



April 2019

More than just talk

By Linda Jovanovich

HMA Executive Vice President

The ink is barely dry on NatCon 2019, and here we are, in the final stages of planning for our June 5-6 Mississippi Valley Regional Meeting in Texarkana, Texas. No rest for the weary, as the saying goes. And that's just the way we like it. But first things first – a few comments regarding our recent National Conference and Expo at the Hyatt Regency Savannah!

Thank you all!

HMA members were out in full force. (Great being with you.) Members of the Southern Cypress Manufacturers Association (**SCMA**), and the Wood Component Manufacturers Association (**WCMA**) were also part of the excitement. And the industry Expo – a mix of familiar and new faces - was a sell-out! Based on attendee comments so far, the event was simply the 'perfect storm' for exceptional networking opportunities!

Concerning the business/learning sessions? Well, your on-site feedback labeled them "on point, informative, and entertaining! And that is music to my ears. Thank you to all of our presenters, panel participants, and to all Conference attendees.

Available at www.HMAMembers.org

If you were unable to be in Savannah, or would like a refresher of one or all of the sessions, over the next several months, a recap of each presentation will be included in *The Link*. Plus, the audio recordings and PowerPoint presentations of each presenter will be available in the **Members Only** section of www.HMAMembers.org. Log on.

Looking ahead, HMA's 2020 National Conference and Expo is set for March 25-27, at the J.W. Marriott Nashville. Yes, we're heading back to *Music City*. Plan on joining us, there!

But before then, we look forward to meeting up with you in the Lone Star State for HMA's **Mississippi Valley Regional Meeting** in Texarkana, Texas, June 5-6. For all of the Meeting details - **Hotel** reservation information for The Hilton Garden Inn, Meeting **Registration** for HMA members and 2019 National Conference Sponsors and Exhibitors, **Sponsorship** opportunities – please visit www.HMAMembers.org.

I'm anticipating a productive and an 'on-the-move' year for the HMA. I hope you plan on being a part of it all.

We're making our Move on Music City, again

... because HMA is "not going to find a city more accommodating, authentic, and accessible than Nashville." Historically diverse, and with a "music scene that is second to none," not to

mention Moon Pies, Goo Goo Clusters and the infamous Tootsie's Orchid Lounge – Nashville offers the perfect venue for business and pleasure.

Where & When

It's been five years since we've convened in Nashville, and it's time to return to this 'never-a-dull-moment' city. All industry stakeholders are welcome to attend. So please, mark your calendars for HMA's **2020 National Conference & Expo**, March 25-27, at the JW Marriott Nashville. Plan to be part of the excitement.

About the JW Marriott Nashville

"Located downtown, directly across from Music City Center, and rising from one of the city's highest elevation points, this sparkling 33-story glass tower is just two blocks from the famous "Honky Tonk Highway" on Lower Broadway, and offers stunning skyline views from all 533 guest rooms and suites. Step into modern luxury at JW Marriott Nashville; Music City's first luxury hotel!" (www.jwmarriottnashville.com)

Susan M. Regan Scholarship Recipients announced

Congratulations to **Jessica Jean Becker** and **Dylan Michael O'Gorman**, second-year students at Northcentral Technical College, and recipients of the Susan M. Regan Memorial Scholarship. Here's what these grateful students had to say regarding their career path choices:

Jessica Jean Becker

"I have always enjoyed anything that had to do with wood products. I was very active in my high school shop classes, and realized that producing wood products was what I wanted to do for a career. At Northcentral Technical College, I've learned so much and I continue to learn more, every day. I can't wait to share it all with others in the Wood Products Industry. Thank you for this award." (**Wood Science major working toward a Wood Technology Associate Degree**)

Dylan Michael O'Gorman

"Why is this the career path for me? I enjoy working with people and I truly enjoy working with wood. In high school, I submitted one of my shop class projects into a competition at Northcentral Technical College. And there in the Wood Technology Center of Excellence, I found my calling. After graduation, I have an opportunity to join the sales management training program with the company where I did my internship. It will be the best of both worlds. I get to work with and help people find the product that works best for them, and that product happens to be made from wood." (**Wood Science major working toward a Wood Technology Associate Degree**)

Scholarship Information - In memory of former HMA Executive Vice President, Susan M. Regan, each scholarship, in the amount of \$1000, is intended to provide financial assistance to qualified students enrolled in an accredited forestry/wood products program. Visit www.HMAmembers for scholarship details.



Dylan O'Gorman



Jessica Baker

Registration open for June Regional Meeting

HMA's Mississippi Valley Regional Meeting is heading to Texarkana, Texas, **June 5-6**, and registration for HMA members and 2019 National Conference Sponsors and Exhibitors is up and running at www.HMAmembers.org. That's also where you'll find other pertinent meeting details like ...

Signing on as a meeting Sponsor

- At the \$1000 **Gold** Sponsorship level – which includes one complimentary Registration - your company could help host Wednesday's Cocktail Reception or the bus transportation to the Wednesday tour sites.
- At the \$500 **Silver** level, sponsorship opportunities include hosting Wednesday's Bus Refreshments or the bus for Thursday's tours.
- Call the HMA office, 412.244.0440, to learn more.

Finalizing your Hotel reservation

The Hilton Garden Inn Texarkana, 2910 S. Cowhorn Creek Loop, Texarkana, Texas 75503, will serve as our base of operations, and room reservations should be made by calling 903.792.1065. The 'special' room rate of **\$129** Single/Double is available until May 14, 2019 or until the group block is sold-out, whichever comes first.

A glimpse of the Meeting Schedule

Confirmed tours sites include:

- **Ward Timber, Ltd**, Linden, Texas, www.wardtimber.com
- **Domtar Paper Co., LLC**, Ashdown, Arkansas, www.domtar.com
- **Douthit Tie & Lumber Company Camden, Arkansas**, 870.231.4300
- **Wilson Brothers Lumber Co.,,** Rison, Arkansas, 870.325.7283

Plus, those arriving on Tuesday are invited to join up with industry colleagues at an evening networking reception being sponsored by Brewco, Inc. Seems that the Railway Tie Association (RTA) is conducting its Summer Field Trip in the area. Brewco is hosting a Tuesday cocktail reception for them, and when owner Mike Goldston learned that HMA would also be at The Hilton Garden Inn, he graciously opened his Tuesday evening reception to HMA as well. **Advance Reservations are required!** And details are available at HMAmembers.org.

Don't be left out. Make your plans, today.

Officers & Directors elected at Conference

At HMA's March Board of Directors meeting in Savannah, the following **Officers** were elected for 2019. Congratulations to President Bob Miller, Frank Miller Lumber Co., Inc.; Vice President, Troy Brown, Kretz Lumber Company, Inc.; and HMA Executive Vice President, Linda Jovanovich.

Executive Committee members were also elected at that meeting. In addition to the Officers, congratulations go out to: **Hal Mitchell**, Atlanta Hardwood Corporation, Mableton, Ga.; **Jason Ayer**, Cersosimo Lumber Co., Inc., Brattleboro, Vt.; **Norm Steffy**, Cummings Lumber Company, Inc., Troy, Penn.; **Wayne Law**, New River Hardwoods, Beckley, W.Va.; **Brian Schilling**, Pike Lumber Co., Inc., Akron, Ind.; and past president **Richard Wilkerson**, Anderson-Tully Co., Vicksburg, Miss.

During the Conference's Thursday Business Meeting, HMA members elected **Directors** **Jessica Fly**, Fly Tie & Lumber, LLC, Grenada, Miss.; **Wayne Law**, New River Hardwoods, Beckley, W.Va.; **Don Barton**, Northwest Hardwoods, Inc., Tacoma, Wash.; **Joe Pryor**, Oaks Unlimited, Waynesville, N.Car.; and **Tom Gerow**, Wagner Millwork, LLC, Owego, N.Y.

Congratulations to you all, and thank you for your service!

The 'art' of American Hardwood Promotion

By Linda Jovanovich

HMA Executive Vice President

"**Yesterday, Today, Tomorrow**," one of the Thursday morning business sessions at HMA's recent National Conference and Expo, was conducted by HMA Executive Vice President, Linda Jovanovich. Her topic – the 'art' of promoting American Hardwoods. For the industry newbies in the room, it was an eye-opener. For the industry veterans in attendance, it was a walk down memory lane when Linda said ...

Yesterday

- "Almost 3 decades ago, Susan Regan, the public relations representative managing HMA's small budget account at Ketchum Advertising in Pittsburgh was hired away by some forward-thinking industry executives to serve as the Executive Vice President of the HMA.
- Those same legends set out on a campaign to raise \$1 million to be used for promotion efforts geared to increasing sales and public awareness of solid American Hardwoods – with Susan at the helm.
- Additionally at that time, 55 percent of HMA's dues revenue was re-directed towards the promotion of solid American Hardwood products to the design and building communities.
- And in 1993, to increase our messaging muscle, the Hardwood Council – a coalition of hardwood lumber and product associations, along with companies and individuals interested in promoting the increased use of North American hardwood products to design/build professionals, was formed.
- (A bit of trivia, it is interesting to note that the structure of the Hardwood Council was used to form today's Hardwood Federation.)

In the years before the untimely death of Susan Regan, the efforts of the Hardwood Council reached thousands of architects, students and designers. The American Hardwood Information Center at www.hardwoodinfo.com, the authoritative resource for consumers and building professionals seeking factual information about American Hardwoods, was launched and fully funded by the HMA. (a \$250,000 investment)

And in response to the public's environmental concerns, our messaging was enhanced to include the science behind our sustainable product, as HMA's professional writers worked with scientists and U.S. Forest Service labs to make sure we 'walked the walk and talked the talk' accurately and to the point. No other building material could boast the environmental message of wood.

However, the Great Recession of the late 2000s, and its impact on the HMA membership challenged by economic obstacles, prompted HMA to take a more "passive" approach to hardwood promotion.

Today

With a limited promotional budget, we work to be creative in our efforts. (And technology is an integral piece of our promotional puzzle.)

- Social Media allows us to connect with world-wide audiences in a unique way. (We rely on many of you for the fodder we share.) And now, via Facebook, Twitter, Pinterest, Houzz and Instagram, American Hardwoods has a good social media presence that continues to grow.
- Two Learning Units - "American Hardwoods and Their Role in Carbon Neutral Design," and "Thermally Modified Hardwood and its Role in Architectural Design," -

our outreach to architectural and building professionals, are available as online webinars, typically garnering an audience of 350.

- Bi-monthly releases, distributed via our editorial services, continue to increase our exposure and audience. I really cannot comprehend these numbers, but in every instance, across the board, our material is delivered to more than 150 million desktops and mobile devices.

Tomorrow

I'm proud of how far we've been able to stretch our meager, annual promotion budget. But think how much more could be done:

- Get back to being front and center at Greenbuild and the annual AIA convention.
- Supply a key note speaker to headline their event.
- Sponsor the learning pavilion with accredited industry learning units.
- Sponsor a project home at IBS.
- Fund the research and develop the messaging to assist us in regaining market share from the competing products in the marketplace.

No one industry association can carry that burden on its own. The only way I see a comprehensive program developed to answer all the needs of our industry is through collaboration. I'd like to see how aggressive collaboration - pooling business intelligence and funding - could optimize results!"

Visit the **Members Only** section of www.HMAmembers.org for Linda's entire Powerpoint presentation and audio recording.

Hardwood Federation on Advocacy

By Dana Lee Cole

Hardwood Federation Executive Director

"Best Business Practices Soundbytes," a session at HMA's 2019 National Conference and Expo, included a segment on advocacy presented by Hardwood Federation Executive Director, Dana Lee Cole. Here's Dana's 'short clip' on a very BIG subject – advocacy.

"Representing 27 Hardwood trade associations and organizations from across the country, the Hardwood Federation is the Voice of the U.S. Hardwood Industry on federal policy in Washington D.C. Established in 2004 by Hardwood business leaders from several state and national organizations, our charge is to:

- Educate Congress, the Administration and Department staff about the issues that most impact the hardwood business in the U.S.
- Monitor federal policy and legislative development through many different avenues.
- Provide written and verbal input on legislation and policy.
- Present testimony at Congressional hearings and coordinate with our allies.
- Meet with allies and experts on the Hill, in the Administration and in our partner wood products industry groups. (This helps us coordinate efforts, amplify the message and allocate the work load!)
- Run a Hardwood Federation Political Action Committee (HFPAC).

Why does Advocacy matter ...

It matters because the balance of power changes quickly, and as the saying goes, 'If you are not at the table, you are on the menu!' Consider this:

There are 435 Members of the U.S. House of Representatives. They are ALL up for election every two years. What that means is that the balance of power can...**and will**...change overnight. Perhaps you remember that:

- In 1994, Bill Clinton lost 52 seats in the House...shifting to Republican Control
- In 2010, Barak Obama lost 63 Democratic seats in the House...shifting to Republican Control
- In 2018, Donald Trump lost 43 Republican seats in the House...moving back to Democratic Control

Also, there are 100 Members of the Senate. **One third** is up for re-election every two years. That means that the balance of power will change.

Additionally, in the House, there are 21 Standing Committees. There are 104 Subcommittees. In the Senate, there are 20 Standing Committees and 71 Subcommittees. There are also 5 Joint Committees with members of both the House and Senate. And in the last Congressional Session (2017-2018), 13,556 pieces of legislation and resolutions were introduced. 443 or **three percent** were enacted.

Here's the bottom Line: Congress is not a static entity. It changes. People come and go. New laws are introduced and debated. And in this ever changing environment, it is extremely important that **our perspective** is being heard - because there are between 11,000 and 12,000 federally registered lobbyists working Capitol Hill - all of them trying to make their point! People lobbying AGAINST the hardwood industry are active and engaged!

Enter the Hardwood Federation – Your advocacy Voice in Washington!

Our job is to Educate Congress, the Administration and Department staff about the issues that most impact the hardwood industry in the U.S. And you can help.

Politicians care about votes. Constituents and economics matter. Voters and employment opportunities get attention. Hearing from constituents is crucial. Owners of small and medium sized companies are often of special interest because you are employing other constituents.

Your opinion matters. You are the local connection. And your PAC contributions help open doors; get attention; make a difference!"

Visit the **Members Only** section of www.HMAMembers.org for Dana's Powerpoint presentation and audio recording.

Editor's Note: During the National Conference and Expo, the Hardwood Federation conducted this HFPAC fundraiser - **Support the Hardwood Federation PAC** - \$100-\$499=1 chance, \$500-\$999=2 chances, \$1000-\$1499=3 chances, etc. - **and win a 5x8 ft. flag flown over the U.S. Capitol Building! The flag comes with a certificate of authenticity and is appropriate for indoor or outdoor display.** And the lucky winner was: **Norm Steffy**, Cummings Lumber Company, Inc., Troy, Penn. Congratulations!

The Wall of Worry and The China effect

By Art Raymond

With buyers in China accounting for over 53 percent by value of U.S. hardwood lumber exports through October 2018, your industry knows full well the importance of a healthy Chinese economy. You are not alone. Companies like Apple and Caterpillar, as well as European and other Asian firms, are major trading partners with China.

Unfortunately, growth in the Chinese economy has fallen to a 30-year low. That poor performance concerns economists, many of whom are downgrading U.S. growth predictions

for 2019. The result is forecasted to end the three-year boom in exporting by U.S. manufacturers.

Their concern includes whether the Chinese central bank, their equivalent of our Fed, can provide the huge stimulus programs that have maintained growth there for 30 years. Simply put, the U.S. economy is more vulnerable than ever to a Chinese hiccup.

China is the world's second-largest economy, having attained that rank through exporting on the back of its vast, low-cost work force. But over the past three years, its export trade surplus has fallen by a third. The majority of growth comes from its burgeoning consumer economy. That shift has resulted in the doubling of U.S. exports to China.

The story of their rapid growth in furniture manufacturing illustrates how China became a major source country for furniture and other value-added wood products. From 1995 to 2004, its furniture exports to the U.S. grew by thirteen-fold to \$8.68 billion. The primary drivers of that amazing growth were, of course, labor costs and acceptable productivity, as well as inexpensive ocean transport, a fixed rate of currency exchange, and government incentives for creating jobs for its masses.

The low prices enabled by this bucket of benefits created 20 years or so of competitive advantage for Chinese factory owners. Other countries such as Vietnam, with even lower labor costs, saw the 'China miracle,' and have achieved similar success. U.S. producers of furniture, and numerous other products, transferred to China the manufacture of finished merchandise ready to sell to their U.S. customers. Hundreds of factories here were shuttered, and millions of jobs lost.

The most painful result was the rending of the social fabric of small town America where few other employment opportunities existed. As a result, two and three generations of families in those communities have never been gainfully employed. The U.S. consumer has benefited through lower purchase prices, but no one can measure the human costs.

This phenomenon was termed **globalization**. Its glory days were 1995 to 2015. According to *The Economist* magazine and consultants like McKinsey, its advantages are fading: the differential between the fully loaded costs of imported and domestically produced goods is not as compelling. Shorter supply chains, closer to end markets, have proven beneficial for inventory management and customer order fulfillment time. The result, experts say, is a boomlet in reshoring production to the U.S.

Some politicians believe this resurrection can be hastened by higher tariffs. However supply chains are not easily nor quickly modified to accommodate changing economics. Even when reshoring production to the home market becomes viable, new factories cannot be built overnight. And where in the U.S. are the workers for such new operations to be found?

Remember too, the outcome of anti-dumping duties slapped on Chinese-made bedroom furniture to protect U.S. producers. Chinese manufacturers simply moved their plants to Vietnam. That country is now the second largest supplier of imported furniture to U.S. consumers.

For those reasons, *TrendTracker* does not believe reshoring will soon become a tidal wave. Notwithstanding a trade war, China will continue consuming U.S. hardwoods in products manufactured there. Only more of those products will be purchased by the Chinese 1.4 billion-strong population. **The Chinese export giant is fast becoming a consumer economy.**

American Hardwoods even in the Bathroom

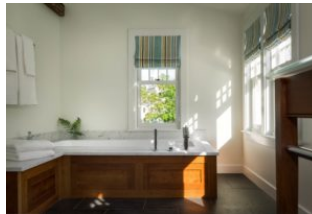
Design/Build professionals are always finding fresh ways to use American Hardwoods. But even in the Bath? The experts tell us that when “properly installed and sealed against moisture, wood can give a bathroom a warmer, more textured look and feel.” So, why not?

Here’s a sampling of what industry consultant, Wendy Silverstein, and her network of interior designers, architects and other field professionals have come up with!

- “The master bath in a Charleston, SC, farmhouse by Cameron & Cameron Custom Homes features hardwood on the walls and floor: white-painted poplar shiplap for the former, ebonized oak planks for the latter. The wide-plank ebonized-oak floor contrasts perfectly with the crisply tailored white walls, while a Carrara marble shower enclosure and a feature wall of highly figured local granite add a sophisticated note.” cameroncustombuilder.com
- “As part of the renovation of a 19th-century house in Bridgeport, CT, Crisp Architects encased the tub in the master bath in cherry paneling with a hand-brushed clear stain—a wood and finish that the designers use for custom cabinetry throughout the house. The calm and restrained space is kept from being too monastic by brightly striped Roman window shades and an abundance of natural light.” www.crisparchitects.com
- “Christian Rice Architects have brought a golden glow to this largely monochromatic bathroom in Coronado, CA, by giving it two entire walls of custom-stained white-oak cabinetry flanking a large vanity-island with doors in the same mellow wood. The amber-toned millwork—which is used throughout the bright and modern house—makes it as warm and inviting as the sunlit garden it overlooks.” christianrice.com



Cameron & Cameron Homes
Photo: J. Savage Gibson



Crisp Architects
Photo: Rob Karosis



Christian Rice Architects
Photo: Jim Brady Photography

Wendy Silverstein, a consultant to the design industry and a former editor at Architectural Digest, Home, Kitchen & Bath Customer Planner, and Home/Style magazine, is a regular content contributor to the American Hardwood Information Center. Visit www.HardwoodInfo.com for more of her work.

Is your car on the “most likely to be stolen list?”

“Car thieves are opportunists. They’ll steal any car that’s an easy target, but certain makes and models rank high on their hit list.” And so does color. To see if your vehicle is a likely target, take a look.

Favored Makes & Models

“According to the National Insurance Crime Bureau’s (NICB) 2017 Hot Wheels Report, the Honda Civic was the number-one stolen car in 2017, and the Honda Accord a close second, a distinction both cars have held since 2007. A number of other imports, as well as American-made pickups, are also named on the NICB’s top-10 list of most stolen cars:

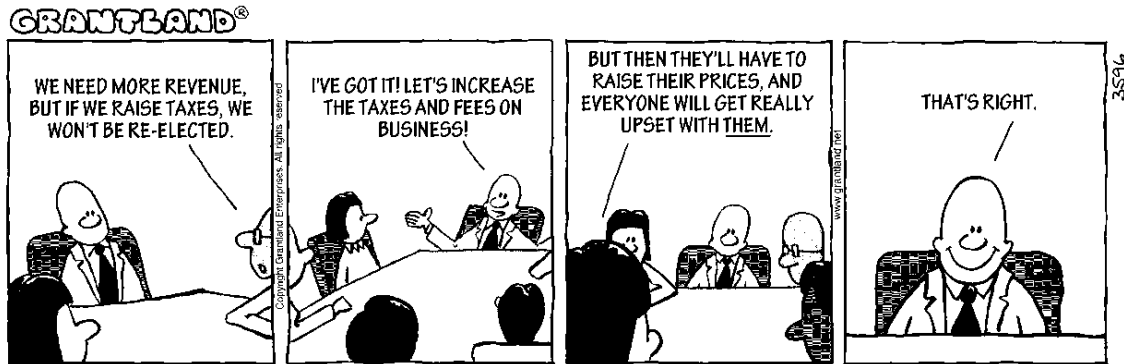
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|----------------------|------------------------|
| 1. 1998 Honda Civic | 6. 2016 Nissan Altima |
| 2. 1997 Honda Accord | 7. 2016 Toyota Corolla |
| 3. 2006 Ford Pickup | 8. 2001 Dodge Pickup |
| 4. 2004 Chevy Pickup | 9. 2017 GMC Pickup |
| 5. 2017 Toyota Camry | 10. 2008 Chevy Impala |

What makes older cars such a popular target? Hondas, in particular, hold their resale value. Plus, thieves can profit by stripping them down and selling the parts to repair shops and scrap yards."

Color matters, too.

"The top five colors of stolen vehicles are silver, white, black, gold, dark green. These same colors are also among the most popular in new car sales. They're not only in demand; they're also ubiquitous, and therefore preferable to thieves who don't want to draw attention to their crimes." To learn more, visit www.thehartford.com.

Information source: *The ExtraMile* from The Hartford.



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