

The Link



The Newsletter of the Hardwood Manufacturers Association

Something different on tap for Tuesday

It's not too late to participate. Association members and industry friends are making tracks to the greater Nashville area and HMA's 2013 Central Regional Meeting. How about you? Online registration at www.HMAmembers.org is quick, easy and literally at your fingertips.

In line with our efforts to keep HMA events 'fresh,' many early-arrivals have signed on to participate in Tuesday's optional **Tennessee Distillery Tour** and BBQ dinner. It's shaping up to be quite a unique experience and one guaranteed to be great fun, for sure. So as you finalize your plans to attend, please be sure to call the HMA office, (412) 244-0440, to check on cost, departure time and other details. The bus is filling up fast.

Now, to serve as a memory refresher, here is the 'official' Meeting agenda at a glance.

'Millennial' members heading to Regional

What better way to communicate with our younger generation of hardwood leaders than to talk with them; walk with them; observe the workings of a debarker with them? Here's your chance.

We're pleased that many members of HMA's recently formed **Millennial Council** plan to join us in Murfreesboro. We're told they regard this meeting as an opportunity to contribute and learn. And for HMA's more 'senior' members, this is your opportunity to lead and mentor. We're

anticipating that the Wednesday evening reception and dinner will provide an excellent venue for this significant information exchange. Please be there.

Also planned for Wednesday evening, a few moments with Jeff Hanks, Bill Hanks Lumber Company, Inc., Danbury, NC, regarding North Carolina's House Bill 628 – titled **Protect/Promote NC Lumber** – which is asking that public projects use recognized environmental building rating systems that do not disadvantage materials or products manufactured or produced in North Carolina. Wow!

And as previously mentioned, to expand the networking pool of industry peers, we've invited the former **NOFMA** manufacturing members of the National Wood Flooring Association to participate with us. With this opportunity to connect with old friends and to make a few new ones, here's to another action-packed HMA Regional Meeting – as so many of you tell us, perhaps the greatest HMA member benefit.



There's still time to register!

HMA's Central Regional Meeting
Nashville SE/Murfreesboro

June 12-13

Don't miss it!

Wednesday, June 12

6 A.M.	Complimentary Breakfast available in Hotel Lobby
7 A.M.	Depart Embassy Suites for McMinnville, TN
8 A.M.	Tour Cumberland Lumber & Manufacturing Company
9:15 A.M.	Tour Mayfield Lumber Company
11:30 A.M.	Tour Thompson Appalachian Hardwoods, Inc. , Huntland, TN
LUNCH	
2:15 P.M.	Tour Brown-Forman Cooperage Stave Mill , Stevenson, AL
3:30 P.M.	Depart Brown-Forman Cooperage Stave Mill
5 P.M.	Arrive Embassy Suites, Murfreesboro, TN
6 P.M.	Reception/Dinner

Thursday, June 13

6 A.M.	Complimentary Breakfast available in Hotel Lobby
7:30 A.M.	Depart Embassy Suites for Cookeville, TN
8:45 A.M.	Tour Hermitage Hardwood Lumber Sales
10:15 A.M.	Depart Hermitage Hardwoods Lumber Sales
11:15 A.M.	Arrive Nashville International Airport
11:45 A.M.	Arrive at Hotel, if necessary

Remember, fellow HMA members are looking forward to talking American Hardwoods with you. Finalize your plans today and let's get the conversations started!

Buyers gravitate to homes with hardwood

The experts agree. American Hardwood sells! And a press release issued by the American Hardwood Information Center (AHIC) is telling the world all about it just like this.

"The residential housing market is heating up, but before posting that "For Sale" sign, let's talk upgrading with American Hardwoods to maximize your home's value. Here's why.

It all comes down to dollars and 'sense,'" says Linda Jovanovich of the American Hardwood Information Center. "In addition to warmth, beauty, and durability, hardwood features increase your home's resale value. Even with a modest budget, if you take the time and price your options, updating worn floors, dated cabinetry, and lackluster walls will make a significant difference. And it's easier and less expensive than you think."

Entitled, "Maximize your Home's Value; Experts agree, American Hardwood Sells!" the release not only includes findings from a nationwide survey of real estate agents



but quotes from an Atlanta real estate agent, a New York based flooring purveyor, and a principal of a national kitchen and bath remodeling franchise. Content-based marketing expert, Brandpoint, is distributing the release, guaranteeing placement in top U.S. dailies and online publications.

Yes, American Hardwood sells! And the American Hardwood Information Center (AHIC) is telling the world all about it. Please visit www.HardwoodInfo.com to read the release in its entirety.

HMA honorable mentions and reminders

Congratulations to this year's recipients of the University of Wisconsin-Madison College of Agricultural and Life Sciences **Robert B Hendricks Memorial/Hardwood Manufacturers Association Scholarships**. Clint Gilman tells us, "I am a forestry major and would love to work in natural resource management or specifically as a forester." Logan Wells aspires to "work with landowners to implement forest management practices; continue to run my portable sawmill business and eventually start my own forestry consulting firm."

HMA member **Keiver-Willard Lumber Company**, 11-13 Graf Road, Newburyport, Mass. is turning 60 and the Anniversary Celebration and Open House festivities kick-off on June 1 with dinner, presentations, music, special guests and much more. From the HMA staff, many more productive and profitable years!



Please mark your calendar for these upcoming events:

- HMA Central Regional Meeting
June 12-13, Murfreesboro, Tenn.
- HMA Fall Regional Meeting
September, 2013
- Hardwood Federation Fly-In
October 30-31, Washington, D.C.
- HMA National Conference and Expo
March 12-14, 2014, Savannah, Ga.

More than just talk

by Linda Jovanovich

HMA Executive Vice President

We were so excited. We thought we finally found him – a LEED building professional interested more in doing the right thing (i.e. embracing American Hardwoods for their beauty, durability and environmental preference) rather than garnering 'points.'

He said all the right things in his online interviews; wrote the right words in his reference documents; quickly accepted our invitation to converse and expressed interest in the potential for collaborative efforts. And so, we talked. And as you will see, the conversation was riddled with contradictions and disappointing.

- Oh yes, our Organic Architect follows the design process of Nature and the simple laws of common sense when designing a green building. He recognizes hardwoods as one of Nature's most sustainable building materials, and also recognizes their superiority to competing products, like concrete and steel, when compared by Life Cycle Analysis.
- However, as an "engineered product," he prefers Costa Rican bamboo flooring (over Chinese) because of its rapidly renewable quality. No mention, of course, of the layers of glues and possible volatile organic compounds. He also recommended all of our members affix any type of 'ABC' certification sticker to their product, but later said FSC is the only certification system LEED professionals respect and take seriously.
- And, each of us needs to be less defensive in our conversation. Talk to the beauty and durability of American Hardwoods and by the words used in your conversation, consumers and professionals will know you are responsibly caring for Earth's prized natural material. BUT please, don't get too scientific because frankly, after about 4 or 5 minutes of rambling details, you will have lost your listener.

Too scientific? Then I read this blurb on Twitter, "[Artificial Forest Converts Sunlight into Oxygen](#)," and we are too scientific? Hey dude, it happens naturally. Youiiii! I definitely needed some protection from constantly beating my head against the boards!

Hope to see you in a few!

Outsmart the Competition Terri Murphy style

The Era of 'Social' Business

Is your business using technology in order to be memorable and to attract new clients?

Terri Murphy, CIO of US Learning, LLC says you should be. Her presentation at HMA's recent National Conference and Expo demonstrated the power of both traditional and electronic communications to connect with more prospects, increase sales and make more money.

Know Who's Buying – "Any company seeking to get its footing for future success must pay attention to the next large group of consumers." And communicating with them, on their terms, is essential. **GenY** or those born between 1965-1980 represent more than 70 million consumers. They earn a total annual income of approximately \$211 BILLION. They spend nearly \$172 BILLION each year.

LinkedIn – Young professionals like to talk with people they can trust. Set up a **Professional LinkedIn Profile** and watch your business connections grow through the relational capital of colleague recommendations. And social media is all about relationships. It's B2B Connections at its best.

Create Community – Set up a **Facebook BIZ Page** because Facebook has one billion



users. Use **Twitter** as a Newsfeed. Twitter has over 140 million active users that generate over 340 MILLION tweets per day and 57 percent of all companies that use social media for business use Twitter. Develop a **YouTube Channel** and **Broadcast** yourself. 700 YouTube videos are shared on Twitter each minute. And over four Billion hours of video are watched each month.

Then There's Pinterest – A picture is still worth a thousand words and GenY consumers love pictures. 97 percent of the fans of Pinterest's Facebook page are women. Over 80 percent of pins are repins. Pinterest referrals spend 70 percent more money than visitors referred by non-social channels.

Bottom Line: Social Media will tell your story, if you let it. Word-of-mouth is still the number one way to increase sales.

Terri Murphy's entire presentation is available at www.HMAmembers.org. To learn more about her, visit <http://terrimurphy.info/>.

Healthcare Rule Compliance

The time to fully understand the impact of the mandatory rules of the Patient Protection and Affordable Care Act is NOW! At the National Conference and Expo in Charleston, April Jones, Blue Cross of South Carolina, offered succinct Need-to-Know information regarding the new health care rules.

Who is affected – Small employers (2-50 employees through 2015, 1-100 employees beginning 2016); Large employers (sister companies, under the control/ownership of a single entity, will be deemed one company); Individuals ages 0-64

Types of Exchanges – State run, Partnership (State/Fed) or Federal Facilitated exchanges are to be ready for enrollment beginning October 1, 2013, for January 1, 2014 effective dates of coverage. (It appears that both state and federal programs are behind schedule.)

Small Employer Options – Employers with 2-50 employees can offer a fully insured plan through either a Federally Facilitated Exchange (FFE) Small Business Health Options program OR an off-exchange market; offer a Self-Insured Plan, if allowed by state law; stop offering coverage and let employees buy through the individual market.

Large Employer Options – Employers with 51+ employees (be aware of 'revised' definitions of full and part time) can offer health insurance that meets the minimum coverage definition and is **affordable**; offer some level of coverage that does not meet minimum requirements and pay the employer penalty; stop offering coverage and pay the employer penalty.

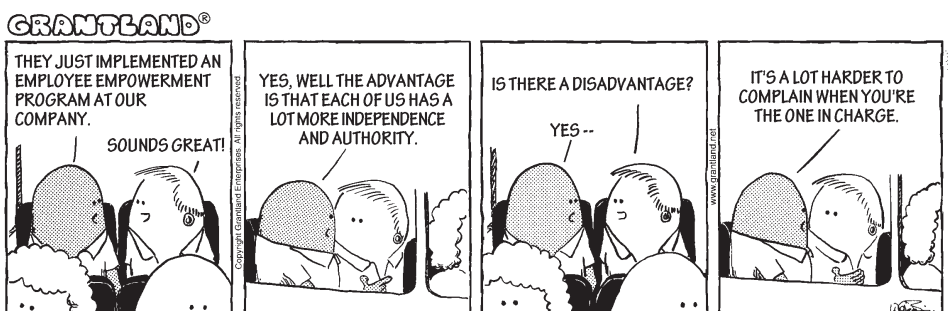
Options for Individuals – Americans not covered under a government plan can get coverage through their **employer**, if available; buy an **individual market plan** through either the individual market exchange or the off-exchange market; **go uninsured** and be penalized.

Bottom Line – It's Complicated and it's Serious! Be sure to consult with your insurance, accounting and legal advisors to determine how the rules apply to you.

Visit www.HMAmembers.org for April's entire presentation.

Helpful resources: The Kaiser Family Foundation, The Center for Consumer Information and Insurance Oversight, Department of Labor, Internal Revenue Service, and the Department of Health and Human Services.

JUST FOR LAUGHS



Hardwood Federation and the next Farm Bill

by Dana Lee Cole

Hardwood Federation Executive Director

The **Farm Bill** is one of our major priorities here in Washington, and with the 2008 Bill set to expire later this year, we've been working with allies in Congress as they consider a new five-year bill. The question we, and many, were asking is – can a bitterly divided Congress, with an Administration facing national and international challenges against the backdrop of a still fragile economy, actually pass a new massive Farm Bill? We hope so, and we're working to make sure hardwood industry priorities are protected.

Priorities include the **Market Access Program** (MAP) and **Foreign Market Development** (FMD) – programs that are major for our industry but minor for the \$288+ billion bill. Also, critically important to us is how the Farm Bill deals with biomass/bioenergy, and of course, the long-awaited fix to the deeply flawed USDA Bio-preferred Program.

There was good news for the industry in these initial proceedings where the House and Senate Agriculture Committees began considering versions of a new Farm Bill.

HMA LINK is published each month exclusively for members of the Hardwood Manufacturers Association. Views expressed are not necessarily those of the HMA; *HMA Link* welcomes comments and questions.

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- Senate Agriculture Committee Chairman Debbie Stabenow (D-MI) adopted virtually all of the HF-supported amendments and language into her version of the bill. House Agriculture Committee Chairman Frank Lucas (R-OK) included all of the Forest Products Fairness Act in his version of the new Farm Bill.
- Both committees increased funding for the Rural Energy for America Program (REAP), which encourages the use of our industry's residuals. The funding increases were mandatory in the Senate, but not in the House – something that will need to be worked out at some point.
- Both committees also took positive steps towards fixing the USDA Bio-preferred Program to ensure forest products are included and counted. In the House an amendment by Representative Dan Benishke (R-MI) was approved that would require USDA to conduct a study of the timber needs of all wood-producing facilities within 100 miles of National Forest System areas and whether the National Forest System can meet those needs.
- The Senate Committee passed the bill by a vote of 15-5 and the bill now moves to the full Senate. As of the writing of this article, the House Committee had not yet passed the bill, but it is expected to move through the committee to the House floor this summer.

We have worked diligently with allies to get to this point, and we're pleased with what we see as fair treatment for our industry and issues thus far. We will continue to work with our supporters, and also reach out to Members of Congress, perhaps unfamiliar with our interest in the Farm Bill, in a concerted effort to win passage of the Farm Bill with our priorities intact.

I look forward to speaking with many of you later this month in Tennessee. But before then, should you have questions regarding the Hardwood Federation, the Farm Bill, and our other policy priorities, please contact me at dana.cole@hardwoodfederation.com.

A forward-thinking exercise

HMA's Business Meeting in Charleston included a short but information-rich presentation by *Hardwood Market Report* editor, Judd Johnson. It was good news. The growth and energy being experienced by the hardwood lumber market come as a result of solid and meaningful gains in single family housing starts and exports. Moving forward, overseas markets and improved domestic housing will provide a future for American hardwood and hardwood products. And from the May issue of Judd's *HMR Executive*, even more on housing and exports.

"Total US housing starts surpassed the 1,000,000 unit (annual rate) mark in March 2013, an increase of 46.7 percent from one year earlier." Because housing completions have yet to reach starts, "additional demand for interior fittings and furnishings is imminent. That is good news to US and global secondary manufacturers supplying hardwood finished goods to the US market.

The fact that China has shifted from a country that manufactured wood products for export to one that processes finished goods for domestic use has boosted US hardwood business and has shifted the species and grade mix. Southeast Asia – countries south of China, east of India, west of New Guinea, and north of Australia – is also important to US hardwood sales and is growing in influence. Vietnam ranks first in terms of volumes shipped. The other three main markets for US hardwoods in the Southeastern Asian region are Thailand, Indonesia, and Malaysia.

As much as US hardwood producers rely upon international markets, the world views the US as a viable, important source of hardwood supplies. The abundance of high quality hardwood timber in the US combined with proven grading rules and efficient business and transportation infrastructures provides customers with a reliable raw material supply base. Statistics show the time and money invested to grow markets in the East have paid off. Going forward, US hardwood lumber sales companies are committed to build upon this success."

Judd Johnson, editor of the Hardwood Market Report, can be reached for comment at judd@hmr.com.