



**May 2018**

### **A message from HMA's President**

*By Bob Miller*

I am still reeling from the excitement and great 'vibes' that swept HMA's National Conference and Expo in Greenville! What an event! What a group of people! And what a blessing for me to be an integral part of our hardwood industry, and now, the HMA!

I know you'll agree – HMA is a unique Association, comprised of kind, generous, and hardworking people ... people who remember their roots and refuse to forget how they got to 'today.' I'm continually inspired by our more seasoned members, especially when they share stories about the history of their family businesses. And then, when I spend time with our NextGen Leaders, I'm equally encouraged by their enthusiasm, desire for knowledge, and overall wherewithal.

As HMA's President, I see myself charged with linking those two, significant groups of stakeholders. I am up to the task, and look forward to the next two years. I know that I have some pretty BIG shoes to fill. Richard Wilkerson is a tough act to follow. I thank you for your years of service, Richard. And I must tell you, you are NOT 'off the hook' just yet.

For sure, I will look to you, and many others, for advice, ideas, and perhaps even a good old-fashioned reality check. I hope you all will make yourselves available to receive my call, because it's going to be an exciting year for HMA, for me, and for us all!

Opportunities and challenges abound – growing our membership; mentoring our NextGen Leaders; promoting our industry as we know it today; collaborating with others to forge the hardwood industry of tomorrow. Together, we will accomplish much. So let's get started.

Let's meet up later this month in Tennessee at our Central Regional Meeting. This issue of *The Link*, and our HMA member website, [www.HMAmembers.org](http://www.HMAmembers.org), contain all of the Meeting details. Don't miss this opportunity to connect, experience and learn. It's my honor to serve as HMA President. And I look forward to seeing you in Tennessee.

And one more thing ... It was fantastic to spend time with Pem Jenkins in Greenville! What a stellar example of determination, hard work and Faith! You are an inspiration for us all, Pem. Thank You!

*Bob*

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## Trade Alert – Log Exports to China

As we go to press, there is still no “official” communication regarding reports of “changes to Chinese customs enforcement on imported hardwood logs, including reports that log shipments are being halted at several Chinese ports while enforcement policies are clarified.”

The Hardwood Federation is working to get information from the U.S. Department of Agriculture. And the American Hardwood Export Council (AHEC) is seeking clarification from the U.S. Agricultural Trade Office in China.

For now, AHEC Executive Director Mike Snow advises exporters to check with their “freight forwarders before making any additional shipments,” and has provided the following USDA-APHIS phyto requirements for hardwood log shipments to China:

**The most stringent China requirements** are on **oak** with bark, due to oak wilt. We are required to fumigate with methyl bromide, at 15 lbs/1000 ft<sup>3</sup> for 72 hours. Without bark, only a Phyto Certificate is required.

### Other Species Logs (Hardwood) from All Other States

- With Bark:
  - Phytosanitary Certificate (PC) is required. State of origin must be listed on PC. Logs must be safeguarded with a secure cover or otherwise segregated after treatment and cannot be stored directly on soil.
  - Logs must be treated with: Methyl Bromide (Tarp or Chamber) 41 to 59F 7.5lbs/1000ft<sup>3</sup> for 16hrs; 60 or above 5lbs/1000ft<sup>3</sup> for 16hrs,
- Without Bark:
  - Phytosanitary Certificate (PC) is required. State of origin must be listed on PC. Logs must be safeguarded with a secure cover or otherwise segregated after inspection and/or treatment (if required) and cannot be stored directly on soil.
  - Additional Declaration (AD), "The logs in this shipment are without bark."
  - Individual logs must have less than 5% bark on the surface area and the entire shipment must have less than 2% bark overall.

### Other Species Logs (Hardwood) from SC and VA

- With Bark:
  - Phytosanitary Certificate (PC) is required. State of origin must be listed on PC. **The treatment facility must be listed in the treatment section in the additional information box.** Logs must be safeguarded with a secure cover or otherwise segregated after treatment and cannot be stored directly on soil.
  - Logs must be treated with Methyl Bromide (tarp or chamber):
    - 41 to 59F 7.5lbs/1000ft<sup>3</sup> for 24 hours
    - 60 or above 5lbs/1000ft<sup>3</sup> for 24 hours
- Without Bark:
  - Phytosanitary Certificate (PC) is required. State of origin must be listed on PC. Logs must be safeguarded with a secure cover or otherwise segregated after inspection and/or treatment (if required) and cannot be stored directly on soil.
  - Additional Declaration (AD), "The logs in this shipment are without bark."
  - Logs must have less than 5% bark on the surface area.

When available, updated information on this issue will be posted to Industry News & More – AHEC at [www.HMAmembers.org](http://www.HMAmembers.org).

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## **New England members in the spotlight**

In a recent press release issued by the U.S. Small Business Administration (SBA), **Northland Forest Products** (NFP) - Kingston, New Hampshire and Troy, Virginia – “has been selected as the 2018 Small Business Exporter of the Year for New Hampshire and New England.”

A hardwood lumber processor and distributor, now in their fourth generation and “producing their own exclusive brand of lumber for markets in the U.S. and 26 nations around the world, the business continues to serve as a leader in innovation and responsible forest stewardship. And is an example of a business that can inspire others to find their next market, not around the corner, but around the world.”

From all of us at the HMA, congratulations to NFP President, and past HMA President, Jameson “Jamey” French, who will be formally recognized at the annual event of the New Hampshire SBA Small Business Awards on May 2.

### **And about 180 miles North of Kingston ...**

HMA would like to extend ‘welcome to the fold’ greetings to ‘returning’ member, **Kennebec Lumber Company**, Solon, Maine. President Denis Carrier will serve as HMA’s Main contact, and we hope to see Denis, and other company representatives, in Johnson City for the Central Regional Meeting, later this month. If you would like to send along a personal ‘welcome back’ greeting, email Denis at [dcarrier@kennebecLumber.com](mailto:dcarrier@kennebecLumber.com).

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## **“A Bend in the Road”**

*By Dr. Alan Beaulieu*

HMA members in search of the “the best economic intelligence to reduce risk and drive practical and profitable business decisions” found it during the Friday morning business session of HMA’s 2018 National Conference and Expo. That’s when noted ITR Economics President, Dr. Alan Beaulieu, delivered his presentation, “A Bend in the Road.” According to Dr. Beaulieu:

### **Where are we now?**

In the current, highly charged political environment, our economy is experiencing muted growth. As we get deeper into 2018 however, ITR forecasts an economic **slowdown** that will reach into 2019, and then pick up speed in 2020 and beyond. To prepare for the “fun” of the 2020’s, Dr. Beaulieu suggested that members use this ‘economic lull’ time well, encouraging them to examine their businesses, and complete the projects they’ve been putting off.

### **Is China a concern?**

China’s problems are “big” and many, says Dr. Beaulieu. Major concerns include population, pollution, banking, debt. Their current president’s desire for increased power is disturbing. And his move to ‘state-owned’ versus ‘free’ enterprise is a bad decision that will erode the Chinese economy for the next ten years.

If the United States gets into a trade war with China, despite what the media reports, Beaulieu says, “big deal!” The U.S. - the second largest exporting nation in the world, with exports 6.2 percent ahead of last year, and rising - buys 4 times more from China, than they buy from the U.S. So if we buy less, China hurts more. (Economic consequences of a trade war would include job losses, inflation, a housing downturn.)

### **“All kinds of good things going on!”**

- We are a strong Manufacturing nation - light on regulations - and manufacturing job opportunities and wages are at record highs. (Labor needs are great)
- Steel production in the U.S. is up. (Labor needs are great)

- Robots are NOT replacing humans and taking U.S. jobs
- Our Millennials will inherit a nation that is energy independent!
- We are a strong nation that businesses and people want to come to!

### Looking Ahead

ITR continues to forecast a '**Great Depression**' in the 2030's. But for businesses to thrive in the economic environment of the 2020's, Dr. Beaulieu encouraged members to invest in their businesses now, making them more efficient, and geared toward the next buying public, the Millennials. Selling to them will require spot-on websites and active social media presences. Call in the experts to get it right!

Visit the **Members Only** section of [www.HMAmembers.org](http://www.HMAmembers.org) for Dr. Beaulieu's PowerPoint presentation and audio recording. And to receive a 3 month complimentary subscription of *ITR Leading Indicator*, please email [updates@itreconomics.com](mailto:updates@itreconomics.com) with the subject line: HMA – ALAN IS COOL!

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### Meeting agenda set for Central Regional

Later this month, HMA members and industry colleagues will be gathering in Johnson City, Tennessee for HMA's 2018 **Central Regional Meeting, May 23-24**. If you are wondering whether this 36 hour event is worth your time investment, take a look at our tour locations.

On **Wednesday, May 23**, be ready for a full day of facility tours, HMA-style.

- **New River Hardwoods** - With multiple locations in the heart of the Appalachian Mountains, a region famous for producing quality hardwoods, HMA member company, New River Hardwoods, operates "a modern hi-tech mill, lumber and log yards, dry kilns and a secondary manufacturing facility. Their operating slogan, **Running Right – Running Safe**, "puts everyone's focus on safety, quality, service, efficiency, and results." Company President, Wayne Law, will be opening the doors of New River's Roan Mountain and Mountain City locations.
- **Mullican Flooring** - With headquarters and one of four manufacturing plants located in Johnson City, Mullican is known for "high-quality hardwood flooring and environmentally sound manufacturing practices. All of Mullican's American-made engineered flooring lines, as well as finishing lines for all of the company's prefinished products, are produced at the Johnson City plant."

Wednesday's activities will wrap up with an evening reception/dinner at The DoubleTree by Hilton, our base of operations. As in past years, anticipate great networking opportunities, plenty of delicious food, and several hours of good old hardwood industry comradery.

### Thursday, May 24

After an early breakfast, we'll head to Appalachia, Virginia, and a visit with the industry colleagues at **Southern Forest Products**. They'd heard that HMA planned to be in their neck of the woods and said, "Come on over!" Special thanks to Jeff Gowder, Scott Hillman, et al. for opening their doors to us.

From Southern Forest Products, we'll make our way to the Tri-Cities Airport; bid our 'air' travelers Bon Chance, and then make a final stop at The DoubleTree by Hilton so that those driving can be on the road by Noon.

If you have yet to register to attend, take care of business now at [www.HMAmembers.org](http://www.HMAmembers.org). You'll not want to miss this HMA '**members only**' event!

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## Meeting Sponsors get the Spotlight

What's the advantage of being a **Regional Meeting Sponsor**? It's the fast and friendly way to go if you are looking to differentiate your company from the rest of the field. And to thank you for your extra show of support, HMA will spotlight you, just like this.



Thank you to industry supplier and **Gold Sponsor** TradeTec Computer Systems, Ltd., Parksville, British Columbia! These fine folks have asked to co-host Wednesday's lunch. When and if you cross paths with them, be sure to thank them for the delicious vittles, as well as their generous support of the HMA. ([www.tradetec.com](http://www.tradetec.com))



Also at the **Gold Sponsor** level is industry supplier Stringer Industries, Inc., Tylertown, Mississippi! Wednesday evening's Cocktail Reception is being hosted by Stringer. As you relax and decompress from the day's activities, be sure to raise a glass in appreciation of their generosity. ([www.stringerind.com](http://www.stringerind.com))



Thank you to industry supplier and **Silver Sponsor** Taylor Machine Works, Inc., Louisville, Mississippi! Thursday's bus transportation will be compliments of Taylor. Be sure to catch up with Hal Nowell and Stuart Tucker to thank them for providing Thursday's 'ride.' ([www.taylorbigred.com](http://www.taylorbigred.com))



Also at the **Silver Sponsor** level is industry supplier Cleereman Industries, Inc., Newald, Wisconsin! They will be co-hosting Wednesday's lunch. At last check, Michelle Coumbs and Rob Kittle plan to be in attendance. Please make every effort to find them and offer your thanks. ([www.cleereman.com](http://www.cleereman.com))

Visit [www.HMAmembers.org](http://www.HMAmembers.org) to learn more about being a Sponsor. And then call the HMA office, 412.244.0440, to get things started.

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## Taking a fresh look at Member Benefits

Advertising experts agree - "messages are more effective when repeated." And since repetition = response, we're thinking the time is right for a memory refresher regarding HMA's **Re\$ource Purchasing Power Programs** – significant programs which in many cases save the cost of HMA annual dues!

- The **HMA Shipping Program** is a comprehensive inbound/outbound **shipping program** affording significant savings on every freight shipment – including flatbed, LTL, truckload, expedited, and tradeshow shipping needs. (Managed by PartnerShip®)
- A second program specializes in managing and reducing **telecommunications** and **credit card processing costs**. It offers a single point of contact provider to manage all service issues, billing questions and general account maintenance. (Offered by Schooley Mitchell)
- A third program, that includes a complete spectrum of employee benefit administration products and services, offers a new approach to **employee benefits costs**. Via a benefits brokerage/consultancy, this network of market advisors makes managing employee benefits easy. (Offered by OneDigital, in coordination with BB&T Insurance Services-National Forest Products Practice)

All of this information is just a click away. Learn more about these cost-saving "Tools," and other HMA member benefits by visiting [www.HMAmembers.org](http://www.HMAmembers.org).

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## Hardwood Federation Update

*By Dana Lee Cole*

*Hardwood Federation Executive Director*

For students of politics, 2018 is turning out to be a fascinating year. And if you are one of the many members of the hardwood community that would like to grow your involvement with the Hardwood Federation's advocacy efforts, the time is now!

The Hardwood Federation's (HF) **2018 Fall Fly-In** will be held September 11-13. It's our biggest, most anticipated and most important event of the year as members of the hardwood industry gather in Washington D.C. to walk...and sometimes run...the halls and tunnels of Congressional office buildings to meet with Representatives, Senators and staffs from their - and other important - states.

The goal is to provide personal and professional perspectives on the most important issues affecting the industry; how our businesses are being impacted by those issues....and what Congress can do about it. When members hear from **you**, their constituents, employers in their district, and community leaders, our message takes on a special significance and impact.

### On the Agenda in September

This year we will be highlighting the future of the Hardwood industry by issuing special invitations to the next generation of leaders in your companies. The **Hardwood Manufacturers Association** - along with the National Wood Flooring Association, is hosting their emerging leaders for special meetings and events in D.C. All are welcome to participate in the following:

- **Welcome Reception** (September 11): Throughout the day, participants gather to meet and network with colleagues, old and new.
- **Breakfast Briefing** (September 12): HF will provide information on navigating the Congressional office buildings, a detailed briefing on issues to be covered during meetings on the Hill, plus what to expect during your meetings.
- **Capitol Hill Visits** (September 12): To demonstrate the depth and variety of our industry, small groups of participants will meet with elected representatives, via prearranged meetings coordinated by HF staff.
- **HF Political Action Committee (HFPAC) Events** (September 12 & 13): Additional opportunities to speak directly with and acknowledge the support of the members - the evening of September 12 will include a reception with Republican members of Congress, a dinner on Capitol Hill, and a tour of D.C. iconic monuments. The next morning, a breakfast reception with Democrats will conclude the Fly-In.

### Join us in Washington

The bottom line is that we need every voice possible to keep our issues on the front burner. And with HMA members spread throughout the country, this is your opportunity to directly share your experience, insight and ideas with those who write the laws and legislation impacting your businesses and employees. Join us in Washington. We will make every effort to sufficiently prepare and brief you.

All of the Fly-In details – registration, hotel, meeting agenda – are available at [www.hardwoodfederation.com](http://www.hardwoodfederation.com). Please contact me, [dana.cole@hardwoodfederation.com](mailto:dana.cole@hardwoodfederation.com), should you need further information.

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## Wood Chip Standard and CORRIM Updates

The American National Standards Institute has approved the U.S. Wood Chip Heating Fuel Quality Standards. The culmination of a two year process, the Standard is now available to stakeholders and interested parties via email request to [OrderStandard@asabe.org](mailto:OrderStandard@asabe.org), or by phone at 1-800-695-2723.

Additionally, a User Guide and Summary of the Standard are available for download at [www.woodchipstandard.org](http://www.woodchipstandard.org), and it is hoped that “the market will adopt the use of the standard in wood chip heating fuel production, procurement, and use to produce heat energy in residential and commercial buildings.”

### Also available – New LCA information on wood products

Updating and expanding on prior research, CORRIM (Consortium for Research on Renewable Industrial Materials) “recently completed Life Cycle Assessments (LCA) using new survey data from manufacturing facilities across the U.S. for Lumber, Plywood, Laminated Veneer Lumber, I-Joists, Oriented Strand Board, Laminated Strand Lumber, Hardboard, Cellulosic Fiberboard, and wood boilers. Peer reviewed and available for download, the **new LCA reports** were developed consistent with the Product Category Rules for North American Structural and Architectural Wood Products.”

“CORRIM conducts and manages research on the Life Cycle Assessment (LCA) research on the environmental impacts of production, use, and disposal of forest products.” Visit [corrim.org](https://corrim.org/) to learn more. (<https://corrim.org/>)

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## Hardwood Markets and Log Export Issues

Rapidly rising hardwood log exports are currently a top concern for U.S. hardwood sawmills, and raise important questions about the future of the U.S. hardwood industry. In his presentation at HMA’s National Conference and Expo, **Dan Meyer**, *Hardwood Publishing* Managing Editor, Writer and Analyst, took a hard look at the complexities of the issue, and asked the tough questions about what, if anything, the industry could/should do about it. We offer this presentation recap.

### To set the stage ...

Meyer’s presentation began with a brief recap of current Market conditions:

- **Kiln dried** lumber pricing is strong. Cherry and Walnut are at five year highs. **Green** lumber is just as strong. Lumber is selling, but margins are tighter.
- **Low-grade markets** – ties and cants – are getting stronger.
- Outlook through the Summer – due to ramping-up of housing and secondary manufacturing, anticipate firm to higher lumber prices, stronger low-grade markets, and very strong log and lumber exports!
- **Biggest contributor to why lumber prices are strong – log exports.**

### Industry Perception vs Government Data on Log Exports ...

Meyer discussed a recently conducted survey of almost 800 U.S. hardwood sawmills regarding log exports. Numerous concerns were identified, including access to and the affordability of logs; the need to export high quality logs to achieve a greater return; pressure to reduce sawing volume; pressure to shift species utilization. Nearly all of the respondents said that log exports have raised log prices, and that the situation is getting worse!

Government data, however, showed that current log exports to the world are **less** now, than exports in the early 2000’s. So what’s the problem? **The problems are:**

- Log shipments are concentrated in one market and exports of key species have intensified.

- The significant shift in the quality and value of exported logs ...
- The percentage of logs vs lumber being shipped is getting larger.

### What's the Future of the U.S. Sawmill?

If these shifts continue, in ten years the hardwood industry will look radically different. So what's to be done? "There are NO easy answers," Meyer said. "But if log exports are a concern to your business, you need to consider what to do to continue to thrive."

Option #1 – **Renovate/Innovate** to survive as one of the remaining sawmills. Continue to make the same products, but do so more efficiently. Or make other wood products to meet global customer needs – S4S lumber, components, millimeter thickness lumber, HCLT, Thermally Modified Lumber. (Keeping in mind that there will always be global competition.)

Option #2 – **Reinvent** your company to be different than you are today. "Leverage your existing strengths – people, technology, knowledge, capital – into products and services not as easily reproduced elsewhere."

**Meyer's bottom line:** Regardless of your thoughts on log exports, "everyone ought to be on the renovate/innovate/reinvent spectrum. It's just good business. Whatever you choose to do, act now!"

Visit the **Members Only** section of [www.HMAMembers.org](http://www.HMAMembers.org) for Meyer's PowerPoint presentation and audio recording.

### What to eat when you're sick

Feeling under the weather with nausea, sore throat and a runny nose? Today's experts tell us to "feed a cold and feed a fever." Here's how to soothe those pesky symptoms with "sick-friendly" foods that help boost the immune system and alleviate discomfort.

If a **Stomach Bug** has you in and out of the loo, the rule of thumb is "easy does it; avoid spice; embrace bland."

- Nibbling on toast or **saltines** is a great first step to ease nausea discomfort. Foods high in starch soak up excess acid and tend to calm the stomach.
- **Gelatin** is also a stomach soother; keeps blood sugar regulated, and provides the energy needed to fight germs.
- And think **B-R-A-T**. Bananas, rice, applesauce and toast – binding foods – are low in fiber and taste, and are easier to digest.

Stay hydrated. Water is important. And try a little ginger. Hot ginger tea and ginger ale are great soothers of digestive issues. (Drink the ginger ale flat so as not to aggravate an already sensitive stomach.) Don't forget the Gatorade. It's an electrolyte booster, and can provide calories lost through vomiting.

**Chicken soup for a cold** is more than a 'wives' tale! Not only is it the ultimate comfort food, it's a super elixir. Chicken, a good source of protein, also contains cysteine, an amino acid that can thin mucus in the lungs and lessen coughing. Plus, the hot broth can ease a sore throat, aide in relieving sinus pressure, plus keep the body hydrated.

Information source: [www.MedExpress.com](http://www.MedExpress.com)

### Healthy food swaps

Making small changes in our daily eating habits can have BIG rewards. So if you are looking to do your heart and health some good, get started with these delicious and healthy food swaps.



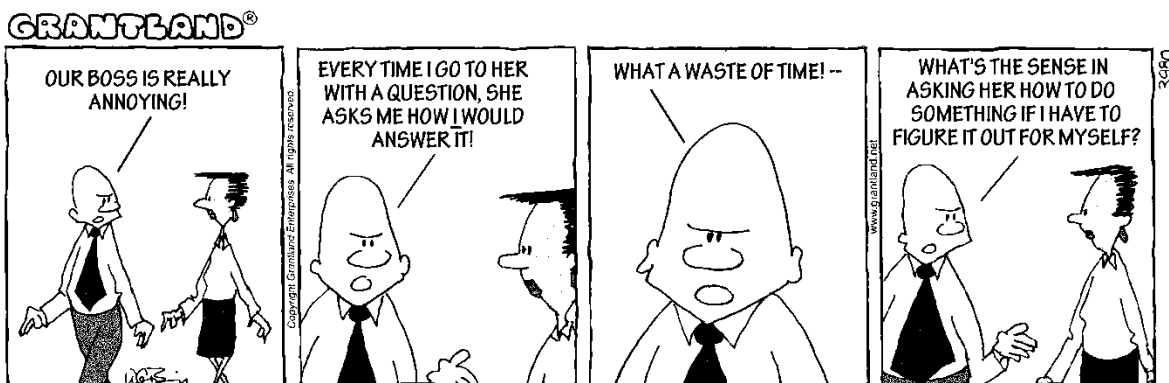
**Instead of ...**

- Potato Chips
- A flour/corn tortilla
- Sour Cream
- Bottled Salad Dressing
- Processed Croutons
- A White Potato
- Ground Beef

**Opt for ...**

- Popcorn
- Leaf Lettuce
- Greek Yogurt
- Olive oil + vinegar
- Walnuts
- A Sweet Potato
- Turkey or Chicken

**Bottom line:** Small changes = Big rewards. Visit the Healthy Eating Advisory Service to learn more.



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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