

Washington Report

A report from the nation's capital on governmental actions affecting the forest products industry.

FOREST SERVICE RELEASES STRATEGIC PLAN

The U.S. Forest Service recently released a strategic plan for fiscal years 2007-2012. The plan includes the emphasis areas of climate change, water and involving youth in forest activities.

"Forests play a unique role in meeting our nation's future challenges associated with climate change, renewable energy, and sustaining abundant flows of fresh water to the American people," said U.S. Forest Service Chief Abigail Kimbell. "Because issues related to climate change and looming water shortages will take many years to resolve, the Forest Service is committed to instilling

stronger land ethics in future generations."

The Forest Service Strategic Plan for FY 2007-2012 provides a clear yet broad direction to carry out its mission of natural resource management while focusing on critical programs and activities. The Forest Service strategy includes the integration of environmental, social and economic issues into its management decisions while accounting for present and future needs.

Through state foresters, tribal leaders and other partners, the Forest Service provides financial and technical assistance to help forest landowners, public and private, manage their lands for sustainability. The agency's goals are to sustain the health, diversity and produc-

Please turn to page 74



Brenneman *Lumber Company*

Green and Kiln Dried Appalachian Hardwoods

The Brenneman family and all of its employees would like to wish all of our customers a happy holiday season. With the 4th generation of the family starting to work for the company, our future looks bright and blessed.



Yard and Sales Office:

P.O. Box 951

51 Parrott St. Ext. • Mt. Vernon, OH 43050

Phone: (740) 397-0573

FAX: (740) 392-9498

Web site: www.brennemanlumber.com Email: info@brennemanlumber.com



NHLA News

Why Associations Matter *More In Tough Times*

The Hardwood industry is facing some tough times. Each company is taking a look at its balance sheet and making hard decisions. At NHLA, we know that some are questioning all expenses, including membership in associations. It may be counter intuitive, but associations such as NHLA are more important in tough times than when business is booming. The services NHLA provides, including networking, advocacy, communications, and training, can make a difference in whether your company not only survives, but also succeeds.

As the industry faces challenges to production, manufacturing, and sales, there is more of a need than ever for companies to take full advantage of their NHLA membership, or for companies to become members. As with any association, the role of NHLA is to offer networking opportunities, serve as a voice on legislative and regulatory issues, and offer continuing education and technology transfers.

The Annual Convention & Exhibit Showcase provides unrivaled networking and educational opportunities for NHLA members as well as a forum for NHLA business. The upcoming convention, scheduled for Oct. 8-11, 2008, in San Francisco, promises to be “the Global Gathering of the Hardwood Community,” with a larger-than-ever group of Hardwood industry members from all over the world. Special marketing efforts already are in place in Asia and Europe to bring more buyers to this Convention. The Hardwood market is global; your contacts – your networking opportunity – should be too!

Being a member of NHLA means having someone to stand up and speak for you in Washington, D.C. As you know, we face well-funded environmental groups who wish to stop or dramatically curtail harvesting, unaware of the excellent record of the North American Hardwood industry in stewardship of the natural resource. Other countries and other industries offer fierce competition, often with products that are not as environmentally responsible.

Standards are written for the construction industry that promotes other, less environmentally-responsible, products at the expense of locally-grown Hardwoods! Though its membership in the Hardwood Federation and the Hardwood Federation PAC, NHLA represents you in

By Tom Walthousen
Director of Industry Relations
National Hardwood Lumber Association
Memphis, Tenn.



Washington, D.C.; it also serves as your voice on the United States Green Building Council (USGBC). What happens in Washington, D.C., and in international regulations affects your bottom line.

Communications, research, and development are crucial to providing our members with the most up-to-date information possible.

NHLA’s foundation is the education and development of leadership in the industry. The 14-week inspection school in Memphis is the industry’s flagship training program. With short courses in grading, remanufacturing, kiln drying, and more offered around North America and the world, as well as a staff of NHLA inspectors – “national men” – around North America, NHLA is an educational resource that can make your employees, even your sales and managerial staff, more knowledgeable and productive. As NHLA national inspector Barry Kibby recently remarked, “Everybody likes dealing with someone who knows what they’re talking about!”

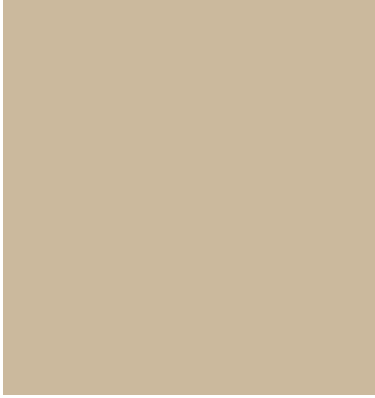
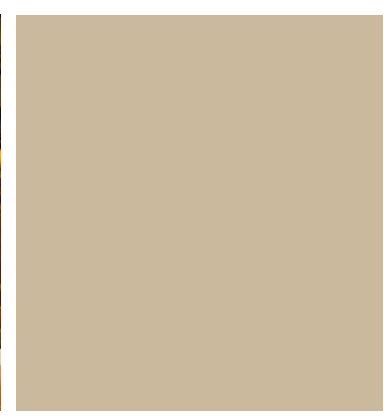
In tough times, industry members need one another more than ever. Remember that NHLA exists for you, its members. Utilize the services offered and ask what more NHLA can do for you. It can be the support you need to get through tough times into the future.

The world’s largest and oldest Hardwood industry association, NHLA is comprised of 1,700 companies and individuals that produce, use and sell North American Hardwood lumber, or provide equipment, supplies or services to the Hardwood industry. It was founded in 1898 to establish a uniform system of grading rules for the measurement and inspection of Hardwood lumber. Today, its members represent all sectors of the industry.

The contact NHLA, please visit its website at www.nhla.com or call 901-377-1818.



*Four proud generations of
hardwood excellence*



*Delivering the finest
NHHLA certified Red Oak,
White Oak, Walnut, Ash,
Poplar, Hickory, Hard
Maple, Soft Maple, &
Aromatic Cedar*



J.T. Shannon

A HERITAGE OF EXCELLENCE

*W*hen you've been in the business as long as JT Shannon, you learn that nothing is more important than your client's trust. Through strategic growth, consistent innovation, and an ironclad commitment to delivering the best product at the best value, JT Shannon has built generations of trust.

When you choose a hardwood source, make sure you choose a partner who will look out for your interests. Trust JT Shannon.

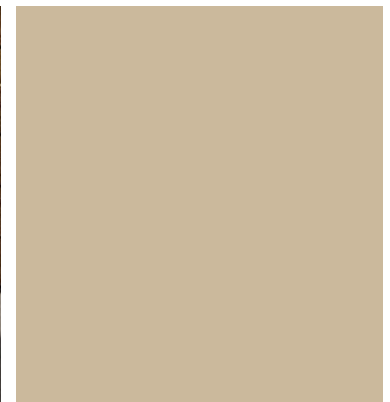
**J.T.
SHANNON**
LUMBER COMPANY, INC.

1-800-473-3765

P.O. Box 16929
Memphis, TN 38186
www.jtshannon.com
sales@jtshannon.com



*80-year member of the
National Hardwood Lumber
Association & member of the
Hardwood Manufacturers
Association, National Wood
Flooring Association, Lake
States Lumber Association,
& the American Hardwood
Export Council*





Solid Hardwood Promotion

HMA's American Hardwood Promotion Program Producing Industry-wide Benefits

The Hardwood Manufacturers Association's highly visible American Hardwood Promotion Program reaches tens of millions of consumers, students, architects, designers and builders each year. The positive media exposure spreads the very important message that, not only are American Hardwoods beautiful, durable and lasting, they are green and sustainable, naturally renewing and more abundant today than 50 years ago. Showcasing American Hardwood flooring, furniture, cabinetry and millwork in hundreds of publications and projects, the program's effects are far-reaching.

The financial commitment of HMA members' dues, special contributions from members and 17 non-member friends of Hardwood promotion sustain our efforts and produce industry-wide benefits. Our American Hardwood promotion program would not be possible without their continued generosity.

We salute you and thank you for your continued support. (For the period October 1, 2006 to September 30, 2007)

HMA Member extra contributions \$12,000 and up: Northwest Hardwoods, A Weyerhaeuser Business; Baillie Lumber Co.; Weaber Inc.; and Wolf River Lumber, Inc.

\$2,400 to \$7,000: T & S Hardwoods Inc.; Buchanan

Lumber Birmingham; Kitchens Brothers Manufacturing Co.; Fred Netterville Lumber Co.; Bill Hanks Lumber Co. Inc.; Rutland Lumber Co.; Cersosimo Lumber Co. Inc.; Cummings Lumber Co. Inc.; Northland Forest Products Inc.; and RAM Forest Products Inc.

\$1,000 to \$1,800: East Perry Lumber Co.; Holt & Bugbee Co.; Turn Bull Lumber Co.; Curtner Lumber Co.; Pomeroy Lumber Inc.; and Pike Lumber Co. Inc.

Up to \$800: Anderson-Tully Co.; Kuhns Brothers Lumber Co. Inc.; Hanafee Brothers Sawmill Co. Inc.; Whitson Lumber Co.; and BWP Hardwoods Inc.

Non-member contributions—\$1,000 to \$5,000: Penn-York Lumbermen's Club; Southwestern Hardwood Manufacturers Club; Swaner Hardwood Co.; Hardwood Review Weekly; Lake States Lumber Association; Hardwood Market Report; Employees of Weaber Inc.; Woodus K. Humphrey & Co.; and National Hardwood Magazine Inc.

Up to \$1,000: McDonough Manufacturing Co.; Highland Hardwood Sales; Reel Lumber; SII Dry Kilns; W. M. Cramer Lumber Co.; Cotton-Hanlon, Inc.; Champlain Hardwoods; and Frank E. Wilson Lumber Co.



HAPPY HOLIDAYS



The green-roofed building in the forefront houses the green chain while the sawmill operation is located in the adjacent building.



This is a view of Kepley-Frank Hardwood's circle saws cutting a large Appalachian log into lumber. The firm has three sawmills running at the company's headquarters.

Information about our sawmill, planer mill and lumber inventory is below:

- 1.) Our three sawmills cut 15 million board feet a year of fine Appalachian Hardwood lumber in 4/4 through 8/4 thicknesses in mostly Red Oak, White Oak and Poplar as well as Ash and Maple. Our crosstie mill manufactures about 100,000 board feet per week of crosstie and tie sides in species such as Hickory, Sycamore, Beech, Gum and Elm. **In addition to the lumber we cut from our sawmill we also process another 12 to 15 million board feet of lumber per year through our Hardwood concentration yard business. We purchase and process all domestic species in all grades.**
- 2.) Our modern planer mill runs two shifts to ensure on time shipments of our lumber to customers. We deliver kiln dried or air dried lumber and offer export preparation and on site container loading.
- 3.) We offer 600,000 board feet of fan shed inventory at all times, to provide efficient service to our customers. Kepley-Frank maintains an air dried inventory of 5,000,000 plus board feet of all species, to ensure back up inventory for our customers.

***Through Jimmy Kepley acquiring Lexington Home Brands' plant #2 in Lexington, N.C., and naming the operation Linwood Furniture, Inc., his company offers kiln dried lumber from Linwood's eight dry kilns with a total dry kiln capacity of 600,000 board feet per charge. The furniture plant is also offering the service of contract furniture manufacturing and the manufacturing of wood components for other furniture manufacturers and other woodworking companies.**



AHEC Update

AHEC Seeks To “Grow The Pie” For U.S. Hardwood Exporters

With the growing importance of exports for both short and long-term profitability to the industry, promotional efforts and marketing campaigns through seminars, public relations activities, tradeshow, and conventions are already planned for 2008 in order to help U.S. exporters increase their market share. Next year’s highlights are as follows:

Conventions: This year will see a return to Vietnam for the Greater China/Southeast Asia Convention, and a planned convention in Mexico City for Latin/South America. Europe will have its next convention in 2009 since its biannual convention took place in 2007. AHEC conventions each average 200 to 800 attendees, and provide unique opportunities to network with a large number of potential overseas buyers while learning about the latest market developments. Participation in these events is free of charge for AHEC members and open to non-members for a fee.

Seminars: AHEC sponsors more than 30 seminars in 10 to 15 different countries per year. Offering another significant networking opportunity to all AHEC members, the seminars are designed to give overseas importers, specifiers, and end users an increased understanding of the U.S. Hardwood resource, as well as technical information on grading, characteristics, and applications of the major U.S. Hardwood species. This coming year, seminar locations will expand to include parts of South America and Eastern Europe. Several of the more active AHEC members schedule their overseas sales trips to correspond with one or more of these events.

Trade Shows/U.S. Hardwood Pavilions: AHEC will exhibit this coming year at more than 20 regional and national trade shows around the world, from exciting new events in the Middle East, India, Brazil, and Vietnam to more established shows throughout Europe, Korea, Japan, China, and Mexico. AHEC members are always welcome to use the AHEC stand as a base of operations for attend-

by **MICHAEL SNOW**
Executive Director
American Hardwood Export Council
Washington, D.C.



ing these shows, and AHEC overseas staff can assist members with registration information and accommodations. In addition, AHEC also sponsors “U.S. Hardwood Pavilions” in emerging shows in places such as India and the Middle East where members are invited to set up their own booth under the “U.S. Hardwoods” umbrella at a greatly reduced cost compared to stand-alone booth space.

Market Intelligence/Statistical Reports: AHEC members will regularly receive market reports from AHEC overseas directors. Reports are based on the directors’ 100+ trade servicing visits with timber traders, manufacturers, architects, and designers around the world, and they provide cutting edge information on current market conditions and future opportunities, feedback from importers and end-users, and updates on the latest regional Hardwood events. These market reports also provide U.S. Hardwood export statistics which are available by country and species, as well as access to import data from several of our major trading partners, which will allow your sales staffs to not only track U.S. exports, but also keep track on what our competitors are exporting to major markets and what the U.S. is importing.

U.S. Hardwood Public Relations Campaign: Reaching more than 28 million people in 24 countries, AHEC’s worldwide public relations campaigns target overseas specifiers, consumers, and importers, promoting U.S. Hardwoods and Hardwood products. In a given year, more than 750 AHEC advertisements, press releases, and feature articles which highlight the quality, variety, and sus-

Please turn to page 79

Do the Math!

Qtr. Sawn
+
Sorted Width
= Profit \$

Plain Sawn
+
Random Width
= Profit ¢



Why buy random width when you need fixed width?

Graf Brothers...
the most progressive lumber
company in America.

PO Box 458
679 Johnson Lane
South Shore, KY 41175
Phone: 606-932-3117
Fax: 606-932-3156

design by
GraEx

E-mail: info@grafbro.com
Website: www.grafbro.com



Hardwood Calendar

DECEMBER

Lake States Lumber Assoc., Board of Director's Meeting, Best Western Midway, Wausau, Wis. **Contact: 906-774-6767. Dec. 5.**

Canadian Lumbermen's Association Hardwood Bureau Meeting in conjunction with the Wholesale Lumber Dealers Associations's Christmas Festivities. Doubletree International Plaza Hotel, Toronto Airport. **Contact: 613-233-6205 or www.cla-ca.ca. Dec. 5.**

Kentucky Forest Industries Assoc., Kentucky Master Logger, Carter Caves State Resort Park. **Contact: 800-859-6006. Dec. 12.**

West Side Hardwood Club Annual Christmas Luncheon, Eden Park Country Club, Pine Bluff, Ark. **Contact: 870-367-2436. Dec. 13.**

JANUARY '08

Appalachian Lumbermen's Club meeting, Holiday Inn Select, Hickory, N.C. **Contact: 828-397-7481 Jan. 8.**

National Hardwood Lumber Assoc. (NHLA), 14-week Hardwood Lumber Grading Class (NHLA Inspection School), Memphis, Tenn., **Contact: m.bartee@nhla.com. Jan. 9-Apr. 11.**

Lake States Lumber Assoc., 2008 Winter Meeting, The Hotel Mead &

Conference Center, Wisconsin Rapids, Wis. **Contact: 906-774-6767. Jan.17-18.**

Canadian Kitchen Cabinet Assoc. 14th National Forum, Saskatoon, SK. **Go to website www.ckca.ca. Jan. 30-Feb. 3.**

FEBRUARY '08

American Hardwood Export Council's American Hardwood Pavilion at the Dubai Woodshow 2008. Dubai Airport Expo. **Contact: +971 4 28 29 299. Feb. 5-7.**

Indiana Hardwood Lumbermen's Assoc. Convention and Exposition, Hyatt Regency, Indianapolis, Ind. **Contact: 317-875-3660. Feb. 6-7.**

WORMY CHESTNUT • TROPICALS • QTR & RIFT • CYPRESS • ELM

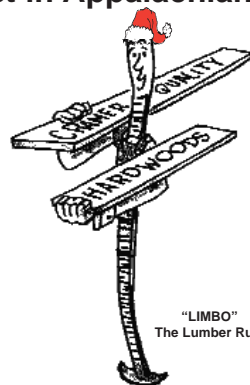
W.M. Cramer Lumber Co.

Headquarters, Concentration Yard & Kilns in Hickory, N.C.
Phone (828) 397-7481 FAX: (828) 397-3763

www.cramerlumber.com

"The finest in Appalachian Hardwoods"

**MERRY
CHRISTMAS!**



**HAPPY
NEW YEAR!**

West Coast
Sales
626-445-8556

Orlando, FL
Warehouse
407-323-3740

Atlanta, GA
Warehouse
770-479-9663

Sawmill
Kilns
Marlinton, WV

Yard
Kilns
Millwood, KY

Exclusively Representing: Myles Lumber Co., Elkins, W.V.



HICKORY • HARD & SOFT MAPLE • POPLAR • RED & WHITE OAK • WALNUT • ASH

WHITE PINE • BASSWOOD • BEECH • BIRCH • CEDAR • CHERRY

CALENDAR - Continued

Appalachian Hardwood
Manufacturers Inc. Annual
Meeting, Marco Island Marriott,
Marco Island, Fla. **Contact: 336-
885-8315. Feb. 20-24.**

Canadian Lumbermen's Assoc. 100th
Anniversary Gala. Fairmont the
Queen Elizabeth Hotel, Montreal,
Que. **Contact: 613-233-6205. Feb.
20-21.**

WHAT ARE YOU UP TO NOW?

Expanding your facilities, adding personnel or
equipment, holding a meeting or convention?
The National Hardwood Magazine would like to know so
that we can publish your announcement.

Send news items to:
editor@millerpublishing.com





Quality Hardwoods and Pines Custom Manufactured Mouldings

Our Goal

- ▶ To build and maintain long term relationships with our suppliers.
- ▶ To consistently provide the highest quality lumber, delivered on time at competitive prices.

Our Profile

- ▶ 4 distribution yards.
- ▶ 500,000 BF of kiln capacity.
- ▶ Buying 35 million BF of Northern & Appalachian hardwoods annually.
- ▶ Direct importer of tropical hardwoods including South American and African mahogany.
- ▶ Complete Millwork Facility at each yard.
- ▶ Forest Stewardship Council (FSC) certified. FSC certified products come from well managed forests.
- ▶ 12 million BF of K.D. Lumber in inventory.

© 1996 Forest Stewardship Council A.C. FSC

CORPORATE OFFICE/YARD:
840 MAIN STREET, ACTON, MA 01720
PHONE: (800)343-0567 FAX:(978)263-9806
EMAIL: SALESINFO@REXLUMBER.COM
WEBSITE: REXLUMBER.COM

OTHER OFFICES/YARDS:
SOUTH WINDSOR, CT
ENGLISHTOWN, NJ
DOSWELL, VA





Wm Ohs celebrated its 35th anniversary in 2007, and operates in a 50,000-square-foot manufacturing facility with more than 100 woodworkers on staff.

Perfect Crafter Drive

Denver, Colo. -

Home designers know that the kitchen is often the room in the house that makes or breaks the sale of a home. At Wm Ohs Inc., located here, creating elegant classic kitchens made in America is the top priority.

“We handcraft kitchens—one at a time—that wed the rich, warm legacy of the past with the convenience and technology of the present,” said Bob Cilli, president of Wm Ohs Inc. “We incorporate captivating design with wonderful functionality to provide kitchens for our customers that are a pleasure to use and an investment that will not be outdated five years, or even 25 years from now.

“It is all about quality and design,” Cilli continued. “We specialize in completely original innovations in cabinetry construction and styling.”

The company, which celebrated its 35th anniversary this year, operates out of a 50,000-square-foot manufacturing facility in the “Mile

High”city. The building holds a bevy of equipment including two CNC routers, a computerized panel saw, a moulder and planer to name a few. But it is not the equipment that defines the kitchens by Wm Ohs; it is the 100-plus woodworkers on staff.

“Ultimately, what makes Wm Ohs different is our people. We’re a company whose staff members—from production workers to journeymen-craftsmen to office personnel, managers and designers—take pride in providing the highest quality work,” said Rick Casey, vice president. “Together, we subscribe to the philosophy: Nothing is more affordable for Wm Ohs to give its customers than quality, and nothing is more costly to the company than to withhold it.”

Every cabinet is hand made and hand distressed, which requires time and skill.

“At our factory the project begins when we receive the professional kitchen designer’s order and technical drawings. We have 28 showrooms throughout the United States. In turn, through

“We handcraft kitchens—one at a time—that wed the rich, warm legacy of the past with the convenience and technology of the present.”

—Bob Cilli, president, Wm Ohs Inc.

Products, ve Energy Wm Ohs

BY BRADY BUFFALOE

back and forth e-mails, faxes and phone conversations with the designer, Wm Ohs customer service and engineering personnel thoroughly dissect the kitchen designer's order into its multiple elements, finally developing actual cutting, finishing and assembly directives for the factory," Cilli said.

The course of quality begins with the choice of suppliers of the various wood species, according to Casey.

"We then segregate the wood into clusters of uniform color and compatible grain pattern so each lot will stain with consistency," he said. "During the process of manufacture, the moisture content of the wood is also monitored and controlled."

Quality is manifest, too, in the precision sizing of milled cabinet parts, which fit into various assemblies like the special "Bombé-Fronted Furniture" pieces. The charm of these pieces may mask this precision, but accuracy is always present.

Hidden details are just as important at the company. For example, in addition to the common

Please turn to page 82

Top: Valuable hidden details in Wm Ohs' manufacturing process include the addition of dowels to cabinet doors to complement the traditional use of mortise and tenon joinery.

Center: Wm Ohs uses about 2 million board feet of Hardwoods annually in the manufacture of kitchen cabinets.

Bottom: Every Wm Ohs cabinet is hand made and hand distressed, which requires time and skill.



2008 HARDWOOD Purchasing Plans

When the volume of new single-family home sales plummeted nationally in August to 21.2 percent below last year's figures, hope evaporated for a housing industry recovery in 2007. Ask any industry expert—either in housing or lumber—and they'll tell you that mid-to-latter 2008 may now be the earliest we can expect significant improvement.

So, what's a businessperson in the lumber industry to do in light of such somber news?

We polled a few in the lumber industry, and none feel defeated by the challenging economic times. Rather, they are embracing the issues associated with the depressed market, and are finding ways to not only survive it, but thrive in spite of it.

In Chatfield, Minn., at **Tuohy Furniture Company**, **Bryan Peterson** is optimistic about the direction of sales and the wood products industry in general.

"We started 2007 actually very busy," said Peterson of the firm's activity. "About mid-year, we plateaued and traffic slowed down, but we really began seeing an uptick by September and have been adequately busy since then."

Tuohy Furniture Co. builds office furniture for several large companies, particularly concentrated

throughout the East Coast. Peterson said the firm's products are made from several species, among them: White Oak, Walnut, Zebrawood and Mahogany, which have comprised the bulk of the

ing in Jackson, Tenn., this year. Sales of the company's prefinished Hardwood floors, particularly in Red and White Oak, have been gratifying, noted **J.R. Johns** at Armstrong Hardwood Flooring.

"Our quality has kept our sales up," he said. "Overall, I would say our market has performed fairly in 2007. It slowed a little as the summer ended, but still remains good overall."

The Home Depot and Lowe's retail stores distribute **Armstrong**

Hardwood Flooring's products. While those retailers have recorded healthy sales of the Oak items, purchases of Maple flooring have been noticeably less in 2007, said Johns.

"Our inventory levels are a little higher for some products when compared with 2006 due to the fact that some items are just moving slower," Johns added. "However, we have really been able to hold our prices. We haven't had to drop them at all, and we have not decreased our lumber purchases either."

Will 2008 be a better year for Armstrong Hardwood Flooring? Johns believes so. "We have done pretty good overall in 2007," he said, "and I think next year will be better. For the industry and market in general, I think things will really turnaround next year."

Please turn to page 68

Editor's Note: The following is an exclusive report about the purchasing plans of many of the largest Hardwood lumber buyers in North America.



Sue Putnam

2007 orders for Tuohy. Orders for White Oak products have been noticeably up, he added, while Mahogany sales slipped slightly in recent months.

Thanks, in part, to White Oak's strength, Tuohy Furniture's lumber purchases have not declined this year, nor have their product prices. "We have been discontented a little during the slower periods of the year," noted Peterson, yet that discontent has not driven the firm to de-value its products. Items have simply sold at a slightly slower pace.

In recent weeks, Tuohy sales overall have been "brisk, particularly among fashion furniture due to our unique designs," added Peterson.

Red and White Oak (No.1) has been the bread and butter for **Armstrong Hardwood Floor-**

Simply the Best



www.itlcorp.com

ITL Corporation

dba Industrial Timber and Lumber

23925 Commerce Park Road Beachwood, OH 44122 USA

Phone: (216) 831-3140 FAX: (216) 831-4734

Toll Free: (800) 829-WOOD (9663)

E-mail: sales@itlcorp.com



The FSC logo identifies products which contain wood from responsibly managed forests independently certified in accordance with the rules of the Forest Stewardship Council A.C.
FSC Trademark ©1996 Forest Stewardship Council A.C. SW-COC-293 © 2006 Industrial Timber & Lumber

2008 FORECASTS



Dave B. Redmond
Highland Hardwood Sales Inc.
Augusta, Ga.

What a challenging year we have experienced in the Hardwood industry! What can we expect next year and beyond? Can things get much worse? Who has the answers?

If WE had the answers to these questions, lumber would be the last thing on our agendas. Yet, as an industry, WE continue to seek ways to continue, and I for one am very proud the industry is of this frame of mind. Scarce timber offerings, fewer loggers, increasing overhead and production costs, decreasing lumber pricing, financial institutions hesitant, rising delinquent accounts receivable, increasing numbers of bankrupt customers, mills placed for auction, and yet we continue to make and ship lumber every day. Not just any lumber, the finest quality with reliability and consistency.

The housing market decline has had much to do with our misery. Closing domestic manufacturing plants has limited our traditional consuming base. It seems the flooring and cabinet industries cannot keep this pace indefinitely.

The answer for Highland is the same as many of you; we must ship the consuming market wherever its location. More and more this means overseas, and the trend is not likely to reverse itself for a long time. The ability to react quickly, provide a quality product along with dependable service makes North American temperate Hardwoods the choice for much of the world. Add the current favorable exchange rate and the table is set for a greater market share globally.

I have found no matter where the customer may happen to be located, they appreciate and in some cases demand the personal touch. It's all about selling and remembering

"The Customer Is King." I feel with all things equal an educated and informed customer makes for a happier customer. Personal relationships are the catalyst for this formula.

Highland Hardwood Sales Inc., along with our sister company Highland International Marketing and Development Co., will continue to work every day to keep our customers at the forefront of everything we do.

We wish everyone a Merry Christmas, Happy Holidays and a prosperous and Happy New Year.



Steve French
Abenaki Timber Corporation
Kingston, N.H.

I think 2008 will be an improvement over '07 as the housing situation gradually improves. The third and fourth quarters will be stronger than the first part of the year and it will help if the Fed makes a couple more rate adjustments downward.

Our customers who are still manufacturing here and have survived over the last few years are forecasting better business and are pretty lean at this point, so only a slight improvement will go right to their bottom line.

A major issue for all in the industry is energy cost, of course. I would say that we will continue to see the cost of trucking, kilning, sawing, planing, etc. continue to climb because of electric, gas, and oil prices at new high levels.

To combat this issue we have completed construction of a Cogen Plant at our New Hampshire yard that is burning our sawdust, ends, construction debris, etc. and producing high pressure steam to run the dry kilns, heat the buildings, and turn a turbine to produce electricity which at times is in excess of what we use so it goes back on the grid at retail price. We are also in the process of adding a

Please turn to page 62

What's on *your* wish list?

THE QUALITY OF OUR LUMBER WILL
PUT OUR NAME AT THE TOP.

Established in 1886, Taylor Lumber Incorporated is a leading manufacturer of RIFT & QUARTER SAWN lumber. Our quality manufactured lumber is produced from the highest grade Appalachian forest logs, known for their clarity and excellent grain. RIFT & QUARTER SAWN lumber is offered in the following species: Ash, Cherry, Hard Maple, Red Oak, Walnut, White Oak. Plain sawn lumber is also available. All lumber is precision-end trimmed, export graded and packaged.

At Taylor Lumber, we are committed to providing our customers with consistent quality and efficient service.

From our state of the art processing centers to the talented sales staff of Taylor, we guarantee that our lumber will satisfy each customer.



TAYLOR LUMBER

800.296.6223

WWW.TAYLORLUMBERINC.COM



Dwight Arithson, owner/founder of Centennial Wood Co. in Denver, Colo., stands beside 120-year-old timbers, rescued from a Denver Creamery. The timbers will be transformed into custom woodwork in Centennial's mill shop.

Distribution Yard To Large Mill Shop

BY JB MORISSEY

Denver, Colo.—Dwight Arithson spent five years in the navy, flying a HH-3 combat search and rescue helicopter off the pitching deck of an aircraft carrier. He does not fly anymore, but he is still coming to the rescue. Instead of swooping down to scoop up airmen from an angry sea, Dwight flies a desk these days, in an old, red Burlington Northern caboos at Centennial Wood Company, where he provides high quality, sometimes hard to find, Hardwood to custom home builders and woodworkers across Colorado.

Help For The Little Guy

“Thirty years ago, I saw a problem,” Dwight said. “The bigger lumber companies that were in Denver at the time were not paying enough attention to the small time woodworker. If you wanted framing lumber, you could get it, but if you were working on a small, custom job and needed 20 to 100 board feet of Cherry or Maple for a custom cabinet or table, the selection was very limited. The quality of the wood was not that great, either.

“So, I started selling high quality Hardwood out of a small, brick, one car garage behind my house. I began searching for the best looking wood I could find. Not every mill wanted to work with me because I was small potatoes. I wasn’t buying it by the boxcar, I was buying much smaller amounts of rough lumber at a time, because that is what the custom furniture and cabinet makers in Denver needed to finish the project they were working on.”

As business grew, Dwight bought an old, abandoned lumber yard, right beside the interstate, just south of downtown Denver. He added a milling operation and Centennial Wood Company began to manufacture milled products like baseboards, moulding, paneling, and tongue and groove flooring. Through the expansion, Dwight never lost sight of his core business, the custom woodworker who wanted the very

Please turn to page 71

High-End Products, Service Sustain Trinity

BY TERRY MILLER

“We can take care of any pattern work that’s needed. If we don’t have the knives already, we can produce them for the customer and can develop profiles from a detail or sample.”

—Keith Cortez, operations, sales and product manager, Trinity Forest Industries Inc.

Hurst, Texas—

Trinity Forest Industries Inc., located here, has served the wholesale lumber, plywood and millwork needs of its customers since 1982. Business has been good—so good that a second location in Albuquerque was added in 1997.

Trinity uses a wide variety of kiln-dried Hardwoods, such as Alder, Walnut, several varieties of Maple and Oak and softwood species, including, ponderosa pine, Douglas fir, sugar pine, yellow pine, Spanish cedar and even Mahogany. Thicknesses start at 4/4 and go up to 8/4 through most of the company’s inventory, which includes 4/4, 6/4 and 8/4 plain-sawn and quarter-sawn White Oak. Poplar thicknesses range as high as 10 and 12.

“We do carry some 1 and 2 White Hard Maple,” said Keith Cortez, who wears a multitude of hats at Trinity, including those of operations manager, sales and product manager. Trinity’s Albuquerque location keeps

a steady supply of Red Oak and Alder on hand, as well as some softwoods, such as sugar pine. To maximize the firm’s flexibility, Trinity Forest carries as lean an inventory as possible while maintaining an average inventory of 250,000 board-feet.

“We’re dabbling in a little bit of everything right now to meet whatever our clients’ needs are,” said Cortez. “We work with a lot of individuals in charge of stocking, of course, but we also work with window, door and furniture manufacturers, cabinetry people and even toy manufacturing individuals.”

Trinity Forest has even indirectly or directly provided service for such well-known restaurant chains as Chili’s, Macaroni Grill, among others.

Trinity’s millwork operation includes cutting stock, center matching and a wide variety of high-end mouldings, up to 9-inch widths.

“We can take care of any pattern



Jerry Anderson, yard supervisor, examines some Basswood stock.



Scott Howe, assistant yard supervisor, talks with Alfredo Cardona, inventory specialist.

work that's needed," said Cortez. "If we don't have the knives already, we can produce them for the customer and can develop profiles from a detail or sample."

Trinity's orders are usually short-run, not production quantity. "If somebody wants one board run, or one piece of moulding run—as long as they want to pay the setup charges on that—we'll do it," Cortez said. "We've got two Weinig moulders; we've

got a gang rip, a straight line rip, planer, sander and resaw. We can do anything from cut-to-length jobs to random length. As long as it can fit through my moulders, we'll run it."

Trinity Forest is able to fulfill most exact orders for high-end millwork within two weeks. Like most wholesale companies, Trinity Forest Industries requires a \$500 minimum order, but that minimum order can be a mix of species.

With two high-end moulders and some of the highest-grade inventory available, Trinity's reputation for

quality stock and workmanship is well recognized.

The company stays in touch with the needs of area mills through frequent customer-focused road trips. Cortez acknowledges that receptiveness varies to this networking strategy, "Some people don't even want to ask the mills to do things like we do and some mills don't even want to look at it, but there are some that will." The benefit—in the long run—



Greg Ryback is president and owner of Trinity Forest Industries Inc. in Hurst, Texas.

is that clients who may not have purchased a particular special order from Trinity Forest Industries do remember Trinity's assistance and often come back at a future

time, trusting in the company's honesty and consideration for their budgets.

Trinity has one truck that runs in the Metroplex area daily. "We sometimes even send it out of town, depending on what we've got," said Cortez. "We've got contracts with truckers in Austin, San Antonio and down to Houston. We can even go

Please turn to page 82



Adam Morris recently joined the sales staff at Trinity Forest.



Scott Morris is a salesman and buyer for the company. Trinity Forest's core staff has over 100 years of experience in the lumber industry.

AHMI

Focuses On Flooring Issues

Johnson City, Tenn.—

The recent 2007 Appalachian Hardwood Manufacturers Inc. (AHMI) Inter-Industry Meeting and Tour focused on Hardwood flooring trends and environmental concerns.

The meeting was held here at the Carnegie Hotel and more than 85 people attended and participated in tours at Mullican Flooring and ABS Truss, both in Johnson City.

Keynote speaker Ed Korczak, executive director of the National Wood Flooring Association, in St. Louis, Mo., said competition in the Hardwood flooring industry is fierce.

“In recent years, a building boom flourished in the United States and builders could not get houses up fast enough to meet increasing consumer demand,” he said. “Hardwood flooring became the flooring material of choice for this building boom.”

Since 2006, however, a slowdown in sales and construction has dramatically impacted the housing market. The U.S. Department of Housing and Urban Development reports that new home starts have been down as much as 19.1 percent from one year ago. Housing sales are down 10.2 percent.

Please turn to page 80





1. Steve Turner, Gilbert Hardwood Centers Inc., Huntland, Tenn.; Tom Inman, Appalachian Hardwood Manufacturers Inc. (AHMI), High Point, N.C.; and Ed Ramsey, Taylor-Ramsey Corp., Lynchburg, Va.
2. Todd Webb, Jim C. Hamer Co., Kenova, W.Va.; Derrick Williams, Stuart Flooring Corp., Stuart, Va.; Chris Keziah, Oak Ridge Hardwoods, Oak Ridge, Tenn.; and Mark Vollinger, W.M. Cramer Lumber Co., Hickory, N.C.
3. Ed Korczak, National Wood Flooring Assoc., St. Louis, Mo.; and John Crites, Allegheny Wood Products, Petersburg, W.Va.
4. Jimmy Powell, Canton Hardwood Co., Canton, N.C.; Jim C. Hamer, Jim C. Hamer Co., Kenova, W.Va.; and Ben Powell, Canton Hardwood Co.
5. Gale Keener, Mullican Flooring, Ronceverte, W.Va.; Robert Coleman, Robert S. Coleman Lumber Co. Inc., Culpeper, Va.; and Gordon Kendrick, Wellborn Cabinet Inc., Ashland, Ala.
6. Mike White, Harold White Lumber Inc., Morehead, Ky.; Steve Hamer, Jim C. Hamer Co., Kenova, W.Va.; and Bill Campoll, Coastal Lumber Co., Charlottesville, Va.
7. Scott England, Gilco Lumber Inc., Charleston, W.Va.; John Foley, Pine Mountain Hardwood Lumber Co., Whitesburg, Ky.; and Rick Armstrong, Homer Gregory Lumber Co., Morehead, Ky.
8. Tim Bowman, Cranberry Hardwoods Inc., Beckley, W.Va.; Tony Honeycutt, Mullican Flooring, Johnson City, Tenn.; and Eddy Phillips, Cranberry Hardwoods Inc.



Additional photos on page 57

Facility Tours High

Birmingham, Ala.—A tour of Buchanan Lumber Co., located in Aliceville, Ala., kicked off the recent Mississippi Valley Regional Meeting hosted by the Hardwood Manufacturers Association (HMA).

The two-day event was packed with tours of various facilities in the region as well as a reception and dinner that featured guest speaker George Barrett, president and editor of Hardwood Publishing Co. Inc. who shared his views on the condition of the current Hardwood market.

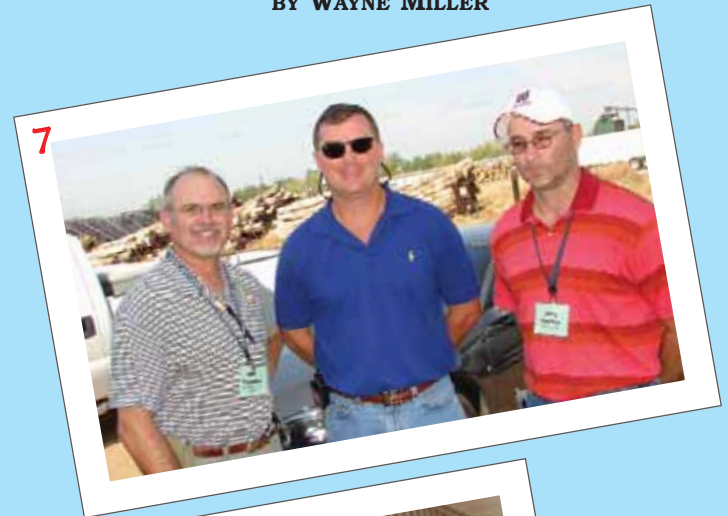
In addition to Buchanan, other facilities that were toured included: McGee Lumber Co. and Lewis Bros. Lumber Inc., both of Aliceville, Ala., and Wellborn Cabinet Inc., located in Ashland, Ala.

The upcoming national HMA meeting was also a topic of discussion at the recent regional gathering. Savannah, Ga., will be the location for the 2008 HMA National Conference and Expo, which will be held at the Hilton Savannah DeSoto. This conference features speakers on national and global economics, manufacturing and market trends, innovation and other issues of strategic significance, according to HMA. Industry suppliers will also display their latest products during the conference's spotlight sessions.



light HMA Meeting

BY WAYNE MILLER



1. Kari Ort-Bunting, Wolf River Lumber Co. Inc., New London, Wis.; Troy Petzoldt, Lucas Hager and Ronnie Weber, East Ferry Lumber Co., Frohna, Mo.
2. Jim Bailey, Buchanan Hardwoods Inc., Aliceville, Ala.; Leslie Rutland, Rutland Lumber Co. Inc., Collins, Miss.; Bill Buchanan, Buchanan Hardwoods Inc.; and Norm Murray, U•C Coatings Corp., Buffalo, N.Y.
3. Tim Kassis, Scott Bowe, Troy Brown and Al Quinney, Kretz Lumber Co. Inc., Antigo, Wis.
4. Tony Messina, Chris Moore, Bob Jones, Dwight Rodrigues and Bob Miller, Frank Miller Lumber Co. Inc., Union City, Ind.; and Alan Kitchens, Kitchens Bros. Manufacturing Co., Hazlehurst, Miss.
5. Ralph Yearick, Yearick-Millea Inc., Pittsburgh, Pa.; Tommy Wooley, Weyerhaeuser, Little Rock, Ark.; and David Hopper, Atlanta Hardwood Corp., Mableton, Ga.
6. Gil Cagle, Jackie Duncan and Keith Snider, Graham Lumber Co. LLC, Linden, Tenn.
7. Bob Packman, RoyOMartin, Morrow, La; Tim Reid, Buckman Laboratories Inc., Memphis, Tenn.; and Jerry Hendrix, Ward Timber Ltd., Linden, Texas
8. Bruce Reynolds and Blake McMinn, Rives & Reynolds Lumber Co. Inc., Louisville, Miss.; and Wayne Miller, National Hardwood Magazine, Memphis, Tenn.
9. Donald Hanafee and Beth Muse, Hanafee Brothers Sawmill Co. Inc., Troy, Tenn.; Butch Morgan, RoyOMartin, Morrow, La.; and John Jones, Ward Timber Ltd., Linden, Texas
10. John Carithers, Kevin Funk, and Rhonda Kendrick, Kendrick Forest Products Inc., Edgewood, Iowa

Additional photos on page 54

NEARLY 90 PARTICIPATE IN ATLANTA HARDWOOD EVENT

BY GARY MILLER

Dawsonville, Ga.—

Eighty-six participants recently enjoyed the 11th annual golf tournament held at Chestatee Golf Club, located here, and hosted by Atlanta Hardwood Corp., of Mableton, Ga., North Georgia Hardwood and White County Mouldings, both of Cleveland, Ga.

Lunch was provided for the participants and guests. The Atlanta, Ga.-based SunTrust Bank team took first place and consisted of Scott Cathcart, Phillip Nelson, Brandon Downs and Scott Freese.

Atlanta Hardwood Corp. has three drying yards and four distribution warehouses, which allows the firm access to a diverse inventory of more than

Please turn to page 80



Dave Redmond, Highland Hardwood Sales Inc., Augusta, Ga.; Jim Howard, Atlanta Hardwood Corp., Mableton, Ga.; and Robbie Parrott, Highland Hardwood Sales Inc.



Dan Mathews, SII Dry Kilns, Lexington, N.C.; Dan Caldwell, Atlanta Hardwood Corp., Mableton, Ga.; Brian Ballard, Huntersville Hardwoods Inc., Huntersville, N.C.; and Dean Miller, Atlanta Hardwood Corp.



Jim Shepard, and Russell and Leonard Blanchard, Eastern Lumber Corp., Orangeburg, S.C.