

The Link

Newsletter | June 2025



Building a Stronger Industry

by Matthew Netterville
President, HMA



HMA Friends and Family,

I hope to see and visit with you in Knoxville, Tennessee, for the 2025 Hardwood Manufactures Association's National Conference and Expo.

What a great place to join together. This beautiful city and the nearby Great Smoky Mountains are wonderful this time of year. This year's event is definitely one to bring the family to as well.

The HMA team has lined up a superb group of speakers and panels that we feel will leave you energized to go back to your facilities and help move you in a positive direction in the challenging market we are all facing today.

The durability and camaraderie of the HMA is second to no other organization in our industry, so if you have never been to a HMA National Convention or it's been a while, I encourage you to come hear great speakers, play golf in our tournament, meet our industry's leading vendors, and come see old and new friends.

See you in Knoxville.

Thank You, NatCon Sponsors!

HMA would like to recognize the companies listed below for going above and beyond in their support of HMA and our National Conference and Expo.

Learn more about their companies by stopping by their booths during Expo hours or by clicking on their logos.

There's Still Time to Register

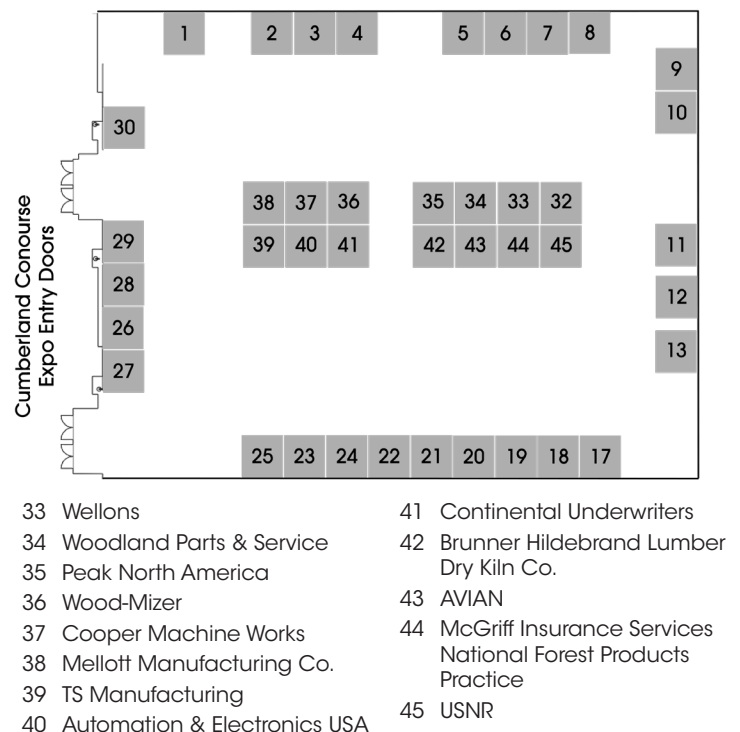
If you're planning on joining us in Knoxville for HMA's 2025 National Conference and Expo, but have yet to register, time is of the essence. Visit HMAmembers.org or email ian@hardwood.org.



Get Ready for the Expo

Make sure to stop by the Expo Hall during NatCon for our Opening Reception on Wednesday, June 11, as well as our Vendor-Expo Café Lunch and Thursday Reception on Thursday, June 12. And remember, the Expo will be held at the Knoxville Convention Center.

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|-------------------------------------|---|
| 1 Corley Manufacturing Co. | 18 MiCROTEC |
| 2 Progress Industries | 19 Brewco |
| 3 Samuel Coding & Labeling | 20 Hardwood Review |
| 4 Carbotech | 21 G.W. Kittrell Auctions |
| 5 McDonough Manufacturing Company | 22 Kittrell Appraisals & Sawmill Brokers |
| 6 Buckman | 23 Cleereman Industries |
| 7 HMR - Fastmarkets | 24 U-C Coatings |
| 8 Hurst Boiler | 25 Nicholson Manufacturing |
| 9 SII Dry Kilns | 26 DMSi Software |
| 10 SII Dry Kilns | 27 Piché |
| 11 ISK Biocides | 28 Pennsylvania Lumbermens Mutual Insurance Company |
| 12 HMC Corporation | 29 Stringer Industries |
| 13 Messersmith Biomass Wood Boilers | 30 Taylor Machine Works |
| 17 Reiter Technical Services | 32 Forestry Systems |



Take a Hike on the Tennessee Trail

Calling all HMA members! Part of what makes our National Conference and Expo the industry's premier event for hardwood producers and concentration yards is the support from our valued equipment manufacturers; technology, software, and service providers; and media outlets.

During Expo hours, stop by their booths and have a chat about their emerging solutions that could update your facility, improve your operations, increase safety, and have a positive impact on your company's bottom line.

While there, have them sign your Tennessee Trail ticket, and once it's completely filled out, return it

to Ian Faight or Sara Skwaryk for a chance to win a Blackstone griddle and pellet grill, a Solo Stove Bonfire Fire Pit + Surround, or one of two complimentary registrations to our 2025 Fall Regional Meeting.



NatCon Learning Session Schedule

Our full schedule can be found online at HMAmembers.org.



Turning Around an Industry

An historic industry filled with generational family businesses and legacies, that was once king of American agricultural production in its sector, has been infiltrated by lookalike products. Real vs. fake. Sound familiar?

Farrah Newberry, VP of Agriculture and Environmental Affairs for The

Dairy Alliance, will take the stage to discuss how the dairy industry paved a path for the future of milk and dairy products by investing in promotion, education, and research. What can the hardwood industry learn from a similar industry's strategy and success?

Hardwood Market Trends | Ties

While the lumber market continues to face challenges, the industrial market is trending in a different direction. Moderator **Claire Getty** (left), Thompson Appalachian Hardwoods, will lead a candid discussion with **Jason Dallas** (center), Stella-Jones Corporation, and **Tony Machamer** (right), Koppers, on the state of the hardwood tie industry.



Hardwood Market Trends | Residuals

Manufacturing hardwood products produces a lot of residuals. And while these are not wasteful wood products, producers face a dilemma when it comes to offloading this resource.



Carrie Annand, executive director of the American Biomass Energy Association, will take the stage to discuss the industrial market for chips, sawdust, and forest residuals in the U.S. —particularly with biomass power plants in the hardwood industry's neck of the woods.

ForestryWorks at Work

ForestryWorks is a collaborative effort between the Forest Workforce Training Institute and various partners within the forest industry. Currently operating in eight states, the initiative educates students, parents, and teachers about career opportunities in the forestry and forest products industry, while providing pathways for students and job seekers to start their future career.



The Tennessee Forestry Association's **Larry Pitts** (top), workforce development coordinator, and **Caley Peyton** (bottom), education and outreach coordinator, will be with us to shed some light on ForestryWorks and how the initiative is working to create a sustainable pipeline of qualified workers for generations to come.



US Forest Service Wood Innovations Grants

You've heard about the USDA Forest Service's Wood Innovations Grant program (WIG). You've read about other companies securing grants. You've thought about applying for a grant. How do you get started?

HMA is welcoming back **Marcus Taylor**, Wood Innovations coordinator for the Southern Region, to provide an overview of the WIG program, discuss how a grant can help your company improve operations and upgrade equipment, review what companies are eligible for funding, offer guidance on the application process, touch on other funding opportunities, and answer questions.



The View from Capitol Hill & Around the World

Dana Lee Cole (left), executive director of the Hardwood Federation, and **Tripp Pryor** (right), international program manager for the American Hardwood Export Council, will be



with us to discuss our industry's pressing topics: taxes, tariffs, European Union Deforestation Regulation. Attendees also will get a sneak peek at AHEC's new documentary on American hardwoods.

NatCon Learning Session Schedule

Let's Talk Insurance

There are a lot of questions surrounding insurance, especially in the lumber industry. Are you covered? Do you have enough insurance? Do you have too much? What do you need to know about your current policy and risk management considerations when it's time to renew or search for a new provider?



Corey Bounds (left), Risk Assessment and Claims Director of Engineering, Continental Underwriters; **Lindsey DiGangi** (center), Vice President of Field Operations, Pennsylvania Lumbermens Mutual Insurance Company; and **Robin Little** (right), Director of McGriff Insurance Services – National Forest Product Practice will be with us to share their perspectives.



From Forest to Mill

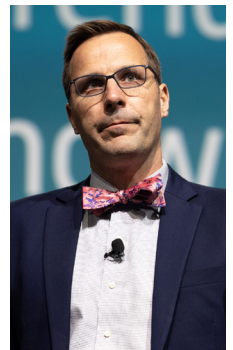
Scott Dane, Executive Director of the American Loggers Council, will be with us in Knoxville to discuss issues facing the forest management, timber harvesting, and log hauling sectors at both the state and national levels.

The Economic Evolution Reshaping Wood, Work, and the World

From the log yard to the boardroom, hardwood manufacturers are navigating a perfect storm of economic and operational pressures—and the next 24 months could be even more defining. In this forward-looking economic update, we'll move beyond the headlines to examine the real forces shaping demand, cost structures, and global competitiveness for U.S. hardwood producers.

We'll unpack what changing interest rates, construction activity, and shifting consumer sentiment mean for hardwood demand. As manufacturers grapple with persistent labor shortages, we'll explore the deep-rooted demographic and cultural forces behind the workforce gap—and what it will take to adapt. At the same time, record levels of investment are flowing into manufacturing capacity expansion and automation, signaling a once-in-a-generation transformation in how, and where, products are made. Finally, we'll break down the trade dynamics—including tariffs, international demand shifts, and global supply chain pressures.

Join **Dr. Shawn DuBravac**, economist, futurist, and New York Times bestselling author, for a no-spin, data-packed dive into the forces disrupting the hardwood industry. With a rare blend of economic depth and manufacturing know-how, Dr. DuBravac cuts through the noise to reveal what's really moving markets, reshaping labor, and redefining competitiveness. This is the session you can't afford to miss.



HMA NextGen Leaders Council to Attend Live2Lead Event

Each year, John Maxwell hosts a distinguished group of speakers who share their insights and experiences in leadership. This event is highly impactful and will significantly influence your own leadership journey.

John Maxwell's 2025 Live2Lead event will take place on **Tuesday, August 26**, 9 am–6 pm, at the Orlando World Center Marriott in Orlando, Florida. Confirmed speakers include Anthony Trucks, Tiffani Bova, Jesse Cole, and John Maxwell himself. Additional speakers will be announced as we approach the event date.

Members of HMA's NextGen Leaders Council will be participating. And we have a limited number of additional seats available. To secure your seat to

witness these exceptional speakers live on stage, contact Ian Faight at ian@hardwood.org.

LIVE2LEAD

ANTHONY TRUCKS
Coach, Speaker, Author, and Former NFL Player

TIFFANI BOVA
Top 50 Business Thinker in the World

JOHN C. MAXWELL
#1 Leadership Expert and Best-Selling Author

JESSE COLE
Owner of the Savannah Bananas and Creator of Banana Ball

COMING SOON

Real Wood Reduces Toxin Risks During Fires

In response to the devastating fires in California earlier this year, the hardwood industry is rallying to educate consumers about the benefits of real wood products over plastic look-alikes. The fires, which affected areas from San Diego to Los Angeles, destroyed more than 18,000 homes and structures. The use of plastic products in these buildings contributed to the devastation.

"It is a well-known fact among firefighters that the use of plastic products in homes and businesses makes fires more difficult to fight," says Paul Hoffeditz, former Battalion Chief at the Rock Island Fire Department in Rock Island, Illinois. "We often encounter things like PVC pipes and luxury vinyl floors in newer construction. Unfortunately, products like these burn faster and hotter than those made using natural materials like real wood. This means we often can't save the building, because when you're fighting a fire, minutes count."

Often, even structures that can be saved are uninhabitable due to the toxic chemicals released from burning plastics. "More and more plastics and vinyls are being used in furniture, flooring, trim, and countertops," says Hoffeditz, "all of which release hydrogen cyanide when they burn. This is a highly toxic chemical." In fact, the World Health Organization reports that an airborne hydrogen cyanide concentration of 300 mg/m³ will kill a human within about 10 minutes, so even short exposure is extremely dangerous.

One solution, says Hoffeditz, is to use real wood products instead of plastic. "There's a **pretty well-known video** that shows a side-by-side comparison of identical rooms burning. One is made using synthetic materials like plastics, and one is made using natural materials like real wood. The room made using plastic materials burns in less than five minutes. The room made using natural materials takes more than 30 minutes to burn. Clearly, the natural products give your family more time to reach safety, and give fire fighters more time to save your home."

There also is the environmental issue to consider. In 2018, in response to a viral video of a plastic straw being removed from a sea turtle's nose, plastic straws were banned in communities throughout the world. Experts estimate that 500 million single-use plastic straws are used every day, making up a sizable portion of the plastic products thrown away on a daily basis.

By comparison, in 2024, 5.8 billion square feet of plastic flooring was sold. A little simple math reveals that equates to 15.9 million square feet per day. And since most plastic flooring has a warranty of only 5-10



Photo courtesy of Peachey Hardwood Flooring

years, and most cannot be recycled, that translates to a lot of plastic straws. A lot. In fact, just 1,000 square feet of luxury vinyl tile equates to about 570,000 plastic straws. At 15.9 million square feet daily, that equates to more than 9 billion plastic straws each and every day.

"Real wood products are safe for humans and the environment," says Ian Faight with the American Hardwood Information Center, "even when they burn. In fact, hardwood is used as a heating and cooking source throughout the world, so it's safe to say that burning hardwood is a part of our everyday life."

Real wood products also have the added benefit of being an environmentally friendly material. "Trees take in carbon dioxide during their growth cycle and produce oxygen," says Anita Howard with the National Wood Flooring Association. "What's even more impressive, though, is that the products made using real wood continue to store carbon throughout their entire service life. Your wood dining room table, your wood floors, even your wood framed artwork have a great environmental story to tell that no plastic product could ever match."

Learn more about how real wood products are the responsible choice for your family's health, and the health of our planet, by visiting realamericanhardwood.com.



The Latest from Capitol Hill

by Dana Lee Cole

Executive Director, Hardwood Federation



Tax Reform Makes Progress

Pursuing tax policies that support hardwood business operations has long been a priority issue for the Hardwood Federation. Extending or making permanent the business-friendly tax benefits of the Tax Cuts and Jobs Act of 2017 (TCJA) has been on our radar since Donald

Trump was elected President last November. The HF Team has been on the Hill advocating for extension and permanency, and it was one of our top two issues for the recent Fly-In. Progress is being made.

The first significant goal was met in May when the House of Representatives voted 215–214 to advance a comprehensive budget reconciliation bill that encompasses GOP policy priorities. The legislation includes robust tax provisions that revive and extend key business tax benefits, including full expensing, the research and development tax credit and the Section 199A deduction for S-Corporations and pass throughs. To pay for these provisions and others, the measure cuts spending for Medicaid and food assistance programs in addition to eliminating renewable energy tax credits authorized by the Inflation Reduction Act.

Key business tax benefit provisions in the bill include:

- **100% Bonus Depreciation/Full Expensing:** Language allows taxpayers to immediately expense 100 percent of capital investments in machinery and equipment made on or after January 20, 2025, and before January 1, 2030. House GOP leaders entered the reconciliation process hoping to extend this benefit permanently, but opted for a 5-year extension based on cost concerns. We understand there is a strong appetite in the Senate to modify this provision to make it permanent.
- **Research & Development (R&D) Credit:** The provision allows taxpayers to fully write off their R&D costs in the same year in which those costs are incurred. This benefit expired in 2022. The bill makes the R&D credit retroactive to January 1, 2025, and extends it through December 31, 2030. Again, the Senate is interested in making this benefit permanent.
- **Section 199A:** The 20% deduction for S-Corporations and other pass-through structures expires at the end of this year. This benefit would not only be made permanent, but it also is increased to 23%.

- **Section 179:** The proposal increases the maximum amount a business may write off certain expenses to \$2.5 million and increases the phaseout threshold amount to \$4 million.
- **EBITDA:** The bill restores EBITDA as the measure for calculating business interest expense. The current standard established by TCJA is EBIT, which is not as generous and serves to make companies less competitive, particularly in a high-interest rate environment.
- **FDII and GILTI:** Under the TCJA, after 2025, the foreign-derived intangible income (FDII) deduction was scheduled to be reduced from 37.5% of FDII to 21.875%, and the global intangible low-taxed income (GILTI) inclusion deduction amount was scheduled to be reduced from 50% to 37.5% under Sec. 259(a)(3). The bill would repeal those reductions.
- **BEAT Tax:** Under Sec. 59A, the base-erosion and anti-abuse (BEAT) tax is scheduled to increase from 10% to 12.5% after 2025, and regular tax liability will be reduced (and the BEAT minimum tax amount therefore increased) by the sum of all the taxpayer's income tax credits for the tax year. The bill would eliminate that increase and the provision reducing regular tax liability by the sum of the taxpayer's tax credits.
- **Estate and Gift Tax Exemption:** The basic estate and gift tax exemption amount and the generation-skipping transfer tax exemption would be permanently increased to \$15 million. TCJA had temporarily increased it to \$10 million (adjusted for inflation), but that increase is expiring next year. The \$15 million exemption amount would be indexed for inflation after 2025.
- **State and Local Tax (SALT) Deduction:** Language in the bill raises the SALT deduction cap from \$10,000 to \$40,000.

The legislation is now pending in the Senate where the upper chamber will attempt to revise the measure. Again, Senators have opined that they would like to make full expensing and the R&D credit permanent. But given the extremely narrow margin in the House—the bill passed by one vote—it will be interesting to see how the Senate proceeds knowing that significant revisions may disrupt the fragile framework in the lower chamber that enabled this bill to pass. The Hardwood Federation will be working with our Senate champions to encourage permanent extension of these two key business tax benefits.

There's a Reason They Say Consistency is Key!

by Sara Skwaryk

Communications and Administrative Coordinator, HMA

When it comes to the daily tasks of running a business, there never seems to be enough time to do all the things you want to accomplish. So, understandably, posting on social media may seem like the last thing you want to do with your limited time. Or for some, posting comes as an afterthought—you'll use it occasionally, but posts become less frequent as you start to think maybe it isn't important at all.

Something to keep in mind, however, is that consistency makes all the difference in building a loyal following. Consider this from the marketing group, Rebel Collective, "When potential supporters, clients, or customers visit your page and see outdated content or months-long silences, it sends an unintentional message: We're overwhelmed. We're disorganized. We might not be around for long."

It may seem crazy, but a potential customer is more likely to review your business online prior to reaching out or making a purchase. When they see you do not have an online presence, potential turns into hesitation as they assume you may not be reliable or active, or maybe you're too overwhelmed to take on new clients.

Being consistent doesn't have to mean posting every day or following the latest trends. It's about understanding what your brand's voice is and finding methods that align with your goals, while setting a rhythm. Additionally, take advantage of tools that make the job easier. Creating a content calendar or using pre-made templates helps avoid missing posts and gives your content a cohesive feel, for example.



The great thing about social media is that it is what you make of it! Finding a plan that works for you and your business takes some patience and execution, but with a strategy that relies on a foundation of your vision and consistency, there is truly no wrong way to go about it.

Be sure to check out "Why Consistency is the Hardest—and Most Important—Part of Social Media Marketing" at rebel-collective.com for more on being consistent with your social media strategy.



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

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