



February 2020

More than just talk

By Linda Jovanovich

HMA Executive Vice President

It's almost National Conference and Expo time and all roads are leading to Nashville, Tennessee. We've designed NatCon 2020 around the theme of "**Piloting Change**," and compiled a dais of presenters - and an agenda of events - to aid you and all industry stakeholders, in doing just that!

Yes, there is still time to register to attend. But by all means, finalize your hotel accommodations! Nashville is a wonderfully popular city. And the JW Marriott is filling quickly. Please contact the hotel, today, to take care of business. I wouldn't want you to be left out. (Note: the negotiated 'special' room rate is available for Tuesday-Thursday, March 24-26, ONLY!)

Now, if you continue to peruse this issue of *The Link*, and I hope that you will, you'll find the "specifics" of the Conference agenda. So in this space, my space, I'd like to extend my personal '**thank you**' to the industry suppliers and conference sponsors whose participation is making this year's event one for the record books!

Expo 2020 is a **sell-out!** As we go to press, 41 industry suppliers have made plans to be "front and center" in Nashville. Beginning at 6 p.m. on Wednesday, March 25 and until 11 a.m. on Friday March 27, you'll find them - and their solutions, strategies and technical expertise - ready, willing and able to assist you in your efforts. (For a preview of the Exhibit space, plus a list of participating suppliers to date, visit www.HMAMembers.org.)

Additionally, more than a few of them, along with many **HMA member companies**, have gone the "extra mile" for us, and have signed on as National Conference Sponsors! That, I call commitment to the nth degree! This additional financial support to the HMA enables us to enhance the overall Conference offerings to all participants.

HMA's way of showing appreciation is to recognize all of our generous supporters during the National Conference events, in all of the Conference promo material, in our monthly newsletter, *The Link*, and all year long on the Home page of our member website, www.HMAMembers.org. Again I say, **thank you all!**

So, here we are. The stage is set! The Expo is a sell-out! I look forward to seeing you in March for HMA's 2020 National Conference and Expo!

Make your reservation at the JW Marriott

Don't delay in finalizing your accommodations. HMA's room block at the JW Marriott Nashville is filling fast. And we'd hate to have you miss this opportunity to enjoy **"World Class Luxury with Southern Flair!"**

"Situated on prime real estate in vibrant, burgeoning Music City, the **JW Marriott Nashville** rises from one of the city's highest points (second only to the Capitol building). With a full-service, modern spa, museum-worthy collection of contemporary art, rooftop terrace and pool, as well as world-class dining in three restaurants, the hotel is truly a one-of-a-kind luxury destination."

- Reservations can be made **online** or by calling 1.615.291.8600.
- Be sure to mention the Hardwood Manufacturers Association to secure the 'special' rate of \$279 Single/Double, **available Tuesday-Thursday, March 24-26, ONLY!**
- Negotiated, discounted room rate expires **March 2, 2020**.

2020 NatCon and Expo Sessions & Events

Have you finalized your plans to join us at the JW Marriott Nashville for HMA's **2020 National Conference and Expo**, set for **March 25-27**? The theme of the event is **"Piloting Change."** And as you will see, the Conference learning sessions are on-point with information and direction to "take you from where you are today, to where you will need to be tomorrow." Take a look.

Thursday, March 26

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|----------------------|---|
| 8:30 a.m. | Welcome & HMA Business Meeting |
| 9-10:00 a.m. | <i>Lost in Translation-Your benchmarking 'GPS' to Profitability</i> , Roy Anderson, Vice President, The Beck Group, and HMA member participants |
| 10-10:45 a.m. | <i>Advocacy and Representation</i> , <u>Dana Lee Cole</u> , Executive Director, Hardwood Federation & <u>Neil Owens</u> , Business Development Consultant for Forestry and Wood Products, Tennessee Department of Agriculture |
| 10:45-11:45 a.m. | <i>Operations and Technology SoundBytes</i> <ul style="list-style-type: none">• Thermal Modification Techniques – Claus Stalner, WoodEye• TallyExpress – DMSi Software• Improved Stacker & Stick Placing Systems – Riley Smith, TS Manufacturing |
| 11:45 a.m.-1:30 p.m. | Vendor Expo Café , Enjoy a luncheon Buffet while visiting the industry's leading suppliers |
| 1:30-2:30 p.m. | <i>Hardwood Market Trends</i> <ul style="list-style-type: none">• Global Markets – Michael Snow, Executive Director, American Hardwood Export Council• Industrial Markets – David Caldwell, Assistant Editor, <i>Hardwood Market Report</i> |
| 2:30-3:30 p.m. | <i>Today's Top Priorities</i> , A moderated, interactive discussion on current industry topics |
| 6-7:30 pm | Reception and Expo
Hosted by HMA's NextGen Leaders Council |

Friday, March 27

8:30–9:30 a.m.

Best Business Practices SoundBytes

- Simplifying the Health Care Journey – Chelsea Abdihodzic-Young, Strategic Advisor, CARAVUS
- OSHA’s Most Cited Standards’ Violations – Wendylee Fisher, Assistant Commissioner, Tennessee OSHA
- Employee Stock Ownership Plans (ESOPs) – Robert D. Case, CLU, TJT Consulting

9:30–10:30 a.m.

An Economic Outlook, Scott Schuh, Ph.D., Associate Professor
John Chambers College of Business and Economics, West Virginia University

And remember, the evening Reception and Expo events will provide the perfect opportunities for all participants to relax and refresh, browse the technology Expo, plus meet, greet, network, catch-up, make new contacts, and connect with industry colleagues and longtime friends. Don’t miss this. [Register](#) to attend, today.

Reminder & Last Call for NatCon Sponsors

We’re coming down-to-the-wire on Conference Sponsorships. And we’ll soon be sounding “last call.” So contact the HMA office today, and give us the opportunity to spotlight you, just like this.



Thank you to **Silver Sponsor** Fly Tie & Lumber, LLC, Grenada, Mississippi! These fine folks will be sponsoring a [Morning Coffee Bar](#). We look forward to seeing you in Nashville, real soon! And thank you for helping to keep us all ‘refreshed.’ (www.flytimber.com)

To show your ‘extra’ support of the HMA, sign on as a **National Conference Sponsor**. In return, HMA will spotlight your extra support in all printed Conference materials, HMA’s monthly newsletter, *The Link*, on www.HMAMembers.org, and so much more! To discuss available opportunities, contact the HMA office, today. **(412.244.0440)**

Hardwood Federation Update

By Dana Lee Cole

Hardwood Federation Executive Director

Trade action heated up in the first weeks of the New Year with the final passage of the U.S.-Mexico-Canada trade agreement (USMCA) and the signing of the “Phase One” trade deal with China.

Of most interest to the hardwood industry was the January 15th signing ceremony between U.S. President Donald Trump and Chinese Vice Premier Liu. The Hardwood Federation was pleased to see that hardwood lumber is specifically mentioned - under U.S. manufactured goods - as part of the deal in the White House fact sheet released at the signing ceremony.

In the trade agreement text itself, hardwood lumber products are again highlighted in the table on page 6-3 under “Other Manufactured Goods.” In addition, the table on Page 6-11 includes all of the 400 level Harmonized System Codes for hardwood lumber.

Exactly how purchases will be made by the Chinese, in all categories, is yet to be announced. Our sources at USTR indicate it could be a combination of reduced tariffs, product exclusions and government purchases. Mike Snow of the American Hardwood Export Council also points out that China has obligations to all their trade partners under the World Trade Organization. How China increases purchases of U.S. goods without violating

these agreements is also unknown. And, of course, much depends on Chinese demand in what most experts agree is a slowing economy.

The Trump Administration has responded to these concerns by pointing out the monitoring and enforcement mechanisms included in the agreement. Administration officials, including the President, have promised swift action if progress towards desired goals is not reached.

The Hardwood Federation will also be tracking progress very carefully...particularly reports from the industry about potential increases in orders...and in prices.

The **bottom line** is that while it was essential that hardwoods be explicitly included in this initial trade agreement, the real benefits to the industry are yet to be determined.

In other trade news ...

In a rare show of bipartisanship, the Senate approved the USMCA agreement by a vote of 89-10. Canada and Mexico are in the top four trading partners for U.S. hardwoods. Finalizing this agreement will provide much needed certainty to these markets. As part of the process, the U.S. and Mexico have negotiated a separate Environment Cooperation and Customs Verification Agreement that intends to increase efforts to combat illegal trade, including that of timber.

The Hardwood Federation will focus on the implementation process for both of these agreements, as well as on Phase Two negotiations between the U.S. and China.

Industry stats/trends and 2020 projections

What do insiders have to say regarding market outlook projections for 2020 and beyond? Here's a snapshot look at the good and not-so-good news from *Woodworking Network's* editor of special publications, Karen M. Koenig.

Flooring Stats/Projections/Trends

- "The U.S. hardwood flooring industry employs 45,000 people, contributes \$4 billion to U.S. gross domestic product, and generates \$8.5 billion in U.S. economic output, according to a recent Economic Impact Study commissioned by the Hardwood Federation.
- Of the roughly \$11.6 billion floor coverings imported into the United States in 2018, hardwood flooring accounted for slightly less than \$1.5 billion and laminate flooring for about \$614.0 million, according to estimates from the U.S. Department of Commerce and Catalina Research. With their ability to mimic the look of real wood, LVT and WPC were named the biggest threats to wood flooring by contractors in NWFA's 2020 Industry Outlook survey.
- In the National Wood Flooring Assn.'s 2020 Industry Outlook survey, more than 64 percent of manufacturers, distributors, retailers, and contractors forecast an increase in wood flooring demand, with about half predicting a rise between 3-7 percent, and 14 percent projecting growth of more than 8 percent. Nearly a quarter of respondents, however, were pessimistic about 2020. (Published in *Hardwood Floors* magazine.)
- What's trending in wood flooring? According to NWFA's 2020 Industry Outlook survey, it's wider, longer planks in light colors. White oak continues to be the go-to-species, in part due to its availability. Textures are still in demand, although the survey predicted a decrease in hand-scraped finishes due to their difficulty for cleaning. Gray, natural and other light colors continue to be popular."

Wood Components & Industrial Products

"The market outlook continues to be positive for wood components and industrial products.

- A snapshot of the \$8.6 billion U.S. wood moulding and millwork segment projects 4.4 percent annual growth through 2022. ([Wood Component Manufacturers Assn.](#), [Wood Products Manufacturers Assn.](#))
- [A survey by Cabinet Makers Assn. and FDMC](#) of more than 200 mostly small to mid-size custom woodworkers found the top five products being outsourced are: turnings, cabinet doors, drawer boxes, carvings/onlays/decorative parts, and countertops.
- With respect to industrial products, wood continues to be the dominant material for pallet usage, with U.S. demand projected to reach 1.4 billion units in 2019. (Freedonia)
- Demand for new wood crossties is projected to reach 23.1 million, an increase of 2.0 percent over 2018. The Railway Tie Assn./*Crossties* also forecasts growth for 2020, to 23.4 million ties.
- And according to Transparency Market Research, the pellets market is projected to reach sales of \$20 billion by 2023."

Karen M. Koenig, a contributor to *FDMC* and other *Woodworking Network* online and print media owned by CCI Media, has more than 30 years of experience in the woodworking industry. She can be reached at karen.koenig@woodworkingnetwork.com.

NWFA University's NextGen award winner

To recognize the growing impact young people are having on the wood flooring industry, the National Wood Flooring Association (NWFA) has established the **Next Generation Award**. And congratulations go out to the first recipient of the Next Generation Award, 11 year-old **Fineas Luca** from Woodinville, Washington.

Several years ago ...

"To reach more flooring professionals and to offer a new, cost-effective, convenient way to provide training basics without the burden or cost of travel," **NWFA University** (NWFAU) was instituted. "Our hope at the time," says NWFA President & CEO, Michael Martin, "was to engage with younger generations in ways they already embraced – digitally. Never, in our wildest dreams, did we imagine we'd have an impact on an 11-year-old protégé."

Fineas, son of NWFA member Dinu Luca, ADL Floors Inc., "is the youngest person to successfully complete all of the NWFAU courses in the [Installation](#) learning path and the [Sand & Finish](#) learning path. To accomplish this, he took 72 required courses, and passed each of the assessments, scoring 80 percent or higher for each. The Next Generation Award was presented to recognize Fineas' accomplishment, and to encourage him and others to remain engaged with life-long learning." Congratulations Fineas!

Visit www.nwfa.org to learn more about the NWFA University.

The USDA's Wood Product and Carbon Connection

This important message from the U.S. Forest Service: "The atmosphere is a critical part of what makes Earth livable. Every product we choose has a carbon consequence. So, when people use wood-based products, in place of fossil fuel-intensive products like steel, concrete, or plastic, there is a permanent benefit to our atmospheric home. **The Wood Product and Carbon Connection** is something the USDA Forest Service would like everyone to know" more about.

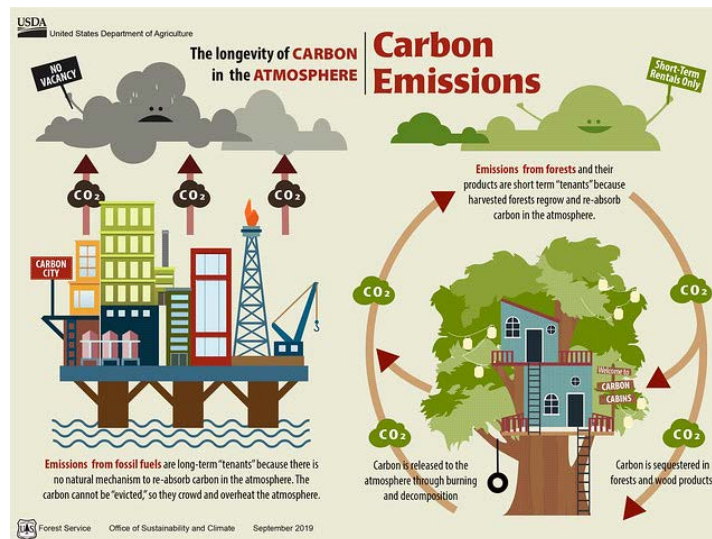
Wood - A sustainable resource

- "The cycle of seed, plant, grow and harvest makes trees a natural, renewable resource.
- While trees grow in the forest, they remove carbon dioxide from the atmosphere and store it in their trunks, branches, stems, leaves, roots and soil.
- When trees are sustainably harvested, wood continues to store carbon in the thousands of products we use every day, from paper products to lumber to energy generation.
- Trees then regrow, repeating the cycle."

How is Wood GOOD for the environment?

Buildings framed in wood release 26 percent less carbon than steel-framed buildings, and 31 percent less than concrete-framed buildings. Similarly, when people install wood floors instead of vinyl flooring, carbon emissions can be as much as 20 times lower. And, by building with wood, we're opting to store additional carbon in everyday products and buildings.

Bottom Line: Every product we choose has a carbon consequence. When we choose wood, we keep our home clean, support forests, and invest in long-term climate solutions."



(USDA Forest Service graphic)



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