



# Appalachian Sustainable



## Task Force Eyes Unified Hardwood Message

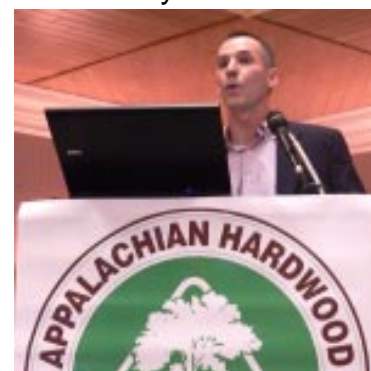
A group of industry leaders is developing a strategy for American Hardwood promotion that will "move everyone in the same direction," reports one speaker at the 2010 Appalachian Hardwood Manufacturers, Inc. Annual Meeting.

Terry Brennan, director of operations for Baillie Lumber Co., and president of the Hardwood Manufacturers Association, said work is underway to plan an "unified" promotion program. Industry leaders representing the various lumber and secondary manufacturing associations met recently to develop a framework.

"A lot of people have been involved with this and we are garnering support to move this thing forward to move everyone in the same direction when it comes to promotion," Brennan said. "When

you look at hardwood promotion industry-wide, we are fragmented and tremendously under funded and no one is tying all of these things together."

He cited the past success of the Hardwood Council in general promotion to the press and public. While it has been effective, funding for the effort has fallen to \$100,000.



Terry Brennan

"I came across this quote when I was looking  
(See Vision on page 3)

## Mike Parton Takes Gavel As AHMI Chairman



Mike Parton (left) of Gilkey Lumber Co. receives gavel as Chairman from Past Chairman Rick Armstrong

LONGBOAT KEY, FL - Appalachian Hardwood Manufacturers, Inc., elected new officers and board members at its 82nd Annual Meeting at The Longboat Key Club, Longboat Key, FL.

Michael Parton, president of Gilkey Lumber Co., Gilkey, NC, was elected AHMI chairman. Other officers include Chairman-Elect Chris Keziah of Oak Ridge Hardwoods, Oak Ridge, TN; Vice Chairman Finance Mark Vollinger of W.M. Cramer Lumber Co., Hickory, NC; and Rick Armstrong of Homer Gregory Inc., Morehead, KY, as past chairman.

The membership also elected the AHMI Board of Trustees for 2010-12:

Lowery Anderson, Roy Anderson Hardwoods, Tompkinsville, KY

Robert Coleman, Robert Coleman Lumber, Culpeper, VA

(See Trustees page 4)

Monthly newsletter of Appalachian Hardwood Manufacturers, Inc.  
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### Meetings

**2010 Summer Conference - July 24-27**

The Greenbrier, White Sulphur Springs, WV

**2011 Annual Meeting - March 3-6, 2011**

Ponte Vedra Inn & Club, Ponte Vedra, FL

**2011 Summer Conference - July 23-26**

The Nemaquin, Farmington, PA

## The way I see it...

By Tom Inman, AHMI President

...reviews from participants in the 2010 Appalachian Hardwood Manufacturers, Inc. Annual Meeting are overwhelmingly positive. Great responses have come in for speakers and presentations, the receptions and opportunities to network, the location and the first business luncheon.

While not one of our largest crowds, the meeting attracted a very representative crowd from all divisions of AHMI. The people were engaged in the business sessions and offered thoughtful questions and reactions.

The mood was generally upbeat. Log issues continue to dominate every conversation and prices are in direct correlation but optimism was in the air.

The AHMI Board of Trustees approved an aggressive agenda for 2010 emphasizing the Appalachian Hardwood Verified Sustainable brand and researching the next phase of the program. More details to follow.

The Trustees also made plans for stepping up Appalachian Hardwood promotion at shows and other events. A partial list includes:

March 24-30 - Interzum Guangzhou, Guangzhou, China

April 18-24 - High Point Furniture Market, High Point, NC

May 10-15 - Interzum Moscow, Moscow, Russia with AHEC

July 24-27 - AHMI Summer Conference, The Greenbrier, White Sulphur Springs, WV

Aug. 12-13 - Wood Moulding Manufacturers Association, Asheville, NC

Aug. 21-23 - Global China Trade, Landsdowne, VA

Aug. 24-28 - IWF, Atlanta, GA

Sept. 14-15 - Hardwood Federation Fly-In, Washington, DC

Oct. 13-16 - NHLA, Vancouver, BC

Oct. 16-22 - High Point Furniture Market, High Point, NC

If you are interested in these events, please contact me immediately. It will be another great year and I look forward to working with you.



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

### Consumer

The Old Wood Company  
Darren Green  
40 Old Elk Mountain Road  
Asheville, NC 28804



### 25-Year Member

AHMI Chairman Rick Armstrong (right) congratulates and thanks Ron Jones of Ron Jones Hardwoods, Union City, PA, for 25 year of membership in AHMI

## AHMI Verified Sustainable Materials Available

AHMI members are reminded that 2010 Appalachian Hardwood Verified Sustainable materials are available from the AHMI office.

These include certificates, letters from AHMI and from the U.S. Forest Service explaining the program and decals for use on packaging or invoices.

These materials can be delivered to your company within a few days of placing your order. Please contact the AHMI office at (336) 885-8315.



## Vision from page 1

at research for this effort and it says 'An expanded hardwood promotion campaign is the only way to reach the millions of consumers whose demand will decide our fate',” Brennan said. "The interesting thing about that - it was a brochure from 1988."

HMA and NHLA formed a joint task force in 2009 consisting of Brennan, Jack Shannon, Pem Jenkins, Nancy Arends, Troy Brown, Roy Cummings, Orn Gudmundsson Sr. The idea was to discuss promotion and ways the two associations could coordinate in areas of alignment.

HMA commissioned a study by a public relations firm who used research, focus groups and actual shopping for hardwoods to determine needs. They found the hardwood industry needs:

- An expert voice, a champion of U.S. hardwoods
- To unite hardwood message givers
- To change tone from defensive to positive
- To provide direct outlets for consumers to buy hardwood products
- And solidify American as a green resource.

The group also reported that hardwoods are held as the gold standard and promotion efforts should be twofold: American hardwoods and species specific.

"We decided there must be a common theme that every association, region and company can run with and use in advertising to scale to their particular operation," Brennan said. "This unified message would have common themes that everyone could understand."

The research concluded there is a tremendous amount of diversity in the industry that creates fragmentation and there is not one venue that goes across all market segments that leads to constructive dialogue. The firm recommended the task force create a message platform that inspires everyone.

The dialogue continues and Hardwood Vision group is working on strategy to be presented at future meetings. The group was expanded to include Don Finkell and Tom Talbot.

For more information, please contact one of these group members or the AHMI office.

## Flooring Leader Talks Responsible Procurement

The Responsible Procurement Program developed by the National Wood Flooring Association is helping consumers understand there is a difference with sustainable and legally harvested American hardwood.

NWFA President Don Finkell of Anderson Wood Floors explained the program to AHMI members at the 2010 Annual Meeting. The tiered approach to green marketing provide documentation of sustainability through the Forest Stewardship Council chain of custody certification.

"This program is intended to recognize that the U.S. hardwood industry is better than any other source in the world, establish a procurement group to bring land into the FSC and is a step-wise approach endorsed by FSC-US," Finkell said.

The process begins with sustainability as defined by the U.S. Forest Service's Forest Inventory Assessment, the same tool used for AHMI's Verified Sustainable program. Participants prove that lumber used in the program comes from 30 states in the eastern U.S. and the first tier is met.

The second and third tiers require companies to participate in the FSC chain-of-custody scheme. Finkell said more than 60 percent of the U.S. hardwood flooring production is enrolled in the program.



**Don Finkell**

The program offers labeling for products sold under RPP that address sustainability, legality and certification for companies that move to the higher tiers. "We have a lot of alignment with folks that are worried about the forest, those who manage it, make their livelihood from it and are concerned about the health of it," he said.

The program is available to AHMI members. For more information, please contact the AHMI office at (336) 885-8315 or visit the website <http://www.woodfloors.org/member/RPP.aspx>.

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### Trustees from page 1

Jay Reese, Penn-Sylvan Inc., Spartansburg, PA

Ed Dallison, Dallison Lumber Co., Jacksonburg, WV

Tim Borntraeger, Babcock Lumber Co., Pittsburgh, PA

John O'Dea, Augusta Lumber Co., Inc., Waynesboro, VA

John Foley, Pine Mountain Lumber, LLC, Whitesburg, KY

Mike White, Harold White Lumber Co., Morehead, KY

Roy Cummings, Cummings Lumber Co., Inc., Troy, PA

David Kay, Forest Products, Inc., Conover, NC Distributor Division

Tony Honeycutt, Mullican Flooring, Johnson City, TN Consumer Division

Doug Toothman, Western Pocahontas Prop., Huntington, WV Forestry Division

### Meeting Business

In addition to the election of officers and trustees, AHMI members received reports on 2009. Vice Chairman of Finance Chris Keziah said the association is in excellent financial health. Revenues for 2009 were slightly lower than expenses with much of it attributed to an attrition fee at the 2009 Annual Meeting. AHMI has more than one year's budget in reserves.

Chairman Rick Armstrong gave the membership report. The association has 195 active members in five divisions, down eight companies from 2009. The loss includes two mergers, two companies out of the wood business and the others scaling back participation in all associations.

AHMI President Tom Inman recapped the promotion and education activities of the association. He participated in dozens of trade shows and speaking events, published the annual Resource Guide and maintained the association's websites.

Inman presented the plan for 2010 which includes expansion of the Appalachian Hardwood Verified Sustainable program, international and domestic trade events, advertising and direct contact with hardwood consumers to promote AHMI member companies.



### Thanks for your service

AHMI recognized the following Board of Trustees members at the 2010 Annual Meeting for completing their terms. They are (from left) Mark Vollinger of W.M. Cramer Lumber Co., Hickory, NC; John Crites, past chairman and trustee, of Allegheny Wood Products, Petersburg, WV; Mike Hoover of Neff Lumber Mills, Broadway, VA; and Steve Hamer of Jim C. Hamer Lumber Co., Kenova, WV. Not in attendance were John Graybeal of McCloud Lumber, Hampton, TN; and Chris Ghiloni of American Woodmark, Winchester, VA

### 2010 Meeting Winners

Golf: Men Low gross: 1st-Steve Arnold; 2nd-Lowery Anderson;

Men Low net: 1st-Jay Reese; 2nd-Roy Cummings; 3rd-Jeff Kelly

Closest to the pin-Chris Jacobson; Longest Drive-Jeff Kelly

Ladies Low gross 1st-Courtney Borntraeger; 2nd-Marijo Wood; Long Drive-Pat Weaber

Sporting Clays: 1st-Steve houseknecht; 2nd-Tim Borntraeger; 3rd Tied Scott Cummings and John Patterson

\$100 Amex Gift Card - Scott Cummings

Spa Treatment - Judy Cramer

Free round of golf - Joe Kelly

Special thanks to the following sponsors:

**Thursday Reception Assistance** - U\*C Coatings

**Business Session Refreshments** - BB&T Insurance Services

**Business Session Speakers** - Pennsylvania Lumbermen's Mutual Insurance

**Friday Reception Co-sponsor** - LUA

**Golf Tournament Refreshment** - SII Dry Kilns

**Sporting Clays Tournament** - ISK Biocides

**Publicity** - Hardwood Market Report

## Online Hardwood Sales Offer Another Contact

Mike Barrett says WoodLogics does not replace relationship selling - it enhances it.



**Mike Barrett**

The advertising director for the online lumber sales service owned by Hardwood Publishing spoke at the 2010 Appalachian Hardwood Manufacturers, Inc. Annual Meeting.

Hardwood Publishing has served the lumber industry since 1985 with the Weekly Hardwood Review, and in recent years The Hardwood Leader, Hardwood Lumber Buyer, and Hardwood Directory.

The company became involved with the Internet in 1993 and offered its first website in 1997. The WoodLogics system is an online service matching buyers and sellers.

Sellers can list available inventory on the website for a monthly fee. Buyers can list needs

or search the database for existing supplies.

The buyer receives matches for the inquiry and the seller receives an email stating a buyer has entered a search for a specific product.

"As a seller, you can watch these things come in and can quote these people immediately," Barrett said.

The two sides make first contact by email and then the sales negotiation is between buyer and seller outside of WoodLogics.

"We are actively getting information from buyers around the world everyday," Barrett said. "Everything you can imagine as a seller we are gathering daily from buyers."

The system maintains records on companies, past searches, products sold, what is purchased on an annual basis as well as limited financial data. Users can also search the database for prospecting new customers.

For more information on WoodLogics, contact Barrett at (704) 543-4408.

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## Survey: Certification Slowly Rising In Appalachia

U.S. Forest Service Researcher Iris Montague presented the findings of a certification survey of Appalachian producers and distributors in 2009. The research centered on company plans for forest or chain of custody certification.

Montague's focus has been on problems relating to the sustainability of Appalachian forest ecosystems and related economies. She and the staff at the Northern Research Station found:

17% of the AHMI respondents had no interest in certification;

33% of the AHMI respondents were not certified but had knowledge of forest and chain of custody certification;

25% of the AHMI respondents were not certified but actively seeking it;

25% of the AHMI respondents were certified



**Iris Montague**

and plan to continue.

The companies who were already certified said the top three reasons was demand from customers, information from associations and pressure from environmental groups. Companies preferred FSC over SFI 2-to-1.

In a larger sample, companies outside the AHMI region said the driving factor behind certification was the ability to maintain sales/profits. The pull from customers was second.

The cost of certification continues to be the leading reason companies chose not to seek certification. This was followed by "not necessary/no environmental benefits" and no available supply.

Montague said companies must do a better job to market their products to customers using technology.

The survey is titled "Chain-of-Custody Certification in the Appalachian Hardwood Region – Trends, Drivers, and Challenges." For more information, contact Montague at (304) 431-2735.

## ARRA Funds To Boost NC Forest Products

ASHEVILLE, NC – The Land-of-Sky Regional Council announced that recently the organization is accepting project proposals to generate jobs by helping forest producers improve their marketing skills and production methods for their forest-based businesses. The “request for proposals” is part of a regional economic stimulus effort to help improve the forest products industry in Western North Carolina.

The USDA Forest Service Southern Research Station, based in Asheville, is providing nearly \$2 million in American Reinvestment and Recovery Act (ARRA) funds for the economic stimulus effort being administered by LOSRC. ARRA provides millions of dollars to jumpstart the economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so the nation can thrive in the 21st century. The Southern Research Station awarded the ARRA grant to LOSRC in a competitive selection process.

According to the LOSRC plan, the goal is to help businesses to be more profitable as demand for forest products returns and the economy recovers. LOSRC seeks to help underemployed or unemployed forest workers with creative ideas about improving their businesses.

The project could employ close to 100 forest producers to explore alternate approaches to production or marketing.

To be eligible for the program, forest producers must be persons engaged in businesses that grow, harvest, process, market, or use timber and non-timber forest products. Proposals are due by 5 p.m. Eastern time on March 26. The maximum amount for any proposal is \$100,000. More information about the economic stimulus effort and how to submit a proposal is available at: [http://www.landofsky.org/planning/p\\_working\\_lands.html](http://www.landofsky.org/planning/p_working_lands.html).

LOSRC is a non-profit, voluntary association of local governments that manages regional projects and provides services to its members in the areas of planning, economic and community development since 1966.



## EXPORTS

### AHEC Prints Export Data

The American Hardwood Export Council (AHEC) recently published the 2009 U.S. Hardwood Exports Report. The 57-page booklet provides data on:

- US Hardwood Product Exports by Region
- US Hardwood Lumber Exports by Country
- US Hardwood Log Exports by Country
- US Hardwood Veneer Exports by Country
- US Leading Hardwood Lumber Export Species
- US Leading Hardwood Log Export Species
- World's Leading Hardwood Lumber Importers
- World's Leading Hardwood Lumber Exporters
- World's Leading Hardwood Log Exporters
- World's Leading Hardwood Log Importers
- World's Leading Wood Furniture Exporters
- World's Leading Wood Furniture Importers

AHEC is the leading international trade association for the U.S. hardwood industry, representing the committed exporters among U.S. companies and all major U.S. hardwood product trade associations. AHEC maintains offices in Japan, Europe, Southeast Asia, China, Korea and Mexico, in addition to its Washington, D.C. headquarters, to serve the needs of the global community. For additional information please contact AHEC at (202) 463-2720 or [www.ahec.org](http://www.ahec.org).

### Chinese Factories Get Antidumping Reviews

WASHINGTON — The U.S. Department of Commerce said in a Federal Register notice recently that it was initiating three requests for new shipper reviews on wooden bedroom furniture from China.

The review covers calendar year 2009. The companies are Dongguan Huansheng Furniture Co. Ltd., Hangzhou Cadman Trading Co. Ltd., and Wanvog Furniture (Kunshan) Co. Ltd.

The reviews will determine the initial U.S. antidumping duty rates that will be applied to shipments from the companies.

## Federation Leader Testifies On Trade Issues

Hardwood Federation Chairman Jamey French recently gave written testimony to the U.S. International Trade Commission (ITC) which is studying trade fairness for small and medium sized businesses in the export markets.

Among the key facts the Hardwood Federation brought to the attention of the ITC is that as the U.S. economy has faltered, exports have become increasingly important. Hardwood lumber exports were down in the first quarter of 2009 35% from 2008, and down 53% from the 2006 peak. Business declined in all major markets and for all species, with the exception of birch.

French shared with the commission that hardwood-related industries have experienced staggering job loss. Between 2000 and 2008, 44% of the domestic furniture manufacturing jobs have been lost. And the sale of hardwood materials to U.S. furniture makers dropped 75% between 1999 and 2008.

French asked the ITC and the U.S. Trade Representative who originally commissioned this investigation to look at several issues that impact our industry's competitiveness. Below are examples of challenges included:

- Competitor nations enjoy lower wage, energy and regulatory costs.
- Most competitor nations import raw materials duty free while protecting domestic value-added industries.
- Foreign import fees and lopsided tariffs add fees to U.S. products that have resulted in a 450% increase in the price to consumers.
- Freight charges and services are unpredictable and ever-changing.
- Illegal logging
- APHIS export user fee increase
- Small business loans have dried up making it difficult for industries to get necessary capital to compete.

## Federation Needs Hardwood Families To Join

Hardwood Federation Lobbyist Grace Terpstra encouraged Appalachian Hardwood Manufacturers, Inc. members to get involved.

The Hardwood Federation is the industry's political action and legislative partner in Washington DC. The focus is to ensure the industry's business interests are represented and heard with federal policy makers developing legislation and regulation that impacts hardwood businesses ability to compete.

Terpstra spoke at the 2010 AHMI Annual Meeting and said support from HF partners along with corporate contributions are what give the Federation the ability to advocate for the industry's priority policy. With over 25 trade associations, which includes AHMI and its members, the Federation has a broad membership base that provides a strong, unified voice on Capitol Hill which gives the industry a reputable seat at the table when legislation is being developed.

The issues for 2010 are complex:

- Economy and jobs are in the forefront with

small-medium size businesses as the focus.

- Access to credit for small businesses
  - President Obama is pushing a stimulus bill couching it as a "jobs" bill. HF is involved in two efforts to stimulate business for the industry. HIRE – Home Improvement Restoration and also Cash for Caulkers.
  - HF continues to seek appropriate funding for agencies to effectively implement the Lacey Act which addresses illegal logging.
  - HF seeks a solution to the APHIS export user fee by promoting acceptance of industry dry kiln program, specifically in China and EU.
  - The debate around biomass incentives and renewable energy continues with some of the biggest concerns being raised within the wood industry. Discussions and concerns on carbon neutrality and the Biomass Crop Assistance Program are all issues being debated in Washington.
- The Federation needs every person and family in the Hardwood Industry as a participant. To sign up, visit [www.hardwoodfederation.com](http://www.hardwoodfederation.com).

## AHMI Offers Discount Tickets For PGA Event

Appalachian Hardwood Manufacturers, Inc. members who attend the 2010 Summer Conference are able to purchase discounted tickets for the Greenbrier Classic PGA Tour Event which will follow the meeting at The Greenbrier.

The PGA TOUR and The Greenbrier announced in 2009 they have entered a six-year agreement, through 2015, whereby the historic West Virginia resort will sponsor and host The Greenbrier Classic is part of the FedExCup, begins the week of July 26 - Aug. 1, 2010. The 2010 AHMI Summer Conference is July 24-27.

The new tournament will be held on The Old White Course, The Greenbrier's original of four golf courses, dating back to 1914. The Greenbrier will form a separate non-profit charitable organization to serve as the tournament operator.

AHMI President Tom Inman has negotiated discounted ticket books for AHMI members that are good for practice rounds and the tournament.

"It is exciting that PGA pros will be arriving and practicing during the AHMI Summer Conference," he said. "Because of our long history with The Greenbrier, they are making every effort to accommodate us preceding the event."

PGA TOUR Commissioner Tim Finchem has said The Greenbrier is recognized as one of the truly great resorts and golf destinations in the world. "From our ongoing discussions with Jim Justice (Greenbrier owner) I can tell you how totally committed he is to creating an exceptional tournament that is befitting of such an historic resort," he said.

The Greenbrier has hosted the Ryder Cup in 1979, the LPGA Solheim Cup in 1994, and the PGA's Champions Tour from 1985-87. Measuring nearly 7,000 yards and playing to par 70, The Old White Course will undergo minimal modifica-

### AHMI Summer Conference July 24-27, 2010

tions for the PGA event.

The Greenbrier's newest amenity, The Tavern Casino, will open this spring and encompass 3,700 square feet with a Monte Carlo atmosphere. Discreetly located below Prime 44 West, the facility features a variety of table games, including blackjack, roulette and three card poker as well as 44 slots. The underground complex will be discreetly located beneath the front entrance green space, which will be redesigned to include additional flower beds, landscaping and walks.

Casino hours are Monday through Saturday, 11:00 a.m. to 3:00 a.m. and Sunday 2:00 p.m. to 3:00 a.m. The dress is casual with business casual in the evening hours after 6:30 p.m.

While the agenda is not complete, AHMI will host receptions each evening (Saturday-Monday) beginning at 6 p.m. Business sessions will be held on Monday and Tuesday mornings with sporting events each afternoon.

Complete details will be announced soon.

The Casino at The Greenbrier, opening in Spring 2010, will feature an elegant, Monte Carlo-style casino, as well as retail and dining areas. These new amenities will complement the resort's 231-year history and add to the wide array of recreational activities.

AHMI has a block of rooms for Saturday, July 24 through Wednesday, July 28 with rates starting at \$280 per night. Please call the AHMI office for complete details and make your plans today to attend the AHMI Summer Conference and remain for The Greenbrier Classic event.

