



The Standard

Newsletter of APPALACHIAN Hardwood Manufacturers, Inc.



Since 1928

February 2009

Surviving 2009 Economy Is Drawing A Crowd

PONTE VEDRA, FL - The economy and its impact on the hardwood lumber industry is attracting more attendees daily to the 2009 Appalachian Hardwood Manufacturers, Inc. Annual Meeting.

The program is planned for Feb. 25-March 1 at the Ponte Vedra Inn and Club, Ponte Vedra, FL. The theme is "Will Economic Recovery Come in 2009?" and offers economic outlooks, financial and insurance updates and a report on forest certification.

Confirmed speakers include a credit insurance specialist representing EulerHermes; financial services market specialist from Cobank; a University of Florida economist, and a hardwood certification expert. Business sessions are planned each morning and sporting events and networking later in the day.

"Our speakers will provide valuable information from the prospective of the hardwood sawmill and distribution yard," said AHMI President Tom Inman. "I

A Few Rooms Are Available Registration Deadline Extended

www.appalachianwood.org/meetings.htm

understand that business is difficult now and that is why we have kept business solutions available at our sessions."

AHMI was able to negotiate an expanded room block in January that includes rooms starting at less than \$200. As of this writing, five rooms remained in the AHMI block for the weekend and other rooms are available for late decisions.

"Some have said they simply cannot afford to attend any meetings this year and we have done everything to lower rates and make the meeting more affordable," Inman said. "I believe attendees will find the sessions extremely worthwhile and have many choices available to them and their budgets."

The Business meetings will include a report from the AHMI Chairman, explanation of the program of work for 2009 and recognition of AHMI membership anniversaries. There are sporting events and receptions planned each afternoon and evening.

The Ponte Vedra Inn & Club has completed a major renovation since AHMI's last visit. There are renowned restaurants, championship golf, a world-class spa and a wide range of activities and amenities. The Inn & Club offers new dining options and completely redesigned and redecorated guest rooms.

Meeting registration is available online at www.appalachianwood.org/meetings.htm or you can complete the form on page 6 of this newsletter. There is also a link online to make resort reservations.



An aerial photo of the Ponte Vedra Inn & Club shows the oceanfront accommodations, golf and tennis on site and wide beach on Florida's Atlantic Coast

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e mail: info@appalachianwood.org
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APPALACHIAN Future Meetings

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

...markets for American hardwood lumber continue to be unbelievably tight. Several Appalachian Hardwood Manufacturers, Inc. members had a few sales to existing customers and picked off one or two orders from their competitors in January.

Few have bright spots to report. A little lumber moved in exports and a little filled some openings domestically.

AHMI and its members have been looking in new directions for markets. One brighter spot for producers has been railroad ties and while ties typically have been a lower grade material, more grade logs are moving that direction.

Producers who have the ability to modify their equipment are making changes and ties are coming off the green chain. As with most new markets, the supply has quickly caught up with the demand but need for ties should remain stable through 2009.

The question I am asked most often is when is this turndown going to end. Sales and production have reached lows that most have not seen in years and the forecasts for improvements are mixed: the middle of the year, the third quarter, the fourth quarter and now it extends to the first quarter of 2010.

It is anyone's guess at this point. Meanwhile more sawmills are cutting hours and production, others are closing and some are taking other drastic measures to generate cash to keep open.

Every person says they have never seen anything like this. And hope they never do again!

We are all watching to see if the President's stimulus plan (*call it what you wish*) will actually stimulate movement on housing and related products.

There are a few provisions in the Senate economic stimulus package that include tax credits to companies to expand or build U.S. manufacturing facilities geared to renewable energy. Other provisions give credit for on-site use of electricity produced from biomass and would be a change to the current law that requires energy produced be sold to a third party in order to receive a tax credit. The change could benefit companies burning hardwood dust and chips.

Work continues on many fronts to find solutions to the crisis or at least changes to help in the near term. AHMI is partnering with other groups to find solutions to benefit our members. Looking at new projects and ways of doing things will be crucial to survival this year and into the future.



MEMBERSHIP

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

Consumer

HW Chair Ltd.

Mark Hochstetler

6791 CR77

Millersburg, OH 44654

Hochstetler Wood Ltd.

Mark Hochstetler

6791 CR77

Millersburg, OH 44654

Appalachian Hardwood Manufacturers, Inc. 2009 membership renewal was due on Jan. 31 for all divisions except Producers who pay on a monthly basis. For the 17th consecutive year, AHMI dues have remained at the same level for all divisions.

Membership in the association assures the promotion of Appalachian hardwood lumber and products will continue around the world. AHMI signed up 22 new members in 2008 and grew to its largest membership on record.

If you have not returned your dues, please remit at your earliest convenience. For more information, please contact Tom Inman at (336) 885-8315.

The association has also mailed information for the 2009 Appalachian Hardwood Resource Guide. The directory is published annually and distributed to thousands of lumber buyers around the world. It lists each member of the association and details about the company and its offerings

Reminders about Resource Guide listings were mailed this week. Please complete and return as quickly as possible.

For more information about or participation in the Resource Guide, please contact Tom Inman at the AHMI office at (336) 885-8315.

Need Green Certificates?

2009 Appalachian Hardwood Verified Sustainable certificates are available from the AHMI office. Order your current supply today at (336) 885-8315

2009 Annual Meeting Speakers

Confirmed Speakers for the 2009 Annual Meeting of Appalachian Hardwood Manufacturers, Inc.:

Antony Bahr, CoBank Senior Managing Director of Capital Markets, is responsible for structuring, pricing, and marketing large corporate and middle market transactions. He is a member of CoBank's Senior Leadership Team and edits CoBank's *Outlook*, a monthly newsletter on macroeconomic trends, interest rate forecasts, and risk management techniques. He will speak on credit availability in 2009.

Edward Arnold, M&T Insurance Director of Credit Insurance, has extensive experience in both international business and finance and represents multiple carriers of credit insurance including EulerHermes. M&T Insurance Agency, Inc. is a subsidiary of M&T Bank. Arnold has a doctorate in Economic Geography and masters in International Business and has worked in Germany, Poland and traveled to markets in 36 other countries on business. Credit insurance has changed dramatically in the past 12 months and the presentation will explain this change and a forecast for 2009.

Dr. David A. Denslow, Jr., is a Distinguished Service Professor and the Director of the Bureau of Economic and Business Research at the University of Florida's Warrington College of Business. A Yale University trained economist, he is a former chairman of the Governor's Council of Economic Advisors in Florida. He will speak on the U.S. and world economies in 2009.

Scott Berg is president of an international forestry consulting firm and has prepared 100 organizations for SFI®, FSC, Tree Farm & ISO 14001 certification. He has served as SFI Lead Auditor for internal and independent audits, accredited Tree Farm Lead Auditor and developed pre-packaged SFI, FSC, & PEFC Chain of Custody Programs. He lead certification workshops for AHMI in 2008 and will provide analysis of certification systems.

David Caldwell, associate editor of the *Hardwood Market Report*, will speak to the Distributor's Division on *HMR's 2008 Year at a Glance* and hardwood lumber markets. HMR is the nation's oldest weekly report on hardwood lumber pricing.

2009 Annual Meeting Agenda

Wednesday, Feb. 25

6 p.m. Early Bird Reception

Dinner on your own

Thursday, Feb. 26

4-6 p.m. Registration

6-7 p.m. Welcoming Social

Hardwood Federation *Shoot For The Pin Contest*

Sponsored by Hardwood Market Report

Dinner on your own

Friday, Feb. 27

7:30 a.m. AHMI Board Breakfast Meeting

9 a.m. General Session

81st Annual Meeting - Chairman's Report, Member

Anniversaries - Rick Armstrong

Credit Insurance Crisis in 2009

Credit Availability in 2009

Lunch on your own

1 p.m. Golf Tournament *Ocean Course*

1 p.m. Sporting Clays *WW Sport. Clays*

6-7 p.m. Reception

Dinner on your own

Saturday, Feb. 28

8 a.m. Producers Meeting

8 a.m. Distributors Session

Chairman David Kay - presiding. Remarks

by David Caldwell, Hardwood Market Report

9:15 a.m. General Session

Will Economic Recovery Begin In 2009 - Dr.

Dave Denslow, UF professor and economist

Forest Certification Analysis - Scott Berg,

president of R.S. Berg & Associates

AHMI Certification Plans - Tom Inman

Lunch on your own

1 p.m. Golf Tournament

2 p.m. Tennis Tournament

6-7 p.m. Reception

Great Lounge

Dinner on your own

**Sunday, March 1 - NO FORMAL BUSINESS -
HAVE A SAFE TRIP HOME**

Exporting Seminar Offers Key Information

More than 70 people attended an exporting seminar sponsored by the U.S. Department of Commerce, the Small Business Administration, and Appalachian Hardwood Manufacturers, Inc. in January.

The session included information on large and niche markets for hardwood lumber, international buyer expectations, trends in current markets, logistical issues with shipping, and a general understanding of insurance and financing strategies that maximize working capital while controlling export payment risk.

"We were extremely pleased with the response from AHMI members who participated in this seminar," said AHMI President Tom Inman. "It was a full day and attendees came away with a catalog of information to assist them in exporting hardwood lumber around the world."

Inman also served as a speaker and shared about the recent American Hardwood Export Council Public Relations Workshop and Architect seminar in Spain. Other speakers included reports on



AHMI member Jimmy Lee of Tides and Times Lumber shares information about export markets for US hardwood in China

markets in China, the United Kingdom and Turkey.

For more information or to receive copies of the presentations, please contact Inman at the AHMI office at (336) 885-8315.

AHMI Plans Booth At Interzum Guangzhou

Appalachian Hardwood Manufacturers, Inc. will exhibit at the China International Woodworking Machinery & Furniture Raw Materials Fair (Guangzhou) in March.



The 6th Interzum Guangzhou will be held from 27th – 30th March 2009 at the China Import and Export Fair Pazhou Complex, Guangzhou, China. Interzum Guangzhou is held in conjunction with China International Furniture Fair (CIFF).

AHMI will be exhibiting in the Appalachian Regional Commission's "Appalachian Hardwood Pavilion." Six AHMI member companies are also exhibiting in the section.

"We want to be sure AHMI and our members are a part of this hardwood pavilion in one of the leading



wood furniture manufacturing areas in China," said Tom Inman, AHMI president. "We will be distributing our Export Resource Guide and another Appalachian promotion piece that is written in Chinese so they can understand the benefits of specifying Appalachian."

Interzum Guangzhou is recognized as Asia's most comprehensive woodworking machinery and accessories fair. The exhibits this year span across eight halls and more than 80,000 square meters of exhibition space. Over 600 exhibitors will showcase an international mix of the latest technology in furniture production and woodworking.

Show organizers expect more than 50,000 visitors from the woodworking and furniture production industry. The industries represented include furniture manufacturing, wood trading, DIY (Do-it-yourself) and BIY (Build-it-yourself), institutions, wood processing, furniture wholesale and interior design.

For more information or to participate in the AHMI space, please contact Inman at (336) 885-8315. More information about the show is available online at www.interzum-guangzhou.com.



Lumber Inspector Training Set In WV

The National Hardwood Lumber Association and the West Virginia Wood Technology Center will offer Lumber Inspection School from March 23-June 26 at the center in Elkins, WV.

NHLA has provided lumber inspection training at the center since 2002 to assist companies in the central Appalachian forest with the need for trained lumber inspectors. As a result of the initiative, a partnership agreement was formed with the WV Wood Technology Center and Fairmont State Community and Technical College.

The 14-week Inspection School curriculum provides students with both the technical knowledge of the NHLA grading rules, and the practical skills and experience necessary to become a lumber inspector. Classes meet from 8:00 AM to 3:00 PM, Monday through Friday. Students are provided classroom instruction and extensive hands-on experience in our modern training facility.

The instructor is NHLA certified, and is a skilled inspector with many years of experience in the hardwood lumber industry. Upon successful completion of the program, students receive an NHLA diploma in a formal graduation ceremony.

The minimum admission requirements for the NHLA Inspection School are a high school diploma, or equivalent, and the ability to speak, read and write the English language. Additionally, students must have an understanding of basic math principles, including addition, subtraction, division, and multiplication of fractions. No prior experience in the hardwood industry is required.

For more information or to register, please contact the WV Wood Technology Center, 10 Eleventh St., Elkins, West Virginia 26241 or call (304) 637-7500. You can visit online at www.wvwoodtech.com.

Carolinas Woodworking Fair Returns To Greensboro

The 2009 Carolinas Industrial Woodworking Expo® returns to the Greensboro Coliseum Complex in Greensboro, NC, on Feb. 19 and 20.

The show is held on odd years and allows wood manufacturers to learn about the latest technologies and supplies. There are seminars by industry lead-

Feds Delay Lacey Act Obligation On Furniture

WASHINGTON — Enforcement of amendments to the Lacey Act have been postponed until 2010 for furniture products, according to a notice in the Federal Register.

The U.S. Department of Agriculture's Animal Health Inspection Service issued a revised plan to phase in enforcement of the declaration requirement and other implementation. The move will push implementation of the rule from this July to April 1, 2010, for Chapter 94 of the Harmonized Tariff Schedule for imported products — a category that includes wood furniture and furniture parts.

The enforcement will be phased in from April 1 to Sept. 30, 2010. The schedule was revised by product largely based on their degree of processing and complexity of composition, according to the Federal Register notice.

The Lacey Act requires importers to submit an import declaration for the origin of wood used in their products. Enforcement will still be phased in starting this April 1 for some raw wood products other than furniture.

NHLA Opens Chinese Office

The National Hardwood Lumber Association opened its first overseas office in January in Shanghai, China. Bob Sabistina, previously NHLA Inspector Training School Director and Chief Inspector, will oversee the office and provide inspection services including grade inquiries on specific loads and dispute resolutions, training on US hardwood lumber grades and promote the NHLA at industry meetings, tradeshow and various industry functions.

The office will operate seasonally and is scheduled to be open from January 2009 until late spring. All international grade inquiries should be coordinated through NHLA Chief Inspector, Mark Horne at 901-377-1818 or cell at 919-389-5089 or email at m.horne@nhla.com.

ers and displays of wood manufacturing equipment.

Registration is available online at www.regisys.com/woodnc09/ and use "EM3" as the free pass code for you and your associates. AHMI staff will work the show and distribute information about AHMI members.

Will Economic Recovery Begin In 2009?

APPALACHIAN Hardwood Manufacturers, Inc.

2009 Annual Meeting Feb. 25 - March 1 Ponte Vedra Inn & Club, Ponte Vedra, FL

To reserve your room at Ponte Vedra Inn & Club, call 1-800-234-7842
Golf view rooms \$199 - Ocean View \$229 - Oceanfront Deluxe are \$290

To plan functions and include all participants on the Registration List, please complete this form and return with your check to: AHMI, P.O. Box 427, High Point, NC 27261 or register online at www.appalachianwood.org/meetings.htm

Please Note: You will receive your meeting packets on site at the meeting

Registration before Feb. 20 to have badges on site:
AHMI MEMBER - \$330 per person GUEST - \$430 per person
MEMBER SPOUSE - \$220 GUEST SPOUSE - \$220
Additional registrations are flat rate of \$200 per person

PLEASE REGISTER THE FOLLOWING FOR AHMI'S 2009 ANNUAL MEETING

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

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

Company: _____

Address: _____

City/State/Zip: _____

GOLF (*Medal Play Friday 1 pm Ocean Course; **New** Two-Man Scramble Saturday 1 pm Lagoon Course*)

Name: _____ Hdcp _____ FEE: _____
Please check: Friday (\$190) Saturday (\$160)

Name: _____ Hdcp _____ FEE: _____
Please check: Friday (\$190) Saturday (\$160)

SPORTING CLAYS at WW Sporting Clays (*Friday 1 p.m.*) *(100-shots, ammunition, and gun rental included)*

Name: _____ FEE: \$90

Name: _____ FEE: \$90

TENNIS (*Saturday at 2 p.m. Ponte Vedra Club Courts*)

Name: _____ FEE: \$30

Name: _____ FEE: \$30

TOTAL \$ _____

Check# _____ Received _____