



September 2017

A message from HMA's President

By Richard Wilkerson

As the summer winds to a close, it continues to be an interesting year for us. Many of the world's economies, including our own, are experiencing modest growth, which should help the hardwood industry. I hope that your operations have been experiencing favorable and stronger demand.

It seems that most grade lumber markets have been showing improvement. Yet, those of us that depend on the frame, tie and mat sectors have found the markets to be mixed at best. As the challenges within our different markets continue, I'm ever so grateful for the industry support - through associations like the HMA - that sustains our businesses through these interesting times.

Often I have called upon my fellow HMA members to seek advice, ask an opinion, or just to say hello. And many times I've received the same kind of calls from others. Most certainly, we are industry colleagues. But more than that, we're friends. And our friendships began and then grew during countless hours of riding buses, touring mills, listening to presentations, and talking with equipment manufacturers/dealers. The bottom line is that we are willing to help each other when/where we can. And that is uniquely an HMA characteristic.

And so, I'm especially proud to invite each of you to the Deep South, and my neck of the woods, for HMA's Mississippi Valley Regional Meeting, September 27-28, in Baton Rouge, LA/Natchez, MS. The steamy 'dog days of summer' have ended. And by meeting time, our weather should be less sultry, and a real treat for those not yet ready for autumn's chill.

If you are not aware, our part of the country is blessed to have some very fine sawmills. And this time around we'll be touring three of the oldest and most respected names in the Mississippi Valley - **J.M. Jones, Fred Netterville, and Rives & Reynolds** - all hailing from the Magnolia state. We'll also have the pleasure of touring the **Stella-Jones, Inc.** tie treatment plant at Alexandria, Louisiana. Stella-Jones is one of HMA's newest members, and since joining the association, they have participated in every HMA event. We look forward to touring their operation.

It's going to be a great meeting, and I encourage all HMA members to participate. Let's keep learning together, building relationships, and making this association stronger and more beneficial for all. Y'all come!

A handwritten signature in black ink, appearing to read 'Richard Wilkerson', is positioned above a horizontal line.

Check email for Survey results

To all who participated in HMA's **Manufacturing Costs and Wage Survey**, keep a close eye on your email, please. (And that includes Junk Mail.) The results are in. And the 'customized' reports are scheduled for delivery the first week of September.

The Beck Group, the Oregon firm that conducted the survey, has informed the HMA that since each report will be specific to every participating facility, the 'per-operation' final reports will be distributed as they are completed.

If you contributed to the success of this '**members only**' survey, thank you for your time investment. You are now one step closer to greater operational efficiency and increased profitability.

The plan is to again offer this informative tool in 2020. Until then ...

MV Regional Meeting Schedule of Events

HMA's 2017 **Mississippi Valley Regional Meeting** is just weeks away. If you've yet to finalize your plans to attend, perhaps a quick look at the meeting agenda will 'seal the deal,' and get you into the HMA groove.

Wednesday, September 27

6:30 a.m. Breakfast Buffet
7:30 a.m. Depart Hilton Baton Rouge – be sure you have checked OUT
8:45 a.m. Tour **Fred Netterville Lumber**, Woodville, MS
10:45 a.m. Tour **J.M. Jones Lumber**, Natchez, MS
12:30 p.m. Lunch
1:45 p.m. Tour **Rives & Reynolds**, Natchez, MS
3:30 p.m. Arrive Hotel Vue, Natchez, MS
5:30 p.m. Reception/Dinner

Thursday, September 28

6:30 a.m. Breakfast Buffet
7:15 a.m. Depart Hotel Vue
8:45 a.m. Tour **Stella-Jones Inc.**, Alexandria, LA
10:15 a.m. Depart Stella-Jones
12:15 p.m. Arrive Baton Rouge Airport (BTR)
12:30 p.m. Return to Hilton Baton Rouge Capitol Center, if necessary

HOTEL deadlines fast approaching

The clock is ticking on HMA's negotiated, reduced room rates. So act today. And remember, because of the Louisiana/Mississippi locations of the tour sites, hotel reservations will need to be made in **two hotels**.

- **For Tuesday, September 26, ONLY**, make a reservation at the **Hilton Baton Rouge Capitol Center**, 201 Lafayette St. Baton Rouge, LA 70801, by calling **1.800.955.6962**. The discounted rate of \$138 ends on **September 5**. Don't miss it. And be sure to mention the HMA room block when calling. (*A Complimentary Airport shuttle to the hotel is available by calling the same number.*)
- **For Wednesday, September 27, ONLY**, make a reservation at the **Holiday Inn Express & Suites Natchez** (unfortunately Hotel Vue has reached capacity), 639 S. Canal St., Natchez, MS 39120, by calling **601.442.4462**. The discounted room rate of \$119 ends on **September 17**. And again, be sure to mention the Hardwood manufacturers Association (HMA) to secure the reduced room rate.

So get in the HMA groove! Meeting **registration** and all of the event details can found at www.HMAmembers.org. Should you have questions, do not hesitate to call the HMA office at 412.244.0440. See you in a few weeks.

Your name/logo would look great right here

Looking to differentiate your Company from the rest of the field? Signing on as a Regional Meeting sponsor will do just that. Here's a look at who's leading the pack.



Thank you to **Gold Sponsor** USNR, Woodland, Washington. Wednesday's lunch is being provided by these fine folks. Be sure to catch up with them, and thank them for this generous gesture. (www.usnr.com)



Thank you to **Gold Sponsor** 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)



Thank you to **Gold Sponsor** Fly Tie & Lumber, LLC, Grenada, and Mississippi. Wednesday's Bus Transportation is being provided, in part, by their generosity. So for all who register to 'hop on the bus,' it's all aboard and smooth sailing to each and every tour location. (www.flytimber.com)

Keep in mind that if you are unable to be with us in Baton Rouge/Natchez, being a Meeting sponsor will get you there in spirit, and establish your 'company presence' without having to step away from your desk. So, if you would like to participate, please consider one of the following options:

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

All it takes is a phone call to the HMA office - 412.244.0440. Why not get things rolling, today!

Pick-up statistics on 'Live-Edge' release

The August issue of *The Link* included an article about "**Natural Selection: Live-Edge Wood in Home Design**," the latest news release issued by the American Hardwood Information Center. We thought it important to share the following stats on the release's pickup, because in a short amount of time, the informative piece has created a stir with consumers of all levels.

- On the afternoon of June 27, "**Natural Selection: Live-Edge Wood in Home Design**," was put "on the wire" by our preferred, content-based marketer, Brandpoint.
- Since that time, **1,068** online placements, with a corresponding audience reach of nearly 143 million, have featured the release.

Our **ROI** to date is **68-to-1**. And more importantly, our hardwood information is out there, at the fingertips of specifiers and consumers of all levels.

Be sure to visit www.HardwoodInfo.com for the entire release.

Hardwood Federation Update

By Dana Lee Cole

Hardwood Federation Executive Director

After spending the month of August back home listening to voters' concerns and discussing the fall Congressional agenda, members of Congress are slated to return to Washington after Labor Day to confront several "must pass" items in September.

- First up is a bill to fund the government past September 30, the date when the current funding measure expires.
- Also looming is the need to address the debt ceiling - the legislative limit on the amount of national debt that can be issued by the U.S. Treasury - which determines the amount of money the federal government may borrow. Despite a quickly approaching October deadline, Congress has not yet taken action, but will need to make a decision upon returning from recess.
- In addition to these important issue deliverables, leadership in the House and Senate has signaled that reforming our nation's tax code is the next big ticket item Congress will attempt to tackle.

It is expected that in September, legislation will surface that will set the stage for negotiations for the remainder of the fall. It should be noted that **tax reform** will not be easy. (The last significant reform measure was passed 30 years ago...and the battle scars from health care reform are still fresh.) However, all indicators point towards an early fall effort, and as negotiations get underway, the Hardwood Federation team will be focused on a number of areas, including:

Equitable treatment of S Corporations and other pass through entities - Tax reform talking points from Congressional leadership have focused on the need to reduce the overall corporate tax rate for C-corporations. However, S-Corps and other pass through structures currently represent a higher percentage of the GDP. We are advocating that any effort to lower corporate rate also include reductions for S-Corps, a tax structure popular in the hardwood forest products sector.

Preserving existing incentives for timberland owners to keep their lands as working forests - These provisions include capital gains treatment for standing timber, as well as the current deduction for timber growing costs. Right now, forest landowners can deduct operating costs in the year in which they were incurred, rather than capitalizing these costs over time. We are also advocating for preserving the deduction and amortization of reforestation costs. Currently, forest owners can deduct up to \$10,000 of reforestation costs per stand, and can amortize the remaining costs over seven (7) years. We are working with our allies in making sure that any tax reform proposal that moves forward recognizes the current tax benefits, which help minimize the inherent risk in growing and managing timber tracts that may take 50 years to mature.

Elimination or reduction of the estate tax - As we know, there are many family-owned businesses in the hardwood forest products sector where there is strong interest in passing business ownership to the next generation. We believe any tax reform proposal must address existing concerns with the estate tax, and take action to further reduce or eliminate this disincentive to keeping family owned businesses in the family.

Enacting tax incentives that will help address our sector's growing residuals problem - Legislation is pending in the House and Senate that would provide tax incentives for homes and businesses to install biomass heating systems that are fueled by wood pellets or wood chips. The legislation, called the Biomass Thermal Utilization Act, would result in wider scale deployment of these systems across the country, and stimulate increased demand for our sawdust and other residuals that are used to make the fuel these systems require.

It's going to be a very active fall session. And the timing of this year's **Fall Fly-In** is excellent. We will be able to highlight these - and other issues - as lawmakers begin serious debate on tax reform legislation. And as Congress takes action, I will keep you updated, as always.

The evolution of Timber Construction

Through the joint efforts of the U.S. hardwood industry and the Foreign Agricultural Service (FAS) of the U.S. Department of Agriculture (USDA), the American Hardwood Export Council (AHEC) runs a worldwide program designed to promote the full range of American hardwoods to the international marketplace. Please take a moment to review one of their very interesting efforts.

"An engineering marvel made of **American white oak** features in the redevelopment of the Warner Stand at one of the world's most iconic sporting facilities, Lord's Cricket Ground in St. John's Wood, London. In this pioneering project, the roof of the stand is formed from 11 cantilevered, glue laminated (glulam) American white oak beams that radiate dramatically from the corner of the ground, paving the way for brave new structural uses of sustainable American hardwoods.

American white oak is one of the most popular species from the U.S. hardwood forests, and is unique to North America. Its choice for the glulam beams was driven by its excellent strength properties relative to its weight, allowing the beams to be more slender than if they had been made from constructional softwood. It also increased their durability and offered a high-quality architectural finish.

- Each beam measures 900mm x 350mm at the deepest point. (2.95ft x 1.14ft)
- The longest glulam beam weighs approximately four (4) tons, and measures 23.4 meters (76.8ft) in length, the same as 26 cricket bats lined up nose to tail.
- They are all covered by a lightweight, fabric roof covering.

In total, 100m³ or 42,387 board feet of Number 1 Common grade American white oak was used to create the 11 beams. Forest Inventory Analysis (FIA) data shows U.S. white oak makes up 15.7 percent of total forest cover, and that while 20.9 million m³ of American white oak are harvested each year, nearly 40 million m³ are growing in the hardwood forest in the same period.

Bottom line: It would take only 160 seconds for this material to be replaced through natural growth, across the vast American forests." Visit www.americanhardwood.org to learn more.

Hardwood 'CEUs' take Center Stage near you

As you know, part of HMA's education and promotion efforts includes **two** Continuing Education learning units (CEUs) available for presentation to architects and interior designers. And over the past several months, the CEUs - "**American Hardwoods and Their Role in Carbon Neutral Design**" and "**Thermally Modified Hardwood and its Role in Architectural Design**" - have been conducted in Baltimore, Pittsburgh, and Louisville. Why might that be news?

It's 'news' because now, more than 75 specifying professionals are better informed about our magnificent product, and better informed as to how it can enhance their design efforts!

Thinking that the design/build professionals in your part of the country could benefit from this information, but not sure how to get the ball rolling? Not a problem. HMA can help.

What the CEUs are all about ...

"**American Hardwoods and Their Role in Carbon Neutral Design**," is a 45 minute presentation that begins with a look at Hardwoods 101 – What are hardwoods? Where do they grow and how abundant are they? Who owns them? And how do we get them?" It then presents the science surrounding hardwoods; the significant role they play in the environment and finally, as a materials choice, discusses their significant role in sustainable building.

"**Thermally Modified Hardwood and its Role in Architectural Design**," produced by HMA member Atlanta Hardwood Corporation, is a 45 minute presentation explaining how the modified resource differs from other wood products; reviews the physical characteristics and performance features of the material; outlines specification, installation and maintenance procedures; identifies potential applications for this innovative product, and offers information regarding its environmental advantages.

- Both are approved by the American Institute of Architects/Continuing Education System (AIA/CES), and the Interior Design Continuing Education Council (IDCEC).
- Both earn one Health-Safety-Welfare (HSW) Learning Unit for participating **architects** and a 0.1 Health-Safety-Welfare CEU credit for ASID, IDC, IDEC and IIDA **designers**.
- Both are available to **all** industry stakeholders.

How to get the Ball Rolling!

These CEUs are significant American hardwood education/promotional tools. And both are great ways to get up close and personal with important decision makers. Please call the HMA office, 412.244.0440, for more information.

Tucker on Innovation

Earlier this year, the *Innovation Trends Newsletter* of Robert B. Tucker, American author and innovation and growth consultant, included an article entitled, "**Six Innovation Leadership Skills Everybody Needs to Master**." We offer this article synopsis.

"Innovation in the next economy is about much more than inventing. It's about figuring out how and where **you** can add unique value. It's about how fast you can unlearn, relearn and master new skills. It's about how you engage others at a deeper, more humanistic and passionate level. - Here are **six critical leadership skills** that will help you turbocharge your career in the coming days.

Continuously Embrace the 'Opportunity Mode' of Thinking

In 'Opportunity Mode,' you are passionately alert to possibility, to unmet needs, to the power of imagination, and to the thrill of turning vision into reality. Where others see

problems, you sense potential. When others stress over details, you see the big picture, the progress being made, the vision of how things can be but are not yet. You realize that your perspective and attitude determines everything. And you know progress will happen, if only you keep the mood right and press ahead.

Action steps: Innovation in the new workplace is not what you do after you get your work done; it's how you approach your work. Exercise your imagination muscle. Create opportunities. In its simplest form, innovation is coming up with ideas and bringing them to life.

Assaulting Assumptions

Assumptions are like barnacles on the side of a boat; they slow us down. Years of experience in an industry, profession or job can also be a deterrent. In today's hypercompetitive world, we can either assault our assumptions, or somebody else will do it for us and reap the benefits. Innovation begins where assumptions end.

Action steps: Consciously challenge personal, professional and industry assumptions. Experiment with alternatives and possibilities. When the thought that "there's got to be a better way" pops into your mind, just remember there probably is. Nudge yourself to envision that better way.

Develop Empathy for the End Customer

Strive to understand the business you're in on a deeper level. Step outside the bubble of your culture. Interact with more people. Develop empathy for your end user, whether that customer is internal or external.

Action steps: Listen deeply to what that customer wants to accomplish, what problems they face, and how you and your organization might take on their problem. Wrap your brain gently around what they are trying to express. Try to walk in their shoes. Seek to understand their pain points.

Proactively Think Ahead of the Curve

Things happen fast when we aren't paying attention. In today's hyper-changing world, we can miss important trends, disruptions, and technologies. And myriad other distractions and deadlines in the workplace can blind us to important societal, technological and other external changes.

Action steps: Every innovator I've ever met has a voracious information diet: books, articles, alerts, reports. Developing the ability to track emerging trends is a skill. It involves projecting out where these trends will go. It involves looking at what you must do or can do proactively to prepare for the future. By assessing and interpreting changes as they relate to your world, you position yourself to transform them into new opportunities.

Continuously Fortify Your Idea Factory

Everybody has ideas. But only some people know how to keep their 'idea factories' fortified. The ability to "**ideate**" - invite ideas on purpose using tools like mind-mapping and simple brainstorming - is an essential skill of the dawning world of work. Creativity is not a gift from the gods, but the result of preparation, routine, discipline.

Action steps: Consciously manage your mental environment so that you're able to recognize the ideas that flutter into your life. Turn your office into a creative place. Practice encouraging creativity in the people around you. Make efforts to seek inspiration outside the office. Enhance your creative environment at home.

Building the 'Buy-In'

Selling new ideas is about surmounting obstacles, overcoming objections and gaining commitment for (your) new way of doing things. In a world where everything seems to 'go

viral' instantly, we sometimes forget that persuading other people – colleagues, the boss, customers, our spouse – is an essential and developable skill. Strive to get better at communicating the merits of taking a certain course of action.

Action steps: Be persistent: building the 'buy-in' for a change often takes time and patience. Think about the individual you're presenting your ideas to, and focus on the benefits of adopting the new way. If your idea buyer is numbers oriented, use plenty of charts and graphs. If more aspirational, show how this enhances the brand, and avoid getting caught up in the features and technical details.

You don't need a crystal ball to see that the world of work is changing. To thrive in this new world of work will require different skill-sets, mindsets, and tool-sets. Chief among them: the need to bring people together as a team; the need to demonstrate deeper empathy; the ability to get new things done."

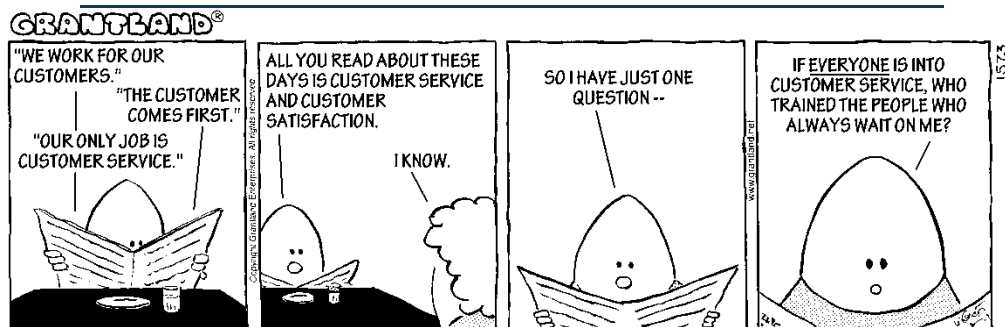
Robert B. Tucker is a "global futurist and an internationally recognized pioneer in the field of innovation." Learn more at www.innovationresource.com.

Health pros on staying well

If you are looking for a little "guidance on nutrition, fitness and making smart everyday choices," here are five 'pearls of wisdom' from some of America's leading medical professionals.

- "A major source of stress on the body is an irregular schedule. Try to eat, sleep and exercise at the same time every day." - **David B. Agus, M.D.**, professor of medicine and engineering, University of Southern California
- "Get into the habit of a brisk daily walk with a friend: The aerobic conditioning gets your heart to pump oxygen and nutrients to your brain; the conversation will further strengthen your neural circuits." - **Gary W. Small, M.D.**, professor of psychiatry and biobehavioral sciences, David Geffen School of Medicine, University of California, Los Angeles
- "I would argue for 'eat less meat and more plants.'" - **David L. Katz, M.D.**, director, Yale-Griffin Prevention Research Center
- "Engage in a new activity that stimulates you physically, mentally and socially. Ballroom dancing, bowling, biking or birding – just to name a few 'B' possibilities!" - **Reisa Sperling, M.D.**, director, Center for Alzheimer's Research and Treatment, Brigham and Women's Hospital in Boston
- "Everything in moderation, including moderation." - **Bruce Leff, M.D.**, director, Center for Transformative Geriatric Research, Johns Hopkins University School of Medicine

Information source: **AARP Bulletin**





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