Promotion

Appalachian Hardwood Manufacturers, Inc. staff unveiled its Oak Promotion to members at the 2005 AHMI Summer Conference.

The program has been developing over the past three months as an effort to market oak to wood consumers. AHMI Director of Communications Tom Inman has researched characteristics, design trends, lumber availability, and pricing for the program. He also has secured solid oak door panels in the latest finishing techniques to show the potential of oak with new looks.

The promotion uses a video presentation to detail oak's history and offer factual information about working properties. The presentation includes data on pricing and is updated monthly.

The oak panels are incorporated in the slides and on display during the presentation. Participants are educated on the potential look for oak and costs compared to other species.

"Our promotion was well-received and people



Own America's King

understand that it is a work in progress," Inman said. "As we receive feedback from participants, we modify the program to include their input or other information we gather."

For more information or to schedule a promotion visit with an existing or former customer, contact Inman at the AHMI office at (336) 885-8315.

## Ladies Serve On First AHMI Oak Focus Group

Appalachian Hardwood Manufacturers, Inc. held its first focus group to survey women's choices in wood species for the home at the 2005 Summer Conference.

All women in attendance at the meeting were invited to participate in a presentation and survey. The questionnaire asked about hardwood species selections for cabinets, home furnishings and flooring.

The AHMI Executive Committee has discussed utilizing focus groups for research, said Tom Inman, AHMI director of communications. The committee believed the women of AHMI would serve as an excellent starting point.

The following is the survey questions and responses from the group:

- 1) What hardwood lumber species do you prefer: cherry 65%; oak 17.5%; maple 17.5%
- 2) What hardwood lumber preference for kitchen cabinets: maple 47%; cherry 47%; oak 6%
- 3) What hardwood preference for home furnishings: cherry 65%; oak 24%; maple 11%
- 4) What hardwood preference for flooring: oak 73%; maple 13%; cherry 13%
- 5) What is more important to selection: appearance (87%); availability (0%); price (13%)

The women said they liked different things about each species.



Participants included (from left) Kim C. Vollinger, Serene Klomp, Sally Jones, Gladys Hamer and Judy Cramer

Cherry: "Rich, not rough look," "The color & grain," "Changes color with age."

Maple: "Natural look," "The light color is less formal, more modern," "The color & grain."

Oak: "Goes with anything," "More durable for floors," "The look of the grain."

"Our ladies were terrific in helping us with a very simple test of reaction to species and why," Inman said. "We are investigating other avenues of gathering more information about consumer demands and needs to shape our promotions."

AHMI staff presented information to the board of trustees for additional focus group research.

## AHMI Distributes Guides, Information At AWFS Vegas

LAS VEGAS, NV - Appalachian Hardwood Manufacturers, Inc. exhibited at the AWFS Fair in Las Vegas from July 27-30.

AHMI had booth space on the first floor of the South Expansion of the Las Vegas Convention Center. It is the first year for the fair in Las Vegas after several years in Anaheim, CA.

AHMI's Director of Communications Tom Inman and his wife, Rosemary, distributed more than 500 Appalachian Hardwood Lumber Resource Guides to show attendees. The results were very positive.

"We were able to contact cabinet makers, furniture manufacturers and moulding and millwork producers from many western states and educate them on the benefits of Appalachian hardwoods," Inman said. "The majority of them like our wood and were very interested in seeking new suppliers."

AHMI was assisted in the booth one day by Brian Ballard of **Cronland Lumber Co.**, Lincolnton, NC. Other AHMI members who visited were Lowery and David Anderson, **Roy Anderson Lumber Co.**, Tompkinsville, KY; Jess Fitzpatrick, **Fitzpatrick &**



At the AHMI booth are Liberty Hardwood's Tom Wright and Jim Skiver, AHMI's Tom Inman and Cronland Lumber's Brian Ballard

**Weller**, Ellicottville, NY; Ira Lauer, **Catawissa Lumber & Specialty Co.**, Catawissa, PA; Chad Eckart, **Frank Chervan**, Bedford, VA; and prospective members Jim Skiver and Tom Wright, Liberty Hardwoods, Liberty, NC.

"Our booth was well-received and people really like to touch our wood samples," Inman said. "It will be interesting to hear from members over the next few weeks and months if they receive inquiries from the show attendees."

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

## World Market Center Debut Is Very Successful

The inaugural furniture market at the World Market Center here was well-attended and provides a spark for the furniture industry, reports AHMI Director of Communications Tom Inman.

While in Las Vegas participating in the AWFS show, Inman attended the furniture market midweek. Market officials reported more than 62,000 people participated in the show including 1,200 exhibitors.

"The people came to Las Vegas to see what this market was all about and I saw a tremendous amount of imported product and only a few of the major wood manufacturers exhibited this time," Inman said. "With the numbers they are reporting, I am sure others are looking at this for a future visit."

More than 2.5 million square feet of space was reserved in three venues for the first market. Attendees were registered from the United States and 83 countries.

The majority of Las Vegas Market exhibitors expressed their excitement in the quality of retailers and



Exterior of World Market Center in Las Vegas

number of new buyers they were meeting. Many said that translated into unprecedented showroom traffic, higher than expected sales and incremental business.



## MEETINGS

### Inter-Industry Meeting Moves To VA Tech

Appalachian Hardwood Manufacturers, Inc. has planned its 2005 Inter-Industry Meeting for Oct. 26 at The Inn at Virginia Tech.

The meeting is traditionally an opportunity for AHMI producers and distributors to meet with the consumer members and discuss common issues. In recent years, the format has included sporting events, a reception, dinner and then a speaker on an industry topic.

For 2005, the AHMI Board of Trustees has approved a plan to host roundtable discussions in the afternoon. Consumers members will be guests of the association and invited to sit at tables with producers and distributors and discuss issues.

"For several years our producers and consumers and met during the reception and then listened to someone else talk about their issues," said Mark Barford, AHMI president. "This year, we want to give them the chance to talk about issues together."

The topics and format for the dialogue will be presented in the next few weeks along with registration materials. There will also be a presentation on the Sloan Center for Forest Products at Virginia Tech.

The Inn at Virginia Tech is a new conference center on campus designed for meetings with overnight accommodations.

### Forestry Division Plans Meeting Oct. 11-12

The Forestry Division of the Appalachian Hardwood Manufacturers, Inc. will hold its annual meeting Oct. 11-12 in Elkins, WV, and invites the entire membership of association to attend.

Forestry Division Chairman Bob Radspinner has planned a detailed meeting and tour regarding the management of the Flying Squirrel in the Appalachian forest. Following a social hour and dinner on Tuesday evening, participants will get a preview of what they will see first hand as they tour the Kumbrabrow State Forest near Elkins.

Further details will be mailed in the next few weeks. Please mark the date on your calendar.

### Barford, Crites Educate WV Teachers On Tour

AHMI President Mark Barford and Allegheny Wood Products General Manager John Crites II were invited to speak to a group of school teachers in West Virginia.

The teachers were participating in a week-long training program led by West Virginia Forestry Association, MeadWestvaco and West Virginia University. The camp is designed to help teachers better understand the economic importance of the wood products industry to the state of West Virginia.

"By the time we met the teachers, they had completed most of the week of touring and training," Barford said. "They had some interesting questions about where in the world wood from West Virginia was being shipped to, and were asking how we might expand some of those markets."

Most the teachers were from small towns in West Virginia, with a few from the cities of Charleston or Beckley. Many participants already understood the importance of the wood products industry to economic health of the state.

"There were several that could not understand why the national forests needed to be cut with the vast expanse of the hardwood resource," Barford said. "Both John and I were able to remind them of the importance of managing the forests to keep them healthy and able to provide for all the benefits, including wood supply, healthy wildlife, clean water and recreation."

### Center Hires Assistant

The Center for Forest Products Marketing and Management at Virginia Tech announces the hiring of Brian Perkins as communications assistant. He is a graduate research assistant who has been working part time for the Center since February.

Perkins new responsibilities are the newsletter, the website and communications with Center members. He began graduate school at Virginia Tech in the fall of 2004. Before coming back to school, Perkins worked as a manager for a custom cabinetry firm and as a salesperson for an architectural millwork firm, both in Winchester, VA. He received a Bachelors degree in Wood Science from West Virginia University and an Associate degree in Forest Technology from Glenville State College.

Contact Perkins at 540-231-4406 or perkinsb@vt.edu.