

The Standard

Monthly Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.



July / August 2008

Carbon Trading Is Focus Of Conference

Congressman Heath Shuler D-NC told Appalachian Hardwood Manufacturers, Inc. members recently that Congress is learning more about forestry and the role of trees in capturing carbon and also producing energy.

The remarks came at the 2008 AHMI Summer Family Conference at the Grove Park Inn in Asheville, NC. More than 185 people attended the conference and filled the room for the business session.

"We are working to make sure the Congress understands that through good forestry techniques, we can utilize the carbon and bring a new healthy young tree on to capture more carbon that is even better for our environment," Shuler said. "Anything that we can do in Washington, especially when it comes to our fuels, if we can use the products that you produce we all win."

Shuler said one piece of legislation he is working on encourages landowners to establish forest management plans and become eligible for carbon credits in the future. He said the proposal could benefit the timber industry.

"You will be able to get money back for the forestry work you are already doing," Shuler said.

Shuler was elected to Congress in 2006 and serves on the House Committee on Small Business, Committee on Transportation and Infrastructure and Committee on Natural Resources. He said he is willing to work with all sides in Washington to get things done.

"We have got to make sure that it is OK to be in the middle of ideas and bring concensus," Shuler said. "Let's do what's right for America first."

Shuler also spent a few minutes with AHMI members who contributed to the Hardwood Federation



Rep. Heath Shuler (center) listens to Roy Cummings (bottom right) make point during the Hardwood Federation breakfast

Political Action Committee.

The Congressman's remarks set the stage for the second presentation on carbon credit and exchange programs. Scott Shouse, forester from the Mountain Association for Community Economic Development in Berea, KY, explained how the program works and how Appalachian landowners can become involved.

Carbon credits and trading programs are voluntary in the United States and allow forest landowners to receive value for trees that grow and capture carbon. Industries that produce carbon are willing to pay landowners a fee for sequestration to offset the carbon emitted.

The credits are traded on the Chicago Climate Exchange and MACED serves as an aggregator between landowners and the exchange. Acceptance in

(See Meeting on page 4)

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APPALACHIAN Future Meetings

Forest Certification Summit - Oct. 28-29, 2008 Indianapolis, IN (see page 3 for details)
2009 Annual Meeting - Feb. 25 - March 1
Ponte Vedra Inn & Club, Ponte Vedra, FL
2009 Summer Conference - Aug. 1-4
The Homestead, Hot Springs, VA

The way I see it...

By Tom Inman, AHMI President

...the hardwood lumber industry continues to trudge along through a "challenging" market. I speak with dozens of AHMI members each month and this summer is a mixed report from throughout the membership.

Producers are challenged by fewer loggers which means fewer logs; lower prices for lumber; oversupply for some species and difficulty finding other species; and extended payment terms from customers.

Distributors are challenged by lower prices for lumber; oversupply for some species and difficulty finding other species; even longer terms from customers; and keeping relationships with producers.

Consumers are challenged by the general slowdown in the economy; the decline in demand for their manufactured goods; and warehouses that are filled with inventory.

Foresters are challenged by landowners withdrawing timber from sales until prices improve; and keeping loggers.

Suppliers are challenged by fewer sales as capital has tightened. Few companies are buying new equipment or expanding operations.

George Bernard Shaw once offered a thought about challenging times: "We are made wise not by the recollection of our past, but by the responsibility for our future."

We each have to be wise in these times and determine what is right for the company, this association and our industry. We must take a broader view of our current challenges and not just pay the bills or solve the crisis of today. We must be building for the future.

One way is calling on and utilizing the skills, talents and abilities of everyone in your organization. Go to your own employees and ask them to help your company create the future. The wise leaders are the ones who do that.

...congratulations are in order for Steve Jones who was recently named President of Ron Jones Hardwood Sales, Inc. in Union City, PA. Ron Jones made the announcement in mid-July at the PennYork Lumbermen's Club meeting.

...several AHMI members have delayed participating in the AHMI Verified Sustainable program. I encourage you to contact the office today to learn how AHMI can help sell your products around the world.



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

Distributors

Crown Hardwood Co., Inc. Peter Schlobach 1270 Baltimore Pike West Grove, PA 19390

USA Woods International, Inc. Ron Carlsson PO Box 38507 Germantown, TN 38138

Consumer

Rings End Millwork T.J. Carr 260 Rowe Avenue Milford, CT 06460

Supplier

Keith D. Peterson & Co., Inc. C. Preston Herrington, III 101 East Grace St. Richmond, VA 23219

Hamer Operation Honored

RIPLEY, WV - The Jim C. Hamer Company Curtin Mill in Webster Springs, WV, was recently named the Large Sawmill of the Year by the West Virginia Forestry Association. Congratulations to the company and employees at that facility.

Special thanks to the following 2008 AHMI Summer Conference sponsors: Business session speaker -

Pennsylvania Lumbermen's Mutual Insurance

Business session coffee break - BB&T Insurance Services and CoBank

Golf Tournament Refreshments - SII Dry Kilns

Golf Tournament Prizes - Corley Manufacturing Inc.

Sporting Clays Tournament - Farm Credit of the Virginias

Tennis Tournament - U*C Coatings Corp.

AHMI Cooperates With Certification Program

Primary & Secondary Manufacturers To Meet In IN

INDIANAPOLIS - Appalachian Hardwood Manufacturers, Inc. will merge its annual Inter-Industry Meeting into a product certification summit planned here Oct. 28-29.

"Dollars and Sense of Going Green" will be held at the Sheraton Indianapolis City Centre Hotel and is is organized by Purdue University, Department of Forestry and Natural Resources, and Wood & Wood Products Magazine.

The objective of the summit is to provide a forum for leaders in the primary and secondary hardwood manufacturing industry to discuss the issue of wood certification and to help these companies plan for the future. The forum is designed to have "industry talking to industry" according to Dan Cassens, Purdue University.

"We simply want to provide the hardwood industry with as much information about certification, industry experience with certification, as well as current and future markets for certified wood products, as possible," he said. "Armed with this state of the art information, companies can better make a decision on how to respond to green certification, given their individual circumstances."

AHMI has followed this format for its Inter-Industry meeting for the past three years. Upon learning of the program, AHMI signed on as a cooperator.

"This is an excellent opportunity for AHMI to learn what producers and users of hardwood lumber across the country are thinking about certification," said AHMI President Tom Inman. "Every company is trying to figure out if certification is needed and what works best for them."

AHMI has sponsored two workshops and several speakers on this evolving subject over that past two years. The office receives calls weekly about the subject and the AHMI Verified Sustainable certiciates.

The complete program and registration details are available at **www.greenwoodseminar.com**. Please contact Dan Cassens at 765-494-3644 with specific questions or e-mail dcassens@purdue.edu or Tracey Simmerman at tss@purdue.edu.

From Indianapolis International Airport, take Interstate 74 East to Interstate 465 South to Interstate 70 East; take 70E to the Illinois Street Exit (one way); proceed 7 blocks to Ohio Street and turn right; the hotel is ahead on the right.

Make your hotel reservation by Oct. 13, 2008, to qualify for the negotiated room rate of \$119 plus tax. Be sure to mention "Green Wood Seminar." For reservations, call the Sheraton at (317) 635-2000.

AHMI Promotes Verified Sustainable At IWF

ATLANTA, GA — Appalachian Hardwood Manufacturers, Inc. has prepared its Appalachian Hardwood Verified Sustainable booth for the 2008 International Woodworking Machinery & Furniture Supply Fair-USA® for Aug. 20-23 at the Georgia World Congress Center in Atlanta.

AHMI's booth is A425 between buildings A and B. The emphasis is Verified Sustainable and AHMI staff will educate show attendees about the benefits of specifying hardwood lumber from AHMI members.

"This promotion continues to go extremely well and lumber buyers are responding with orders," said AHMI President Tom Inman. "We will use this space to market our members to the world."

To register for the event, please contact the AHMI office or visit online www.iwfatlanta.com. The New Oak Partnership has contracted with Trading Spaces Designer Laurie Smith to participate in the show and sign books in the AHMI space.



AHMI Booth A425



"We are very pleased to work with New Oak in developing a very attractive booth that will educate attendees about the beauty, versatility and availability of Oak and Appalachian Hardwood lumber," Inman said.

For more information, contact Inman at (336) 885-8315 or email tom@appalachianwood.org. Please plan to visit the AHMI space while at IWF.

$Meeting {\rm \ from \ page \ 1}$

the program requires landowners to certify their forests, have an accurate inventory and contract with an aggregate.

Shouse said the average contract is for 15 years. Landowners receive payments based on a portion of their inventory and also have guidelines they must follow for harvests and ownership. The land must be verified each year to make certain that plans are followed.

Shouse said there will be legislation in coming years to set up carbon limits for industry and requires carbon offsets.

National Hardwood Lumber Association Executive Director Mark Barford shared information on that group's new branding campaign. "Strong Roots. Global Reach" is NHLA's latest effort to market its programs to the world.

As the keeper of hardwood lumber grades, NHLA will maintain that focus but also expand its role as the voice of the hardwood industry. "NHLA has made a firm commitment to become an international oragnization and we certainly understand that our future markets are throughout the world," he said.

Chris Jacobson of Lumbermen's Underwriting Alliance wrapped up the business session by challenging attendees to be prepared for the worst. He cited recent tornadoes, floods and fires as threats that every business faces but often fail to have adequate plans.

"There are many questions you have to be prepared to answer in these situations," he said. "If you don't have a plan, you will overlook something that may be very important."

He encouraged attendees to have contingency plans in place for equipment, power sources, transportation and workers if needed.

"Do you have speciality contractors in place to get you back in business as quickly as possible?" Jacobson asked. "How are you going to pay for it? Savings? Many people are underprepared to face things like this that they do not expect."

Jacobson said companies should familiarize themselves with their policies and coverage. He urged everyone to review their plans annually for updates.

"Our attendees found these business sessions to be extremely helpful in providing valuable information," said Tom Inman, AHMI president. "The Grove Park offers outstanding accommodations and reports from everyone were very positive."

Winners of the AHMI sporting events were: **Golf**

Men: Low gross 1st Joe Pryor, 2nd Chris Jacobson; Low net 1st Chip Corley, 2nd Scott Vidrine; Long drive Chris Keziah; Closest to the pin Preston Herrington

Ladies: Low gross 1st Bert Barrett, 2nd Laurie Johnston

Tennis

Men's tie between Kent Carr and Todd Carr **Sporting Clays**

1st place tie between Matt Begley and Lance Johnson; 3rd place Davis Inman

The next AHMI meeting is in conjunction with the Forest Certification Summit. See page 3 for details.

Vegas Furniture Market Attendance Improved

Reprinted from Furniture Today

LAS VEGAS — Most exhibitors at the seventh Las Vegas Market July 28-Aug. 2 said attendance was better than expected, and that given the sales slump that has plagued home furnishings for more than a year, order-writing was surprisingly strong.

Assessments of showroom traffic ranged from slightly below to slightly ahead of the January market here, but few seemed unhappy with that result.

"We were pleasantly surprised with attendance," said Don Essenberg, executive vice president at Magnussen Home, who has been a WMC Building A exhibitor since the inaugural market. "And our written business was way up over last market."

Ashley Chairman Ron Wanek agreed, saying that



MARKETS

attendance at his company's Building B showroom was about even with last July. "There were fewer East Coast dealers, (but) this market was better than we expected. People came to this market with a good attitude, and we like that."

Market organizers, meanwhile, said they were elated with attendance and with the impact they said the new Building C will have on the market and the industry. Building C, a 16-story structure with 2.1 million square feet of exhibit space, boosted the WMC's size to 5 million square feet.

AHFRA Forest Regeneration Study Revealed

PRINCETON, WV - Appalachian Hardwood Manufacturers, Inc.'s Forestry Division and the Appalachian Hardwood Forest Research Alliance held a joint workshop in July to discuss research on forest regeneration in the Appalachian Region.

Dr.Tom Fox of Virginia Tech presented his findings on Silviculture of Appalachian Hardwoods. He shared information on new modules for assisting with regeneration.

"This project was designed to provide a comprehensive literature review of silvicultural treatments to enhance oak regeneration in the Appalachians and to develop a field survey technique to assess regeneration using height as the primary evaluation variable," said AHFRA Project Administrator Curt Hassler. "I think there is some additional value to working with Dr. Fox to develop a database of surveyed tracts that is available to members and to assist in further development of the expert system."

Attendees toured a site owned by The Forestland Group and took samples to enter into the model.

During a business session, Hassler offered an update on the other research projects that are near completion.

AHFRA has seven sponsoring companies and combines donations and a US Forest Service grant to fund forest research projects in the region. AHFRA awarded four contracts in 2007 and the results from three have been reported to members.

The webinars and workshop were a part of the research contracts/projects that AHFRA funded with WVU (1) and Virginia Tech (2). As part of their contracts, each researcher was required to make a presentation of project results, in addition to a final written report.



Dr. Tom Fox discusses silviculture research during classroom portion of workshop



Workshop attendees collected data in harvested forest site in southern West Virginia on land owned by The Forestland Group

The two webinars provided presentations on the two Growth and Yield projects AHFRA funded, one at WVU and one at Virginia Tech. Both projects were to review and evaluate available growth and yield models for Appalachian hardwoods.

The review was to investigate which models provided reasonable estimates of growth and yield, which models were user friendly, and which models could be used as is or could easily be adapted to the basic needs of AHFRA members.

The WVU project (John Brooks) focused on models more appropriate to the northern Appalachians, while the VT project (Phil Radtke) was focused on models applicable to the southern Appalachians.

"With these projects completed, it is my intent to begin a dialogue with Phil and John to develop projects that will achieve AHFRA members desire to have a model that is user friendly, meet the basic needs of Members, and provide reasonable results," Hassler said.

AHFRA will schedule another workshop this fall on a fourth project funded at the University of Kentucky with Dr. Jeff Stringer as the researcher. This project focused on how to deal with low value, high graded stands in the Appalachians.

AHFRA was founded in 2005 to oversee research throughout the region. The coalition of forest land management companies received a U.S. Forest Service grant to fund the research work.

For more information on how to become involved with AHFRA or to join, please contact Tom Inman at the AHMI office at (336) 885-8315. AHFRA is a project of AHMI.

Wood Week Events, Recruiting Set At VT

The Department of Wood Science and Forest Products at Virginia Tech will hold its annual Wood Week activities, including the largest University-sponsored career fair in North America for the wood and forest products sector, the week of Sept. 15, 2008 on the Virginia Tech campus in Blacksburg, Va.

"Our vision is to put the North American forest products industry in front of 27,000 students on the Virginia Tech campus. Our industry needs engineers, chemists, architects, marketers, managers, wood scientists, foresters, and a host of other talents you will find in students on our campus," said Department head Dr. Paul Winistorfer. The career fair is set for Sept. 18 and attracted nearly 50 industry representatives in 2007.

Industry participation will be increased and capped at 75 participating firms this year. Registration is now open online at www.woodscience.vt.edu. Industry registration, including a registration fee is required for industry participation.

Wood Week includes a keynote speaker addressing students in classes as well as an open public lecture, a student scholarship reception, the awardwinning Wood Magic Show for 4th and 5th grade students and teachers, and the career fair. The keynote

Forest Products Sales Training Planned At WERC

Personal selling is the major form of promotion used in the forest products industry. Individuals are often expected to learn on the job the most important aspects of selling forest products.

A training course is set Oct. 29-30 at the Wood Education Research Center in Princeton, WV, and is designed for those individuals who are familiar with the forest products industry, but would like to improve their self management and interpersonal skills. This course will focus on the attributes of a good salesperson, how to effectively communicate, relationship building, sales negotiation strategies, effective time management and how to stay positive during difficult times.

The short course fee of \$395. It covers registration, instructional materials, coffee breaks, continental breakfasts, and lunch. To register, contact Bob Smith at (540) 231-7679 or e-mail: rsmith4@vt.edu. You may also register online at www.cpe.vt.edu/astfpi. Your registration should be received no later than Oct. 15. Registration is limited to the first 30 applicants.

speaker for Wood Week 2008 is Patrick Calello, founder and designer of Automoblox.

The department is home to the Center for Forest Products Marketing and Management, the Center for Unit Load Design, the Wood-Based Composites Center, the Sustainable Engineered Materials Institute and the award winning Wood Magic Show for 4th and 5th grade children and their teachers.



PROGRAMS

Forest Products Marketing Workshop Set Oct. 23-24

A Forest Products Marketing Course is set for October 23-24, 2008 at the Inn at Virginia Tech and Skelton Conference Center, Blacksburg, VA.

Those attending this workshop learn about the products of wood based industries, marketing at it relates to small forest products businesses and how to gain a competitive advantage in the industry.

It is designed for the small forest products business owner or manager. To register online, go to www.cpe.vt.edu/forestpm/ Your registration should be received no later than October 9, 2008. For additional information, contact Angie Riegel at 540-231-7107 or email: ariegel@vt.edu.

Forest Ecology Seminar Includes Field Tour

A course entitled Ecological Forestry in the Central Appalachians will be offered on Oct. 22-23 at the Graceland Inn and Conference Center, Davis & Elkins College, Elkins, WV.

This workshop will focus on incorporating natural models into silviculture using management techniques that mimic ecological processes that have shaped our forests for thousands of years. The goal is to introduce core principles of natural disturbance and natural development-based silviculture, and matrix management paradigms through classroom lectures, discussion, and field visits to innovative projects that implement these principles.

For registration information, please contact Sue Dimmick, WVU Division of Forestry and Natural Resources, P. O. Box 6125, Morgantown, WV 26506, phone 304-293-2941, ext. 2490 or e-mail: Sue.Dimmick@mail.wvu.edu