## APP -

Continued from page 5

that its customers require their orders to be shipped on time and so has created an Online Tracking System (OTS) accessible by entering a unique User ID and Password, facilitating an update on current contracts and each respective shipment status. It also provides a record of all past shipments over the last three months – itself another innovative service in Asia.

Also well understood is the increasing importance of providing environmental credentials and wherever possible certified material and products. APP Timber is FSC certified (FSC SW-COC-001657). The company lists 39 species of timber available from certified sources of which five key hardwoods are from the USA out of the 16 American hardwoods offered. "We are fully committed to sourcing legal and sustainable timber wherever we can, without compromising the wide range of species and solutions we want to give our customers," says Hermens. That, he claims, is one reason for significant concentration on American hardwoods which are accepted as sustainably and responsibly produced, as well as unlikely to include any illegally harvested material according to a recent independent study commissioned by the American Hardwood Export Council.

For the future there is a three-point marketing plan in place; to strengthen the sales team, widen the marketing network and strengthen the supply of product resources. The last may well be the most important for a company that seems to have no problem in growing its customer base.

For more information, visit the company's website at www.apptimber.com.

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## ARGO -

Continued from page 6

available," he said. "We've traded with people, replaced items, bought products then replaced them, the key is having a good core group of customers that trust us."

Argo Fine Imports has quality control measures in place from every aspect of the process. "With the technology we have in place, we've been able to watch everything being manufactured at the mills," Robert said. "We're able to view the production while it's operating over the computer."

"We have people in place overseas that take images of all of our inspected loads before they even get shipped here," Kenny added. "They actually send us images of our material, so we see it before it's shipped.

"We also have a quality control inspector that lives in each area to inspect the loads," Robert continued. "We trust all of our mills but we like to take that extra precautionary measure."

Argo Fine Imports is a member of the International Wood Products Assoc. (IWPA), the Hardwood Plywood Veneer Assoc. (HPVA) and the Tropical Forest Foundation. Don MacMaster is on the board of directors of the HPVA as well as the IWPA. His oldest son, Kenny, has served as the regional vice president of the IWPA for the past four years. "We follow all issues to inform our customers and our customers will tell you that we helped bring them to the forefront on formaldehyde and carb issues in advance, which gave their company the opportunity to make an easier transition with compliance," Don said.

"We recently started a new program, which is basically scanning documentation for our customers, meaning that with the government's regulations, we maintain records for three years. So all documents are scanned when they come in and put into PDF files. If someone needs a carb certificate from a year or two ago, we can supply it," he confirmed.

With diversified products, a solid broad customer base and strategic business decisions, Argo Fine Imports feels it has adapted quite well to the current economic conditions. "The past 18 months has been the toughest market segment I've seen throughout my 35 years," Don explained. "I'm happy to report that Argo has profited during the entire 18 months."

"We look forward to the changes coming about in our business," MacMaster said. MacMaster's sons, Kenny and Robert are onboard the family business and prepared to take a new path down an already successful road. "We have a sizeable amount of industry knowledge," MacMaster said. "We know what it takes to laminate a 23 gram rice paper on high or low pressure laminate and we know the best woods to use for particular applications. Our knowledge of the industry and our products are what sets us apart from others. We're not just selling wood, we're selling knowledge and solutions to problems. That's what's helped us survive over the years and that's what we will continue to do in the future."

For more information visit www.argofineimports.com or contact (504) 828-0943.

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## FORECASTS - Bezerra

Continued from page 4

efficiency to the system.

• Investment in equipment and capital goods is firm, as the manufacturing sector is getting ready for the rebound. High-tech is still a major engine for growth, as the need for information and higher productivity will continue to skyrocket.

• Retailers are more efficient, with smaller inventories, fewer discounts, expanded product lines and very aggressive marketing.

• The international effort toward a climate change agenda will bring major capital infusions.

• The weak U.S. Dollar is certainly helping our exports and somewhat curbing imports, which in turn reduces our deficit.

• Unemployment, although still high, is easing, with companies slowly hiring again, at least to fill up positions to guarantee performance.

• Some emerging markets, particularly China, India and Brazil, are showing to be a force for faster recovery worldwide.

• Consumers and businesses are, in general, cautiously optimistic, which explains in part why the stock market is clearly on a rising trend, basically because all the above reasons combined.

Consequently, unless something totally unexpected and really big happens in the short-term, we shall certainly expect a return to steady growth from next Spring on. About time!

A major challenge we see ahead for all the companies trying to stay afloat and navigate these uncharted waters is how to adjust to new market realities and find ways to compete under entirely new rules being continuously created by the destructive powers of the internet and globalization. The only way to deal with all the changes is embracing them and being innovative and fast to implement new and more efficient practices.

From our end, we will continue to look for ways to better serve our customers and help our suppliers to market their goods worldwide in a sustainable and responsible manner. We are currently introducing a new line of decking in the U.S. and Canada and will certainly add new products and expand our presence in these important markets for our company.

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## FORECASTS - Dow

Continued from page 4

from today's levels. The weak dollar helps almost everywhere and should help with sales in those markets except where the local currency is pegged to the dollar.

Lack of supplies will cause continuing price escalation to all markets and with the consistent freight increases adding to the problems for all customers.

Affordable logs and lumber supplies will be a major issue in 2010. Our short term plan is to continue to produce as many logs as possible with our logging operations and to produce as much lumber as possible on our sawmills to provide the lumber that our customers require. We will endeavor to reduce our exposure to the volatility of the hardwood pricing on the "spot market" from outside suppliers.

In January of 2010 we will be starting production on our new state-of-the-art sawmill located in Millersburg, Ohio.

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## FORECASTS - MacMaster
Continued from page 4

manufacturers have been unable with any real sense of certainty to forecast based on old sales numbers. As we enter into a new era of just-in-time inventories and erratic markets, the relationships between buyers and sellers will determine the success factors for growth in 2010.

Argo started investing before the downturn began and will continue investing for the future. In 2009 Argo has partnered with one of our major mills and purchased new equipment for our new engineered products. In the first quarter of 2010 we plan to add additional equipment and facilities to have more product availability.

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## FORECASTS - Wilson
Continued from page 4

As I'm writing this forecast article the prices of hardwood lumber are rising, and it's not easy to buy green lumber in many species. It wouldn't surprise me if towards the end of 2009, it will be hard to buy kiln dried lumber as well. For sawmillers to make a decent profit, prices need to go higher than what they presently are. Quite a few sawmills have gone out of business or have curtailed production for various reasons such as: banks are not extending credit as easily as they once did, therefore, mill owners are unable to finance log and timber purchases; in many parts of the country we've had a wet summer and fall, and loggers cannot get in the woods to cut the timber and get it out; there are not as many loggers in business today as there were three or four years ago; and, some private timber owners want to hold off selling their timber because they're hoping they'll get a better price for it in the future.

As far as the export market goes, the Chinese are still buying a lot of hardwood lumber and logs from American hardwood exporters; but even though they know it's difficult to purchase green lumber, and the prices of green lumber are rising on several items, they are still trying to beat the price down on what they have to pay for American hardwood lumber products.

In closing, I, like most Americans, do not like to see the high unemployment we have in our country now. For the United States to be a stronger country, economically, we need to create more manufacturing jobs.

Each of us at Wilson Hardwoods, Inc. wishes everyone a Merry Christmas and Happy New Year. We're all looking forward to better times!

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## FORECASTS - Pescaglia
Continued from page 4

only survive the down market but actually continue to run with a profit. The demand in the 3rd quarter of 2009 has us believing that we have made it through the worst of this tough market and are seeing signs of a recovery... but only time will tell if this is just a short-term uptick.

Walnut log availability will continue to be one of our biggest challenges as the markets continue to improve. Landowners are slow to accept the current lower market value of their timber. Many are holding on to their asset in hopes that the prices will return to the record levels of just a few years ago. We don't see the timber values taking any big jumps in the near future, but a poor crop harvest or April 15th taxes may help promote more timber sales.

Another challenge that we must address is the varied market demands for our unique specie. Typical American Black Walnut trees do not grow in the same size and volume as Red Oak or Poplar yet we are seeing increasing market requirement for specific widths, sap limitations and longer lengths. The resource simply cannot maintain this type of market. Some suppliers chose to "cream" their inventory to satisfy these markets. Now they must deal with the reality of marketing their picked over inventory.

Our domestic economy and lumber markets will have a slow recovery in 2010 but we anticipate solid growth in our export markets. We will focus more on export relationship building as we put more resources into marketing. American Black Walnut will continue to be in demand all over the world for its rich color, beautiful grain and reputation as the "aristocrat" of hardwoods. We believe we are in a great position to capitalize on this growing market as we enter the new decade.

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### John Beard
### Beard Hardwoods Inc.
### Greensboro, N.C.

Some of you may remember one of my comments last year that stated, "Come on 2009!" Well, here we are almost through with 2009 and it's been another tough year for our industry and I'm ready to say, "Come on 2010!" I really want to believe that the worst is behind us now. Most companies have been through as many cost-cutting exercises that one can think of. Though difficult and sad in many cases, I believe we're better and more efficient operators than we were two years ago.

We still have many challenges ahead of us. The supply issues that we were starting to experience three years ago continue to get worse with the lack of available timber, loggers and sawmills that have either gone out of business or have drastically cut production to match log supplies. We predict this will only get worse during the course of 2010. The only good thing that has come out of the supply crunch is slight increases in pricing. Finally, we're not over-supplying the market!

With supply and demand in some equilibrium now, I continue to be shocked and surprised that some in our industry continue to sell lumber at prices that result in losses and at best break-even scenarios. I know these are desperate times and we all have to turn cash to keep up with expenses, but I think many of us do a poor job in marketing our products. The North American hardwood lumber industry produces the best product in the world; why don't we demand the best price? We are killing ourselves and we are killing our industry! Is it time to revisit ideas of the past, such as "check offs" and other promotion efforts? I saw an ad the other night that promoted pistachios….yes, pistachios! Is the pistachio market bigger than the hardwood market? Are the pistachio growers more organized than the hardwood industry? They must be! It absolutely kills me that we (including our company) are giving money to certification groups that do absolutely nothing to promote our products! That yearly certification fee and audit fee would go a long way to buying promotion ads. I think ads promoting beautiful hardwood flooring, cabinets, mouldings and furniture would be very appropriate now.

Though 2010 may be another difficult year, there is light at the end of the tunnel. The banks seem to be getting stronger. At the time of this writing, the stock market hit 10,000 on it's way up instead of down. It will be a slow recovery, but we need to band together to make it a faster recovery. Let's get back to selling and promoting instead of taking orders!

I'm optimistic about the future. We have a great product with a great story to tell about sustainability. We have great customers and suppliers to work with in our industry. We will continue to face these challenges head on. I hope you do too! Merry Christmas and a Happy and Prosperous New Year!

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### Wendell Cramer
### W. M. Cramer Lumber Company
### Hickory, N.C.

Going into 2010, on a scale of 1-10, business is at the level of 1/2 and production is at 1/4.

In the upcoming winter months, production will go even lower. Customers are using this lumber and are running out.

New business isn't forthcoming. Instead, we are supplying our existing customers as they run low on lumber. If you are a sawmill and your production is down, this may help you.

I believe business will pick up a little in 2010 but not in a big way. If it were to pick up hugely, supply couldn't keep up with demand and there would be chaos. It would take six to eight months for supply to satisfy demand. I don't think it will pick up that swiftly.

You can't plan for what you don't know. In the past, you could plan a year ahead in this industry. Now changes occur so often, it's hard to plan far ahead at all.

The devaluing of the dollar hurts us but helps the Europeans and the Chinese. Buying American lumber is cheaper for them. Domestically, remodeling of homes is our biggest market.

The major challenge right now is to break even. We are not making new investments in our company because we can't afford them. We are staying lean and mean. You've got to be mean and lean and adjust your mind to: that's the way it is.

•

### David Mayfield
### Mayfield Lumber
### McMinnville, Tenn.

Dear Stubborn Wood Fiber Friends,

If you are reading this article, the above title of stubborn applies to YOU. I have not fully decided if I am stubborn or just plain foolish. Either way, our beloved industry has undergone a period of disaster.

These last 15 months have seen challenges that have never been encountered before. Many have endured, many have closed and many have retired early without fully understanding what went wrong. Many factors have blindsided all of us. These include ending practices that were proven corrupt, energy costs that were manipulated and hidden overhead expense — all contributed to our dilemma. Most events have left us so "upside-down" that losses accumulated at a rapid pace. Nothing could be done except to try and minimize the red ink.

For the foreseeable future, supply issues will dominate our business. As of this writing (Sept. 10), log supply is critical. Loggers have quit, landowners have deferred selling timber, and sawmills are learning how to purchase logs in this new era. Overall demand is at or near the bottom. Until summer of 2010, supply of wood will be the objective of us all. Prices will rise because of the "no supply" rule.

Our customers have developed a strategy of waiting until they have orders in hand before allowing lumber to come in. Gone are the days of keeping inventories at the factory. Concentration and distribution yards are expected to keep the inventories for "just-in-time" deliveries. Our customers are in a holding pattern for now. They quote, they wait, they quote, they hope and without new demand from housing and commercial properties, we all will wait. Not to be pessimistic but this is only realistic for the next 12 months.

Some obvious items that we all should watch are:

#1. Energy costs, which can suck the life out of the economy.
#2. Mortgage rates
#3. Timber costs
#4. Lumber costs
#5. Probably the #1 should be the caution we all should have with our "all wise" government. If a smile can be wiped away any faster than by a politician, I just don't know who it might be. New burdens will be imposed and small business will be the bearer of most of it.

We are "dug-in" for the moment and holding our own. We would like to do some expansion but, we are too nervous about this industry's future. We are waiting to see if the green culture is able to capture and hold this wonderful industry hostage. One of the biggest problems is this certification issue. If the United States, as a whole, is not sustainable, there cannot be another country on this planet that can be considered as sustainable. It's another unnecessary "hoop" we must jump through and an expensive hoop at that. We have allowed the few to dictate to the many the what, when, where, how and who in conducting business. Not getting political but, I have just about lost my hair scratching my head asking, "Where did they (the few) come up with this new regulation (for the many)?" Doing business in today's world is complicated and can be frustrating.

Many challenges, some financial gains, some financial losses with much realistic thinking and planning and the age old, "blood, sweat and tears" will surround the survivors of the wood fiber industry.

Wishing everyone a blessed holiday season. <u>Enjoy the family like never before!</u>



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### Victor Barringer II
### Coastal Lumber Co.
### Charlottesville, Va.

We see an unprecedented shortage of Hardwood lumber in 2010 and beyond. There is very little standing timber on anyone's books. There are very few loggers operating, and there is not a bank in the country that is going to provide working capital to a shuttered mill. The lumber buyers that took advantage of their supplying mill over the past two years will be hit the hardest. There will be panic buying, not if, but when China gets into the game. I spent five weeks in China this summer with our customers, so I say this with some confidence. The Lacey Act will accelerate things when demand comes back here and in the EU. We think the strip flooring plants will get a lot of competition going forward, not on the finished product side but on the raw material side. We recently got an inquiry for 4 million board feet of kiln-dried 4/4 2C/1C ARO from a Chinese flooring plant, and 100 percent of their production was for domestic consumption.

We will see growth in 2010, but it will be organic, in spite of the most anti-private sector administration this country has seen since FDR. Much however will depend on consumer confidence. Are we looking at the 1970s again? Gold is going up and the dollar continues to decline. Inflation is creeping up on us. Will the Fed slam on the brakes with unemployment at 26-year highs? Will our anti-business Congress pass card check? Will this Congress continue to pass bills that the members have not even read? This scenario of unknowns is weighing heavy on all of us. There are many unknowns - but we know the industry will survive and prosper once again. When will this occur?

On Behalf of Coastal Lumber Company – Merry Christmas and May Your New Year be Prosperous!

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### Alfred Mayo
### Parton Lumber
### Rutherfordton, N.C.

The consensus at Parton Lumber is that it will be second quarter before we see much change. It all depends on what the housing market does. Our export is about 30 percent over last year. I think some of that is due to the fact we have broadened our customer base. One change will be lack of lumber. There are a lot of mills that have closed. The weather has influenced the log supply in our area, resulting in lower inventories. We will just have to deal with the hand that is dealt us.

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### Parker Boles
### Hermitage Hardwood Lumber
### Cookeville, Tenn.

Given the continued volatility in the financial industry, our forecast for 2010 is heavily dependent on seeing stability in

Continued on page 21

## FORECASTS - Boles

Continued from page 20

the available credit markets. Whether many consumers are able to spend will be based on the availability of credit.

Without large government incentives, where could we have expected sales of autos, homes and other items to have fallen to in 2009? Hopefully the toughest times for the consumer are behind us.

Looking into 2010, consumer spending will need to improve to see major changes in industries that consume our products. We expect to see improvement in our business, at least from reaching bottom, hopefully, on the prices for our commodities.

In the coming year, some of the major challenges awaiting us will be the ability to be comfortable in our credit decisions involving the way we handle our extension of credit, whether domestically or internationally.

We have experienced the unwillingness of credit insurers to look at new business and, in some cases, the unwillingness to be involved with many of the sectors we participate in. With the global slowdown, transportation will be at risk of great volatility as trucking companies, railroad and steamship lines attempt to stabilize and understand current/forecast demand for their services and how to price their services — sometimes with very little warning.

We need to be better at keeping the proper balance of supply to demand. To be successful in 2010, preparation, flexibility and awareness of rapid changes will be tools helpful in making it a successful year.

Looking ahead, we hope to continue developing new market-strategies which will help us adapt to the demands of global markets, and better serve our customers domestically. Listening to our customers is vital to our survival. Projects and production changes implemented in the last year will continue.

A can-do attitude will be greatly advantageous for success; a can't-do attitude will be the recipe for failure. Looking forward to a better and rewarding 2010!

•

### Peter Ekstein
### Weston Premium Woods
### Brampton, Ont.

The major challenge currently is that the industry is changing before our very eyes at the supply level, at the definitive level and at the customer level. So, just assuming that things are going to stay the same is a very bad assumption.

There are going to be very significant changes in our industry at every one of those levels and the key is to create the right partnerships at each one of those levels, whether old relationships or building new relationships and staying a couple steps ahead of the game.

There are a lot of our competitors who are doing 'the turtle', as we call it. They're crawling into their shells and cutting back as much as they possibly can and just hoping to survive. We're actually taking a very different tact. We're looking at the 360-degree circle around us and asking: 'What aren't we doing today that we could be doing?' Where could we be involved, and whether that's looking more vertically up or down or sideways, distribution of areas that we haven't initially been involved with, or product lines we haven't been involved with, we're throwing ideas against the wall, knowing they won't all stick. But we're aggressively and proactively growing our sales force.

We've put a lot into training and educating our sales force so that they're better prepared in this challenging and competitive environment. And we know that things will turn around, and when they turn around, we hope to be better positioned for it and be ready for it.

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### Rodney Clonch
### Clonch Industries
### Dixie, W.Va.

I think the lumber industry will begin to see a gradual improvement in the coming months, but we're never going to see an overnight fix. I think it's going to take at least 2010 and, possibly, 2011 for us to recover fully.

It really doesn't take much for it to be a better year in 2010 than it was in 2009. I believe next year will be better, but it's going to be a slow recovery.

We need to see a lot of the houses that have been foreclosed on, and more of the new homes, sell. We need to sell them and get them out of the pipeline.

Right now, there is a shortage of green lumber and prices are rising on a lot of different species. Companies have to go further out to buy lumber to meet their needs. By the end of 2009, it might become harder and harder to buy kiln-dried lumber at a price that you can live with.

At our company, we started seeing a little bit of an increase in interest in August. We've had more phone calls and this has continued into September.

Some species are hard to move, but we're seeing an increase in interest in Poplar and Red and White Oak, which are some of our larger items that we produce here. These items are the bread-and-butter items for us and we're seeing more activity in each.

The export market is fair and we have recently been able to demand more for our lumber and the customers have accepted it. They're experiencing difficulty in finding some of these items, too, like the No. 1 and No. 2 Common Poplars.

Through talking to a lot of people, I've found that in many areas, numerous sawmills and lumber yards, have had their lines of credit either taken away or cut in half by their lenders.

Looking ahead to the 2010 Hardwood Lumber industry, no one really knows what's going to happen. Maybe it will never get back to the way it was. But to get back and going strong, there has to be more housing built in the future.

•

### Doug Newman
### Newman Lumber
### Gulfport, Miss.

2009 reminds me of the football team that almost wins the big game. As they leave the field they say, "Just wait till next year." That sentiment seems to be prevalent in the country today.

As 2009 draws to a close, there are some very promising signs. Gross Domestic Product for the 3rd quarter was up a surprising 3.4 percent. Many economists have dismissed this GDP improvement as being unsustainable and only due to the economic stimulus and cash for clunkers program. I say a win is a win.

Granted the fast pace of economic expansion is probably not sustainable. However, the economy is poised to maintain the recovery. The all-pervasive fear that has shaken the confidence of the consumer the last two years has resulted in historically high savings rates by consumers. The vast majority of money the consumers have squirreled away the past two years will be spent. The main thing holding back consumer spending is confidence. As more positive economic news is released and layoffs begin to wane, the consumer will be back.

While the economy should recover throughout 2010 and beyond, there are risks. On Capitol Hill, the cap and trade bill before Congress, if passed, will have negative impact on the entire economy. It will essentially raise the cost of production for every aspect of the economy, placing the United States in an even less competitive position against other nations. Also, there is always the possibility of sky rocketing oil prices, this would definitely result in a "double dip" recession.

All that being said, 2010 should shape up into a year of recovery and growth. "Just wait till next year."

•

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**WHITE OAK**
4/4 FAS 8 mbf

F&W

**We also offer S2S, SLR1E, edge glueing, face glueing, CNC machining, moulding, boring, sanding, turning, and carving.**

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----- Lumber Sales, Inc. -----

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**SPECIALS:**
**AFRICAN MAHOGANY 5/8, 4/4 - 12/4 6' - 7' only**
**For Sale**

**ASH**
**4/4 FAS 50m' W1F 15/16**
**4/4 FAS 20m' Uns. 15/16**
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**BASSWOOD**
**4/4 FAS 20m'**
**4/4 2 Com 10m'**
**5/4 FAS 3m'**
**CHERRY**
**4/4 FAS 35m'**
**4/4 1 Com 35m'**
**4/4 2 Com 45m'**
**4/4 3 Com 25m'**
**POPLAR**
**4/4 FAS 55m'**
**4/4 FAS 12m' S2S**
**4/4 FAS 7m' 12" & Wider**
**4/4 1 Com 30m'**
**4/4 2 Com 17m'**
**4/4 2 Com 45m' S2S**
**5/4 FAS 24m'**
**5/4 1 Com 60m'**
**5/4 2 Com 45m'**
**6/4 FAS 68m'**
**6/4 1 Com 39m'**
**6/4 2 Com 30m'**

****SPECIALS**- COLOR NO DEFECT**
**Red Oak 15/16 FAS 7m'**
**Red Oak 1 3/16 FAS 10m'**
**Red Oak 1 7/16 FAS 6m'**
**White Oak 4/4 FAS 4m' White Oak 6/4 FAS 24m'**

# import/export timber products' stock exchange

## FORECASTS -

Continued from page 21

**Rich Solano**
**Pike Lumber Co.**
**Akron, Ind.**

2010 will be another tough year for those of us in the hardwood lumber industry. While recent "stimulus programs" will start showing positive effects on our economy, some industries will benefit more than others. Recovery will come but it will take time. The lumber industry will lag behind the banking and auto sectors, which seem to be getting most of the attention and federal dollars. Bank lines of credit will continue to be tight forcing many in our industry to cut back production until cash flow improves or remain closed. The housing markets will improve as excess inventory is absorbed by new buyers looking for bargains. Growth in new home construction will be guarded.

Our customers remain cautiously optimistic. Controlled buying is the norm. Orders are placed on short lead times with known sales behind it. Sales growth will be limited as home equity loans and personal lines of credit remain tight. Most items are easy to find. However, some shortages are beginning to occur as demand starts to outpace production, mostly in lower grades. A wide range of prices are available for most items so good relationships with known quality suppliers are important to get the best value for the dollar.

Log supplies will be an important issue to deal with in 2010. Between the loss of loggers and the land owner's reluctance to "sell in down markets" log supplies will be tight for many. Managing inventory levels and cash flow will be especially important until markets improve. At Pike Lumber Company, our Timber Department does most of our logging. Therefore, we can minimize logging disruptions most companies experience when they buy gate logs or use contract logging. With control of raw materials back to the forest we can also control, to some degree, what is brought to the mill.

We believe the hardwood lumber markets will improve this year. Our broad product line allows us to be a complete supplier to our customers. From Ash to Walnut to Rift and Quartered White Oak, in 4/4 – 16/4, we are the "one stop" distribution yard for the hardwood industry. New items include Rift and Quartered Sycamore and Hackberry. We are offering more width sorting and ripped-to-width products today than we did five years ago. As we look to the future we are also planning to build a third sawmill. With a little luck we will be producing more "Pike Brand" hardwoods when better markets do return.

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**Brent McClendon, CAE**
**Executive Vice President**
**Alexandria, Va.**

My view on 2010 is "slow and grow." Some have predicted it will be their "second worst year ever." The recovery will inch along and demand will grow from where it's been over the past two years. Fortunately, third quarter 2009 indicators show us emerging from the recession. Gross Domestic Product experienced a 3.5 growth rate. Durable goods recorded a 22.3 percent and housing sales were up. We hope these numbers continue to show improvement in 2010.

Housing is key in determining the level and sustainability of the economy. The signs of recovery are there, but there is still a lot of inventory, foreclosures and financial issues that cloud the forecast. The government's tax credit for first time buyers has been renewed and there's been a concerted effort to keep interest rates low, so we've yet to see if the market can stand on its own.

We know consumer confidence has a big role in the housing market. People won't trade up or remodel if they think their jobs are in jeopardy. According to Joint Center for Housing Studies at Harvard University, remodeling spending is down about 29 percent from the pre-recession level. That said, industry has been preparing to operate at a "new normal" pegged at a considerably less robust value.

2010 may also be the beginning of a serious debate on the use of wood for biofuels and carbon payments for ecological services to tropical forested countries. These developments present a double-edged sword. Biofuel development in crops such as palm oil typically results in deforestation. Ecological services payments could benefit plantations at the expense of natural production forests.

This debate will begin in earnest in the international stage when REDD (reducing emission from deforestation and degradation) is forefront at the United Nations Climate Change Conference this December. Of course, we're seeing a bit of a preview within the U.S. Senate as it formulates a domestic energy bill.

2010 will be no different from any other year. Our challenge is always to prove value to our members. An important benchmark is our annual convention. We're putting the pieces together right now to make our 2010 convention at Eden Roc Hotel in Miami Beach, April 28-30, a "must-do" for anyone connected with our industry. We'll be listing our agenda and speakers at www.iwpawood.org.

There have been a lot of new policies including the Lacey Act and formaldehyde emission regulations that continue to impact the industry in terms of expense and best practices. These issues along with presentations on emerging market trends in wood specification will be highlighted. Miami Beach, April 29-30, is the place to be to get up-to-the-minute market intelligence and networking.

In-fighting. Our industry needs to hang together on issues. We're all getting pushed out of the market, both imports and domestic, by alternative products. Collectively we're losing market share to plastics, cement and other less "green" alternatives. Wood has a great story to tell, but too often we step on the message because we're trying to protect our own turf at the expense of another.

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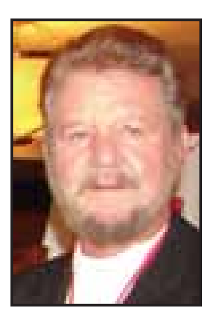
**Bill Reese**
**Penn-Sylvan International**
**Spartansburg, Pa.**



I am very optimistic about the upcoming year! As they say, "Business has been down so long the bottom seems like up !" This is what we will see on the domestic market for the first quarter of 2010. Having served as an advisor on the small business council to The Federal Reserve, I am confident they will hold interest rates down until the domestic housing market is truly healthy again. I look for a little stronger dollar, but all in all, exports should strengthen.

Our domestic sales have improved a few percent over last year, and international sales are setting new records. Demand for veneer logs shipped on our personal inspection is exceptionally strong. Companies like ours who have spent the last 18 months diligently pursuing new markets, and leaning up production costs can expect a slow but sure increase in profits and will be best positioned to maintain long term overseas business. Wishing you all the best for the New Year!

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**Norman E. Murray, CEO**
**U•C Coatings Corporation**
**Buffalo, N.Y.**

Our "ANCHOR-SEAL Index", which is representative of total hardwood production, primarily in North America shows us that hardwood production has bottomed out, moving within a range which is about 35 percent below a year ago, which was already down 15 percent. That means that overall hardwood production is down 45 percent – 50 percent from two years ago, but has firmed up at this level.

We should see very modest but regular increases in hardwood demand during the next six months, as the recession actually ends during early 2010. The improving housing market will lead the economy out of the recession, but it will be slow and gradual. The hardwood business will lag the general recovery by 6 – 9 months, so we need to be operating in a conservative mode for the next year, adjusting for slow, incremental growth and preparing for larger late-2010 improvements in hardwood demand.

There are still buying opportunities for those who have the capital to invest in businesses, equipment or real estate. The low interest rates will not continue past mid-2010 as the national deficit, debt and increasing entitlement programs begin to drive up the cost of money.

The business for hardwood producers, processors and users will improve markedly as we move through 2010 and we will have 18 – 30 months of improved, stable business going into 2011 and 2012.

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**Steve Johnson**
**Thompson Hardwoods, Inc.**
**Hazlehurst, Ga.**

I believe the business climate we are experiencing as we enter the fourth quarter of 2009 will be markedly better than what we went through in the third and fourth quarters of 2008, which was awful.

We have no idea when we will see any improvement in commercial construction or when housing construction may kick in. I believe that we may have to wait into 2011, 2012 and possibly 2013 for the U.S. Hardwood producers to see any benefits from an improved housing market.

I am hoping, and I feel, from the people I have spoken to, that business in 2010 will be steady.

In February of this year, our export sales revived and the phones rang at a greater frequency. Currently, the calls for availability and prices are consistent and are coming now from folks we have not heard from for a long time. I hope to see some uptick in pricing from the ropes we find ourselves hanging onto. I think lumber price improvement will be very gradual as the economy of the U.S. improves as well as in overseas markets. Fifty percent of the hardwood sawmills in the U.S. have closed and demand seems to be just now coming in line with what supply remains.

Our exports to the Pacific Rim have been active since February, but we are now facing the annual New Year's shutdown in shipments. We all have been faced with an increase in container shipping costs and the threat of more to come.

Domestic industrial lumber and timber products still are selling. But some prices have been lowered by the crosstie buyers; we are told that the railroads will still continue their tie buying programs in 2010, but at a modest level. Most pallet customers are very cautious with how much inventory they keep. Most orders are for just-in-time inventory to build for particular orders. We operate a chip mill and currently our hardwood and pine chip demand is wide open and steady well into 2010. Above all else quality of our finished products have helped us move all our production to our long-term customer base worldwide. Log costs have still remained consistently too high in our region, which is hurting any chance of making a profit these days.

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## BUSINESS TRENDS (ABROAD)

### Japan

Demand for panel products from Japan was steady recently as inquiries picked up after the Obon holiday observances. Plywood produced in Japan gained strength and North American suppliers negotiated some sales for the fourth quarter. Mainland China inquiries also picked up while Korea was in a digestion mode after purchasing larger volumes earlier in the year.

The newly elected officials of the Democratic Party of Japan recently assumed their duties in office and announced changes to Japan's forest management policies. Most of the policies regarding logging road maintenance systems, harvesting machinery, national forest management reform and promotion of biomass businesses largely remain the same, although there have been some changes to the policy.

According to the Japan Lumer Reports (JLR), these include: the creation of a new policy to pay directly for systems of forest management and environmental conservation; a more direct focus on private operators in forest management efforts; an increase in Japan's reliance on domestic supply for the wood industry to 50 percent (currently at 24 percent); and the introduction of a new system that will help prevent illegally imported wood.

Japan's plywood imports fell 26.6 percent in recent weeks, JLR reported. Housing starts were tallied at 32 percent less than the same period of 2008, with wood based units making up 57 percent of total units.

JLR also noted that logs might be in short supply in some areas as a result of Japanese South Sea plywood mills reducing production by 20 to 30 percent. However, price negotiations are becoming more active as the log inventories decline, an indication that the market is showing signs of improvement.

Also reported by JLR, imports of South Seas logs were down by 50 percent during the first half of 2009 reaching a volume of 354,318 m3. Sources say the main reason for this decline was the depressed plywood market in Japan. PNG and Sarawak's imports fell over 58 percent during the first half of 2009 and Solomon Islands' imports fell approximately 24 percent from the same period in 2008.

### China

The State Forestry Administration reported the performance of China's forest industry showed gains during the first half of 2009. Data received showed the total output value of the forestry industry amounted to RMB726.6 billion yuan in the first six months, which is roughly the same as last year. The timber and wood-based panel production reached 29.5 million m3 and 59.57 million m3 respectively.

Attributing factors were export tax rebate rates, industrial development incentives, and gradual increases in the import/export of major forest products.

Guangzhou customs statistical data showed the value of exports of furniture and parts (including nonwood furniture) was USD4.4 billion in Guangdong Province for the first half of 2009, which is down 12 percent from the same time period of 2008. Total exports to the U.S. and Europe were USD1.52 billion and USD1.06 billion respectively, down 26 percent and 11 percent respectively. The Guangdong furniture industry is actively exploring ASEAN markets and the export value of these areas in an effort to manage. Notably the value of its furniture exports to ASEAN was USD440 million. Furniture from Guangdong is exported to all ASEAN countries except LAOS. The value of furniture exports to Malaysia was over USD200 million, to Singapore, USD150 million, more than two times their worth in the first half of 2008. According to experts, ASEAN countries have become one of the largest markets for Guangdong furniture.

A total of 13.29 million m3 logs were imported in China in the first half of 2009, valued at about USD1.8 billion, down 19 percent by volume and 35 percent by value from the same period of 2008. Compared with the first quarter, import volume in the second quarter reached 7.69 million m3. Softwood imports were 9.72 million m3, valued at USD1.036 billion, and Hardwood imports were 3.572 million m3, valued at USD773 million, down 45 percent and 51 percent respectively. Hardwood imports rose by 7 percent in the second quarter. Among the Hardwood imports, tropical log imports amounted to 2.71 million m3, down 35 percent form last year.

### Canada

According to the Vancouver Sun newspaper, Canadian housing starts declined in recent weeks by as much as expected although the market continues to show signs of recovery.

Total seasonally adjusted rate of housing starts was 150,100 units, down from 157,300 units the previous month, as reported by Canada Mortgage and Housing Corp. (CMHC) Industry economists had expected 148,000 housing starts. "The decline in housing starts is attributable to the volatile multiple starts segment," CMHC's chief economist Bob Dugan said.

"However, starts of single homes, which

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## BUSINESS TRENDS (ABROAD)

Continued from page 24

are a barometer of the trend in housing markets, climbed to reach their highest level so far this year," he said. "The rebound in existing home sales and the upward trend in new home construction, support our expectation that housing demand has strengthened and that housing starts will be stronger in the second half of 2009."

TD Securities economics strategist Millan Mulraine said, "While the decline in the headline number was disappointing, the fact that construction of single-family units—a useful gauge of the trend in overall housing market activity—posted its second monthly double-digit gain is testament to the improved tone in Canadian housing market activity."

Housing starts declined by 5.2 percent to 131,500 units and urban multiple-unit construction dropped 21.4 percent to 62,700 units while urban single-unit starts increased 16.8 percent to 68,800 units, as reported by CMHC.

Urban construction was up a total of 11.8 percent in Ontario according to the federal housing agency. Quebec's housing starts fell 20.2 percent and activity in British Columbia dropped 18.1 percent and was 4.7 percent lower in Atlantic Canada. In the Prairies, starts were unchanged.

CMHC's report came a day after TD Economics said Canadian housing sales had rebounded by 61 percent approaching volumes last seen in 2007.

The average price of a home is expected to increase to $310,000 from $304,000 last year and in 2010 officials expect a climb of up to $325,000.

### Myanmar

Myanmar's Prime Minister recently highlighted the abundance of vacant land in the country on an inspection tour of forest plantations. Sources say he explained how the technical know-how developed for establishing teak plantations should be harnessed to expand the area under plantations.

The minister urged the responsible government departments and entrepreneurs to plan the expansion of plantations across the country. He also visited a teak plantation established by Phyo Sithu Co. in Paukkhaung.

As part of the inspection, the Forestry Minister reported that just over 830,000 ha. of plantations have been established to date and of this amount, around half is teak.

In response to the call of the Prime Minister, the *Myanmar Ahlin* Newspaper ran a special on the benefits from establishing plantations. Highlighting the financial returns and environmental benefits the paper urged local entrepreneurs and residents to consider establishing plantations.

Some 20,000 ha. were established last year but this was only around 50 percent of the target. Local press in Myanmar has reported on efforts for so-called 'greening' in townships of Yangon, Bago, Mandalay and Magway, which has been underway since 2004. In Ottwin township, a 250 ha. plantation was started in 2007-08 and the seedlings are already just over 1m in height.

According to recent reports Myanmar's market is generally unchanged from the past month. As fresh logs arrive from the forests, buying and selling is active. Currently the Indian sawn wood and log market is reported as quite firm.

### Indonesia

Indonesian exports of furniture are expected to decline by as much as 18 percent for 2009 at USD$1.6 billion compared to US$1.95 billion in 2008. The Indonesian Furniture Industry and Handicrafts Assoc. (Asmindo), attributes the decrease to soft European and U.S. economies. For Q1 2009 exports were down 24 percent compared to Q1 2008. Asmindo is optimistic that the U.S. and European economies would have bottomed out in 2009. Indonesian manufacturers have made considerable efforts to penetrate the Middle-Eastern and Eastern European markets. Sales to these new markets however, will not be able to make up for the differences as the U.S. and Western European markets take up to 70 percent of Indonesia's total furniture exports.

The President of the United Nations Forum on Forestry (UNFF), is working to establish a new sustainable forest fund under the direction of the UNFF. To be discussed at the eighth UNFF meeting during the United Nations Economic and Social Council (Ecosoc)'s session in New York, the new forest fund will provide aid to small island states. It will also promote international cooperation in financing and adoption of climate change mitigation activities.

### Germany

Woodworking industry inquiries in Germany were recently reported down by 63 percent for 2009 compared to last year. According to the Woodworking Machinery Assoc., domestic orders fell by 32 percent and foreign orders fell by 69 percent. "2006, 2007 and 2008 brought above-average growth, but the industry has been on a downward trend since October of 2008. We did not expect to face such hard conditions," chief executive officer of the association, Dr. Bernhard said. Equipment exports have declined to about 720 million euros in the first half of 2009 (-39%). North America (59%) and Southeast Asia (73%) were affected the most, along with Russia (-72%).

However, carpenters and joiners are reportedly receiving enough orders and the targeted modernization in industrial areas contributed to lower declines. According to sources, strong export markets suggest the first signs of an upturn in demand.

The cyclical downturn that began in mid-2008 and continued through 2009 caused the Woodworking Machinery Assoc. to adjust its forecast for 2009 from a 20 percent to a 35-40 percent decrease.

### Peru

A large portion of economic activity, Peru's forestry and timber sector has not been immune to the effects of the international financial crisis. The manager of Husqvarna in Peru said that the effects of the global recession are already being overcome and that he is optimistic for 2010 wood product exports which could grow by about 30 percent from 2009 levels. Economies such as in Loreto have been reported with a 70 percent fall in exports compared to last year. A drop of approximately 50 percent was experienced in Ucayali and San Martin estimated a 30 percent decrease. For 2009, domestic demand held up better and the domestic demand forecasts for 2010 are positive with good prospects in the construction sector, which will revive as the global situation changes.

The Director of Policies of the Department of the Environment, environmental impact assessment will be introduced for public and private sector developments in a wide range of sectors. Regulations on EIA are to be applied to agricultural and forestry activities as well as to other industrial and commercial sectors.

### India

The progress of India's economy continues to rise according to data provided by the Indian Planning Commission. The latest assessment for annual GDP is 6.3 percent with the inflation rate maintaining at approximately 5 percent. The long running buyers market has shifted perceptibly towards a seller's market in the property sector as reflected in housing starts and timber imports. Activity in the timber sector, especially for sawn wood and wood based panel products has increased. According to analysts, the market for machine made doors and frames is moving along at a growth rate of approximately 15 percent per annum, which is driving the re-tooling of old factories. The departing south west monsoon caused floods in some areas but overall proved helpful to the crops which in turn will improve consumer spending and support demand for wood for building and allied uses in rural India.

Some concern has been voiced within the industry over the rising prices for plantation grown eucalyptus, acacia mangium and poplar. Price increases tempted more industries to think in terms of importing competitive raw materials for peeling core veneer for plywood. Hardwoods from the U.S. are being promoted aggressively in India and the promotion is working. Poplar has gained marketshare, imports of core veneer logs will ease the production costs for factories close to the ports more so than for factories inland.

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## BUSINESS TRENDS (CANADA)

### ONTARIO

Key contacts commented that the hard-

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## ROBINSON -

Continued from page 8

explained. "Each piece is end-matched, which speeds up installation time compared to other Antique Heart Pine flooring with rough cut or non-square ends." After being sawn from the Heart Pine timbers, all lumber is kiln-dried prior to manufacture into flooring for a consistently dry product. Five different grades of Antique Heart Pine are offered that include: vertical grain, prime, rustic, naily and natural. The Antique Heart Pine is the perfect complement to Robinson's Caribbean Heart Pine flooring milled from new Pitch Pine logs.

Robinson Lumber Co., Inc. inventories approximately 10 million board feet of domestic and exotic hardwoods and softwoods. The products are shipped via truck, container and break-bulk vessels.

The company's products can be found around the world in many unique applications. "We recently completed an order for color selected Cumaru decking and flooring for an addition to the World War II Museum in New Orleans and an 85,000 square-foot premium White Oak flooring installation for the City Museum of Antwerp Belgium," Buckhaults said. With a wide range of experienced employees, Robinson Lumber Co., Inc. has an impressive reputation with strong points in offering diverse product lines and having a broad customer base worldwide.

Robinson Lumber Co., Inc., has been in operation since 1893. Founder Charles Wesley Robinson recognized a need in the international market to export high quality Long Leaf Pine lumber.

In 1942 Robinson's son Robert Gibson Robinson started the company's first foreign manufacturing facility in Nicaragua. Third generations Jack, Charlie and Sam Robinson expanded into hardwoods and began operations in Honduras, Brazil, Bolivia and Peru.

With 40 employees in the U.S. and 15 overseas, key employees at Robinson Lumber include: Toto Robinson, senior vice president, Ivens Robinson, president, and Courtney Robinson, chief executive officer. U.S. sales are handled by Steve Stoufflet, Dan Lennon and Liz Altmyer. Hank Marchal heads Robinson's European sales office in Belguim and Jim Summerlin, on the west coast, is in charge of the Asian Division.

Representing the fifth generation, Garner Robinson joined the family business in January of 2009. After spending four years in New York's financial industry, Garner is currently working alongside Ivens Robinson to streamline the firm's operations in Brazil.

In a recent press release the company announced its plans to cease operations of its Brazilian subsidiary, Robcco Madeiras, after nearly 30 years. As stated in the press release, "Similar to all companies serving customers in the wood products industry, Robinson Lumber Co., Inc. has experienced a severe decrease in demand and supply over the past year, prompting us to streamline our operations. Despite the trying markets of 2008 and 2009, we remain as committed to meeting the demands of our customers and vendors as we have since 1893."

We believe that reduced overhead and administrative complications will enable us to serve our worldwide customers more competitively. The team at Robinson Lumber Co., Inc. remain committed to maintaining our long-standing relationships with valued suppliers and serving our customers' needs worldwide," the release said.

Robinson Lumber Co., Inc. is Forest Stewardship Council (FSC) chain-of-custody certified and is a member of the National Hardwood Lumber Assoc. (NHLA); American Hardwood Export Council (AHEC); Mississippi Lumber Manufacturers Assoc. (MLMA); International Wood Products Assoc. (IWPA); International Tropical Timber Organization (ITTO); Southern Forest Products Assoc. (SFPA); Southern Lumber Exporters Assoc. (SLEA); National Wood Flooring Assoc. (NWFA) and the Tropical Forest Foundation. For more information visit www.roblumco.com or contact 1-800-874-1165 or internationally at +32 (0) 2 652 13 90.

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# BUSINESS TRENDS (CANADA)

Continued from page 25

wood supply correction process overshot total industry demand, both for this current, contracted market state and especially for a healthy, vibrant economy. Hardwood production capabilities throughout this process were damaged by the length and severity of the business downturn. Financial institutions also tightened lending practices that restricted access to needed capital to increase hardwood output. Some feel that the ability to obtain cash for additional raw material purchases could be the greatest challenge for business growth, rather than human resources or stimulating increased timber sales. Although there have been some improvements, the economy is still weak, and the housing market is still low, and especially so in the U.S. The prolonged downturn has strained companies' financial assets; purchases of all types are closely scrutinized. Even when a good deal appears, cash-in-hand is often of more value than a potential gain from low-priced inventory. Contacts comment that purchasing activity is based more on short-term needs.

Ash reports show little change within core buyer/seller activity for this species. Prices are reported as stable for green and kiln dried stocks.

Prices and markets are stable for Basswood indicate industry contacts. However, contacts who deal with this species on a regular basis state that business is still tightly controlled and competitive for sales operations. Basswood production has declined, which has lowered the availability of both green and kiln dried lumber.

Information continues to show favorable market results for Birch. Demand is keeping close pace with developing production. Prices are holding firm and some say appear to be trekking moderately higher in recent past.

The regionally important species, Hard Maple, saw cutbacks in sawmill production over the summer, which enabled area mills to move developing green lumber output more readily and work off backlogged kiln dried inventories. The decline in green lumber supplies encouraged some secondary manufacturing markets and some concentration yards to increase their purchases to a certain extent. The supply and demand of this species was fairly well balanced. Several contacts commented that there could be a potential for increased sawmill production in the coming months. This could be from idled sawmills or those who greatly reduced their production of whitewoods. Buyers on the other hand are purchasing only supplies necessary to fill orders or long-standing sales agreements.

It is reported that there is a growing weakness in construction activity for commercial, education, civic, and entertainment buildings. In particular, there is a tightening of the sports flooring market, as future building projects are delayed. There is concern that there could be a shortage of Hard Maple supply if sawmills do not cut sufficient logs to sustain them and the demand for this species over the winter months.

The Bank of Canada Governor used the central bank's latest policy statement to explain recently that even though an economic recovery is "under way," the dollar's 19 percent ascent this year was impeding exporters' ability to participate in a surprisingly strong rebound in global demand. The Governor and his senior advisers on the Governing Council cut their forecast for economic growth over the next two years, and pushed back by three months their estimate of when inflation will return to the central bank's target, saying slower growth will keep prices increasing less than an annual rate of 2 percent until the third quarter of 2011.

"Heightened volatility and persistent strength in the Canadian dollar are working to slow growth and subdue inflation pressures," the Bank of Canada said in a statement.

Consumer prices have been weaker than the central bank was expecting, falling at an average annual rate of 0.9 percent in the third quarter, compared with policy makers' recent predication that they would decline at a rate of 0.7 percent. In Canada, growth is decent, with the economy getting a lift from low interest rates and government stimulus spending, increased household wealth, improving financial conditions, higher commodity prices and strong business and consumer confidence, the Bank of Canada said. The problem is that there's a limit to how much Canada's population of 33.7 million people can do to keep a $1.3-trillion economy humming without the wealth generated by exports. As a result, the central bank left its forecast for economic growth in 2010 at 3 percent, even though it acknowledged that gross domestic product is currently expanding faster than it had expected. In 2011, policy makers said GDP will increase by 3.3 percent in 2011, compared with the previous estimate of 3.5 percent.

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## QUEBEC

Conversations with area contacts point out that log decks are low for the time of year. Weather played a part, though limited working capital and uncertainty about the future demand have also restricted timber and log purchases. There is also a concern by end-users about the long-term demand for finished goods. While housing sales have slightly improved, they are still at low levels, prompting a cautious approach to every area in a business these days. Some buyers are purchasing green and kiln dried lumber to replenish or rebuild inventories for the winter months. Many feel there could be shortages of specific species and grades over the winter.

Area contacts comment that orders have generally improved and that prices have stabilized for most species and grade combinations important to this region. However, with a still weak housing sector and economic conditions, the markets are reported as listless. Buyers remain cautious. The goal for sawmills is to ensure production items are saleable and have potential for profit.

According to contacts, buyers are readily absorbing Ash production. It is also reported that kiln-dried inventories have declined, resulting in shortages in certain areas for certain grades and thicknesses. Sales show there is solid pricing for the common grades.

There is limited but consistent activity for Aspen. Most sales are based on established buyer-seller agreements. With the cooler temperatures over the late summer and early fall, there was less threat of stain developing in Basswood logs. Processors had a bit more flexibility with production and shipping schedules for green lumber. Markets are still tightly controlled for this species, commented contacts.

Demand for White Birch and Yellow Birch is good at present said area contacts, with interest in long lengths and sorting for color bringing premiums for these species.

Lower Hard Maple output by area mills this past summer played a vital role in minimizing supply-related pressures on green stocks and in reducing backlogged kiln dried inventories. The volume of green lumber produced was sufficient for most market sectors. Dry weather conditions permitted uninterrupted logging in most of the province, and consistent log supplies for those mills willing and able to pay for them.

The seasonally adjusted annual rate of housing starts reached 150,100 units recently compared to 157,300 units in August, according to Canada Mortgage and Housing Corporation (CMHC).

"The decline in housing starts is attributable to the volatile multiple starts segment," said the Chief Economist at CMHC's Market Analysis Centre. "However, starts of single homes, which are a barometer of the trend in housing markets, climbed in September to reach their highest level so far this year. The rebound in existing home sales and the upward trend in new home construction, support our expectation that housing demand has strengthened and that housing starts will be stronger in the second half of 2009."

The seasonally adjusted annual rate of urban starts declined by 5.2 percent to 131,500 units recently. Urban multiple starts decreased by 21.4 percent to 62,700 units, while urban single starts moved up 16.8 percent to 68,800 units recently. Seasonally adjusted annual rate of urban starts increased by 11.8 percent in Ontario, decreased by 20.2 percent in Quebec, by 18.1 percent in British Columbia, and by 4.7 percent in the Atlantic, and was unchanged in the Prairies. Rural starts were estimated at a seasonally adjusted annual rate of 18,600 units recently.

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# BUSINESS TRENDS (U.S.A.)

## LAKE STATES

Hardwood lumber sources in the Lake States region report business conditions as slow but steady. Statistics of a moderate increase were accounted for in some areas while others stated neither an increase nor decrease with sales staying at the same level of previous weeks.

A hardwood supplier in Wisconsin said market conditions were about the same. "Business activity hasn't changed really one way or the other, things have pretty much been the same," he explained.

"Uncertainty on the endusers part plays a large part in our numbers," he continued. "I think people are holding back till the first of the year to see what happens in congress with the healthcare bill. People are nervous as to when and by how much their taxes are going to be affected by the bill."

The source, which handles all northern hardwoods, said that Aspen, Basswood and White Birch were moving faster than other species. "Those are our top sellers but that's what we specialize in."

When asked how his company was adjusting to the current market conditions, the contact replied, "The one specific thing that we've done to adjust to the market is we've adjusted our prices, trying to match the market with pricing. We're also only buying products that we need. We're only buying replacement stock now."

"Red Oak prices are climbing a little bit especially on the No. 1 and Better," he commented regarding cost fluxuation. "We're not participating in that. I personally think the increases in the Red Oak, especially in the Select and Better, are unsustainable. By the time you pay what they 'say' they've been getting and then add your costs, you end up selling it for 50 dollars a thousand less than what you have in it." The source said he doesn't anticipate any improvement in pricing over the next 90 days.

He did say that transportation costs have been steady. "Transportation costs have been relatively stable for a while now. I think the biggest factor as far as our region is concerned is the upcoming weather. Until a freeze-up happens up here, logs aren't really going to move. Will that create some shortages? Probably. But it's nothing that we haven't seen before. As soon as the freeze hits, sawmills will be bringing logs back in."

The supplier, whose customers are cabinet and furniture manufacturers, said his clients seem steady. "The winter months are usually their busiest time of the year. I would say the next couple of months will be steady and then after the first of the year they'll pick up. Unless something major happens I anticipate next year to be about the same, with steady business."

In Indiana, a hardwood supplier said business conditions were "average at best, but slightly better."

"In our area there has been a slight uptick in the recreational vehicle markets but I don't know if that will be sustainable through the winter or not," he explained.

The contact, which carries all domestic hardwoods, said his inventory levels were lower. "We've cut our production levels along with our inventory, to adjust to the market."

He mentioned his furniture and flooring manufacturing customers' markets were slow. "Customers are ordering just what they need, when they need it."

Going into 2010 the contact said he believes 2009 will end on a slow note but is cautiously optimistic for 2010. "We think 2009 will finish out slow and we hope for the best in the first part of 2010," he said. "We hope for a pick up by the second quarter."

In other regional hardwood industry news, the Minnesota Dept. of Natural Resources (M-DNR) recently completed its Sustainable Timber Yield Analysis. "This analysis is important because it can help guide forest investment decisions," said state forester Dave Epperly.

According to a M-DNR press release, the analysis will help policy-makers, forest managers and proposers of new industrial facilities assess future timber yields and forest age classes under a range of potential management and policy options. An important finding in the analysis is that there can be sufficient forest resources available to support a 5.5 million cord harvest level, which includes all ownerships—federal, state, county and private.

An advisory group provided assistance and guidance in developing the analysis. The group's members are of diverse experience including representatives from state and federal government, counties and the scientific community. For more information and to view the analysis, visit www.dnr.state.mn.us.

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## SOUTHEAST

Sources throughout the Southeast are reporting slight market improvement in recent months. The National Association of Home Builders (NAHB) reported recently that, despite the effects of unemployment and tighter credit on the construction industry, the year ahead looks increasingly positive for the active adult housing market.

General market conditions in the Southeast have improved in the past season, if only slightly. The Federal Reserve reported this fall that, in many parts of the region, forty percent of all manufacturers expect an upturn in business in coming months, and an additional forty percent expect business to stay steady. The Reserve stated that, "Reports from most District homebuilder and Realtor contacts indicated that the pace of decline in home sales continued to moderate from a year earlier."

The Reserve also reported that, despite the slumped conditions of the housing market countrywide, spot improvements have been seen. In the Federal Reserve's Richmond district, which includes much of the upper Southeast, year-over-year drops in the housing market have abated. Across the country, sales of single-family homes were recently boosted by a government tax credit offered for first-time home buyers. The $8,000 tax credit, which was set to expire in November, has been expanded and extended until April 30, 2010. "The tax credit has clearly had a positive effect on housing demand and in the job market," said NAHB Chairman Joe Robson.

The National Association of Realtors First Vice President Ron Phipps has been quoted as saying, about the tax credit, "The data on the present home buyer tax credit show that the credit has had its intended impact—sales have jumped in recent months to a projected $5.1 million for the year and housing inventory has been trimmed, thus stabilizing home prices noticeably." He has also pointed out that each home sale generates approximately $63,000 in additional economic activity, providing a tremendous economic boost to the national economy. Urged on by many in the housing industry and it's companion industries, congress is currently in the process of reviewing the credit.

In addition, The Federal Housing Administration (FHA), which has played a crucial role in providing mortgage financing to the housing market, has reported that it is operating efficiently on significant reserves and will not need a taxpayer bailout. In a recent press release, the FHA stated that, "FHA is still solvent and remains an essential tool for consumers."

"It's better than it was six months ago," said an Alabama hardwood distributor and flooring manufacturer. "Lumber prices have edged up a little bit. There's a bigger demand for FAS Red Oak and the floor wood market is increasing." According to many manufacturers and distributors, the region is seeing good movement in upper grades of Red and White Oak and Poplar, with Gum and some common Oaks slowing down.

High amounts of rainfall have contributed to a log shortage in areas of the Southeast. Said a source in Arkansas, "If rainfall continues, there will be a very large shortage of product out there." However, current shortages, in addition to decreased market competition, are benefiting those who have lumber on their shelves. "Whoever has the inventory is going to see a price increase," reported one hardwood distributor.

Though most told the *Import/Export Wood Purchasing News* that inventory levels are leveling at average or slightly better in most areas, many are worried about raw material deficiencies continuing into the coming months. "No doubt," commented the source, "there will be an increasing level of difficulty finding lumber in the next six months. Things might get gloomy." In addition to the effect of bad weather conditions on the lumber supply, an Arkansas manufacturer commented, "There's a lower supply of lumber because many sawmills went out."

Hardwood manufacturers and distributors have reported that, though transportation costs have risen slightly (A source in

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## BUSINESS TRENDS (U.S.A.)

Continued from page 27

Georgia reported that ocean freight prices will rise $200 in coming weeks), labor prices are "decent" and, in general, profits slightly are up. Most are cautiously optimistic about the coming months. Said one source in Georgia, when asked what he predicted for 2010, "We'll be able to move lumber; we're not making much money, but we're not going anywhere."

One hardwood flooring company representative, which sells wholesale to distributors, said, "Though there will still be cutbacks in housing, things are looking positive for the next 6 months. The product we manufacture will be in greater demand. Increase in demand; decrease in supply."

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### WEST COAST

The Federal Reserve reported that economic activity on the West Coast has been up slightly in recent months, with signs pointing towards some stabilization and improvement. The newest edition of the Fed's *Beige Book* stated that demand for housing showed further slight improvement, though it reported no improvement in commercial real estate markets. The report found a comparatively strong demand for furniture products.

As in other areas of the country, the housing market on the West Coast benefited from the government's $8,000 tax credit for new homeowners. Sources throughout the housing and lumber industry are lobbying for an extension of the credit. At press time, due to an overwhelmingly positive response from the market, Congress was in discussions about extending the credit into 2010. A hardwood distributor in Oregon remarked, "I think it has helped the industry. It has helped move product. I think it's too soon to pull out…they need to get the market more stable. I don't know if I would be in favor of them expanding it to all buyers, but for first-time buyers, extending the same program would be beneficial." The National Association of Homebuilders (NAHB) and the National Association of Realtors (NAR) have also vocalized their support for the bill's extension.

On the West Coast, the rise in the pace of home sales in the past few months was accompanied by a rise in home prices. However, it is difficult to see whether the rise in home sales will be undermined by ongoing high foreclosure rates in some areas. New home construction is continuing at a slow, but steady pace, with industry sources staying wary of over-optimism about conditions during the coming months. Said one source, "There are a lot of homes in Southern California and other places that are just sitting there. We've got to get them moving."

"The market is still pretty soft," said the president of a California lumber company. "We do a lot of quoting and waiting. But," he continued, "it's better off than it was 6 months ago. I see more jobs opening up; attitudes seem to be a lot better. It just seems like everybody is helping each other to try to get through this period. People are bending over backwards and making things work."

Sources report that while upper grades of Alder, Poplar and Red Oak are moving briskly, Cherry, Walnut and Japanese Kaya have quieted down. Many suppliers and distributors are stocking lower inventories than before. One source referred to his inventory as being "hodge-podge parts" while another said he had "kept inventories low for the past year and a half." Prices in White Oak seem to be on the rise, where as Alder prices have dropped. Across the board, lumber prices are relatively cheap, though many sources predict a slight hike in prices in early 2010. Said one source, "Prices are going up, but they're still basically bottom."

Though transportation costs were reported to be fairly stable, sources in the Northwest reported delays in rail traffic. Said one source, "We've had some issues with logistics, as far as shipping lumber. There's not enough container traffic traveling from East to West, so you get a container on the railroad and it sits until it accumulates until there's enough freight to roll the train. We've had 1 to 2 week delays moving stuff across the country." Labor prices were reported to be very decent. The Federal Reserve report characterized wages across the region as "flat."

No sources have reported raw material shortages for the short term, though some anticipated a pick up in shortages in the coming year, largely due to sawmill closures. "You're going to have to look a little harder," said a California distributor. "We'll probably see some shortages. It's going to mainly come from people going out of business on the mill end of things."

Despite hard conditions, many West Coast companies seem to be staying in the game. There were very few reports of competitors going out of business (a California source said, "We wish one or two would go out of business!) In addition, companies that cater to do-it-yourselfers are faring well in the economic slump. One Northwestern manufacturer said, "Our retail is definitely our strongest. We're selling to the home projects guy." Sources have also seen increased interest, if not immediate activity, in both the housing and component markets.

Though sources expect activity to slow down in immediate months, most were optimistic about the market faring better in early 2010. "I think we'll begin to see some improvement," said a West Coast distributor. "Things will start picking up a little bit."

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## NEWSWIRES

Wayne Rogers

**Dallas, Texas—**East Teak Fine Hardwoods, based here, recently acquired Thompson Mahogany Co. in Philadelphia, Pa.

According to sources, Thompson Mahogany Co. will operate as a wholly owned subsidiary of East Teak, but will maintain full operational autonomy from its Philadelphia headquarters, under existing president Don Thompson.

President and chief executive officer of East Teak, Wayne Rogers, said, "Thompson Mahogany joining the East Teak family offers many benefits, including a strong customer base across North America, a complementary product line, the addition of direct suppliers in South America and Africa, and an expanded distributor network."

Thompson Mahogany was established in 1843 and ships tropical Hardwoods into the ports of Philadelphia and Camden, N.J.

East Teak Fine Hardwoods, founded in 1972, operates sales and milling centers in Donalds, S.C. and Sultan, Wash.

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**Portland, Oregon—**According to Craig Larsen, president of the Softwood Export Council (SEC), the organization has relocated from its downtown Portland location to an office in the southwest Portland area. The new addresses and telephone numbers are: P.O. Box 80517, Portland, Ore., 97280 (mailing address); and 6980 S.W. Varns, Tigard, Ore., 97223 (office address); 503-620-5946 (phone) and 503-684-8928 (fax).

The SEC is a trade council of U.S. softwood grading agencies, industry trade associations, state export promotional development agencies, and others interested in promoting U.S. softwood internationally.

The SEC coordinates overseas market development activities for the U.S. softwood industry with the Foreign Agricultural Service, and aids American exports of softwood products by providing information and assistance to agents, importers, designers, and users of these products in other countries. Through trade association and grading agency members, SEC represents softwood exporters of lumber, veneer, mouldings and millwork and component products. For more information visit www.softwood.org.

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**Australia—**Conservationists joined the logging industry to demand the government fulfill its promise to ban illegally logged imports. An estimated nine percent of Australia's wood and paper imports, valued at $400 million Australian ($335 million) annually, are illegally logged mainly from Indonesia and Papua, New Guinea.

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# NEWSWIRES

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**Washington, D.C.—**New legislation requiring U.S. homes to be more energy-efficient suggests a possible damper of a rebound in the housing market. A measure approved by the House and being considered by the Senate states that new homes would be required to have more insulation, more efficient doors and windows, and heating and cooling systems that consume less energy. These changes would cost an average of $4,000 to $10,000 per home, which would price more than 1 million people out of the market, according to vice president of the National Association of Home Builders (NAHB), Bill Killmer.

In other news, the Obama administration said it would defend a 2001 rule imposed by President Bill Clinton that blocked road construction and other development on tens of thousands of acres in remote national forests. Papers were filed recently in Wyoming as the administration is siding with environmentalists in the case. Subsequently a 2005 Bush administration Roadless Rule was thrown out of a federal appeals court, August of 2009.

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**Reston, Virginia—**The Hardwood Plywood and Veneer Association (HPVA), headquartered here, recently held its annual fall conference. According to the association while attendance was down a little from previous years, the meeting was vast in content.

During the meeting, Gary Gillespie, of Columbia Forest Products and HPVA chairman of the board, announced that Brian Beakler of Armstrong World Industries was elected HPVA vice chairman. John Varner of Veneer Technologies will be chairman in 2010. Updates on the progress of the structure of the sliced hardwood veneer council were given to address the needs of the essential segment of the industry.

A 2010 HPVA Strategic Plan was announced as being in its final stages of development to reflect the changing industry and economic environment. The association also announced that materials are being prepared to assist companies in complying with the Lacey Act and standard revisions for hardwood and decorative plywood are near completion. A life cycle analysis of hardwood plywood and engineered flooring was also planned.

For more information visit www.hpva.org.

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**Oakland, California—**The Westbound Transpacific Stabilization Agreement (WTSA), which represents 10 ocean freight carriers, recently announced voluntary guidelines for an increase of $150 per 40-foot container and $120 per 20-foot container for dry cargo on routes from the U.S. West Coast to Asia. WTSA also proposed increases for shipments from the East Coast and Gulf ports to Asia. According to *Random Lengths International*, major carriers have recently increased rates on several major routes, including hikes that would double rates on Trans-Atlantic lanes. *The Journal of Commerce* said carriers cited huge financial losses amid steep declines in shipping volume.

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**Dubai—**The Dubai International Wood & Wood Products Show will be held April 13-15, 2010 at the Dubai Airport Expo, located here. The American Hardwood Export Council (AHEC) is planning their fifth consecutive American Hardwood Pavilion. Plans call for AHEC to have a large booth for purposes of demonstrating lumber grading, accompanied by approximately sixteen 9-square meter booths available to U.S. participants on a first come, first served basis. Companies interested in participating in this trade show may respond to Belinda Cobden-Ramsay at AHEC-London Office (belinda.cobden-ramsay@ahec.co.uk) as soon as possible.

According to AHEC's announcement, cost is anticipated to be $500 per booth which includes booth space, U.S. pavilion build, electricity, flooring, lighting and basic furniture. For more information about the show visit www.dubaiwoodshow.com.

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**Vancouver, British Columbia—**West Fraser Timber Co.'s Kitimat pulp mill is scheduled to close Jan. 31, 2010. As reported, a $155 million writedown attributed to the $198 million loss reported in the third quarter. A sales loss of $679 million was included in the report.

In spite of the loss, West Fraser's earnings were reported before interest, taxes, depreciation and amortization at $42 million. Quarterly results are improved over the second quarter according to the company news release.

Housing starts in the United States were up while existing home inventories declined. Mixed lumber pricing was reported. Canadian operations said spruce, pine and fir prices were slightly up and U.S. operations said Southern Yellow Pine prices had declined.

Tighter global inventories pushed pulp prices up and improved demand.

The closing of West Fraser Timber's Eurocan pulp mill at Kitimat on the northern B.C. coast will leave 535 unemployed. The firm's president Hank Ketcham said a steep decline in the mill's financial results was cause for the closure.

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**Russia—**According to *Forbes* magazine, Russia will once again postpone the introduction of higher timber export duties by another year as the economic crisis has made it impossible to quickly build domestic processing facilities.

Plans to raise export duties three fold in 2009 were designed by Russia to boost it's own timber processing industry. Russia is expected to postpone increases in export duties on softwood logs until 2011. Officials say that the downturn in the global economy has also undermined efforts to expand and modernize Russia's domestic wood processing industry.

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**Malaysia—**According to the IHB Fordaq Network, the Malaysian government is confident the country will be able to achieve a RM10 billion-export target for its furniture exports by the end of 2009. In furniture exports the country registered RM3.57 billion for the first half of 2009 compared to RM4.11 for the same period last year.

At press time Malaysian traders plan to participate in the Malaysian Furniture and Furnishings Fair to further promote its furniture products. Organizing chairman Gan Tai Hwa expects total sales turnover to increase to RM50 million compared to RM40 million of last year's fair.

In other Malaysian news, the government of Selangor has stopped issuing licenses for logging on all state land. Selangor's state government issued a ban on logging for all State land earlier this year.

Malaysia's Federal Constitution mandates that land and natural resources are matters under the jurisdiction of the State governments. Concessionaires currently holding logging licenses will not be renewed. Private land such as land owned by forest plantation owners will not be affected. A 1,970 ha. quota of forest logging was set aside for the State of Selangor by the National Forestry Council. The quota is the maximum annual area that a State could allocate for timber harvesting. As reported by the Selangor state forestry department, concessionaires have utilized less than a quarter of the quota.

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**Washington, D.C.—**The Forest Stewardship Council (FSC), based here, recently approved a national risk assessment for sourcing FSC Controlled Wood from plantations located in Chile.

A mandatory risk assessment will be in place for all companies sourcing FSC Controlled Wood from any Chilean plantation. While Chile currently has 2.1 million acres of exotic species forest plantations, FSC said enforcement body the National Forestry Corporation did not have the necessary financial or human resources to sufficiently enforce forestry-related legislation.

FSC reviewed plantations by county level, as they were easier to identify, evaluate and monitor than regional or national level and would confer uniformity to the risk assessments.

The companies, which have already conducted risk assessment for Chilean plantations will have up to 12 months after approval to align their Controlled Wood Programme to the new requirements.

FSC Chile is also in the process of developing a national risk assessment for natu-

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# NEWSWIRES

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ral forests. For more information visit www.fsc.org.

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**Nashville, Tenn.—**Gibson Guitar, headquartered here, was recently served a search warrant from the U.S. Fish & Wildlife Service for alleged use of endangered woods from the world's rain forests.

U.S. Fish & Wildlife agents made a midday appearance at Gibson's Massman Drive manufacturing plant, where it's acoustic and electric guitars are manufactured. According to the *Tennessean* newspaper, Gibson issued a statement saying it is "fully cooperating with agents of the United States Fish and Wildlife Service as it pertains to an issue with harvested wood."

The *Tennessean's* article stated that federal officials declined to comment on whether anything was removed from Gibson's plant or the specific items the agents were searching for. However, some exotic hardwoods traditionally used making premium guitars, such as Rosewood from the rain forests of Madagascar and Brazil, have been banned from commercial trade due to environmental issues under a recent revised federal law.

The U.S. Lacey Act outlines that trading in such banned woods is a federal offense, punishable by civil and criminal penalties and/or seizure of property.

Director of the forest campaign for Greenpeace, an international activist group, Scott Paul said, "Historically, Gibson has shown an awful lot of leadership; they are really one of the manufacturers far ahead of the field." He also noted that Gibson's investigation is evidence of just how tricky the sale of wood products can be, especially when sales are arranged through third parties in remote countries.

"There are a lot of middle men between the guitar manufacturer and the company that is logging the ground," Paul explained. "Today proves that even if you're very serious about buying only certified, well-managed supplies, it's still possible to get caught up in many of these regions where law enforcement is not always great and corruption is not uncommon." Other activists said Gibson's CEO Henry Juskiewicz has taken a lead role for at least the past six years in urging the music industry to use only sustainable wood products.

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# OBITUARIES

### Sidney Carroll "Bill" White

**Memphis, Tennessee–Sidney Carroll "Bill" White**, 86, died recently in Memphis, where he was born to S. Carroll and Elizabeth Leigh White.

White was a second-generation lumberman who worked in South Carolina, California, and New Orleans before returning to Memphis to work for Armour C. Bowen Lumber Company. In 1971, he joined Koppers Company and supervised the operation of 23 sawmill facilities. He married Maryestel Ford in 1977 and in 1978 was recruited by the National Hardwood Lumberman's Association (NHLA) to be their executive manager. White guided the NHLA through its move from Chicago to its headquarters in Memphis. In 1988, he retired from the NHLA.

White is a graduate of Bartlett High School and enlisted in the U.S. Navy in 1942. He earned his pilot's wings as a U.S. Navy carrier pilot in 1944. He flew SBD Dauntless and SB2C Helldiver attack aircraft, and served the Atlantic Fleet until separation in 1946. He retired from the Naval Reserve as a Commander in 1971. He graduated at the Citadel in Charleston, S.C., in 1949 with a business degree.

White was married to Corinne (Sweetie) Gale in 1949, who passed away in 1976. He was a member of Germantown United Methodist Church and a former member of the Whitehaven United Methodist Church. White was elected president of the Lumberman's Club of Memphis in 1976 and voted Outstanding Lumberman of the Year in 1986.

He is survived by his loving wife Maryestel; his sister Martha Bennett of Lewisburg, Ky.; his two sons Carroll (Anne) of St. Louis, Mo., and David (Karen), of the Woodlands, Texas; his daughters Gale White Nyseth of Franklin, Tenn., Kay Lloyd (Bob) of Maui, Hawaii, Leigh Scheele of Memphis, and Daphne Hewitt of Memphis; eleven grand children and eight great-grandchildren.

Funeral services were held at Germantown United Methodist Church, followed by interment at Elmwood Cemetery. Donations may be made to Germantown United Methodist Church in lieu of flowers.

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### Ketut Kaler Ginaputra

**Jakarta, Indonesia—**Ketut Kaler **Ginaputra** 73, recently passed away. Executive director of the Indonesian Wood Panel Producers Association he was also a very active member of the International Wood Products Assoc. (IWPA). "Ketut always went out of his way during my trips to Indonesia and his visits to the U.S. to increase our understanding of Indonesian issues," IWPA's executive vice president, Brent McClendon said. "Our heartfelt condolences to the team of associates and Mr. Ketut's family. Their loss is shared by many of us across the globe."

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# IMPORT/EXPORT CALENDAR

**JANUARY**

**International Builders Show**, Las Vegas Convention Center, Las Vegas, Nev. Contact: 1-800-368-5242, ext. 8111. Jan. 19-22.

**The Lake States Lumber Association Annual Meeting**, Hotel Mead & Conference Center, Wisconsin Rapids, Wis. Contact: 888-213-2397. Jan. 21-22.

**Expo Moboliario**, Mexico City. Contact: 503-620-5946. Jan. 23-25.

**Indiana Hardwood Lumbermen's Association, 112th Convention & Exposition**, Indianapolis Marriott Downtown, Indianapolis, Ind. Contact: 800-640-4452. Jan. 27-28.

**FEBRUARY**

**Green Building for Building Professionals**, Springfield Area HBA, Springfield, Ill. Contact: 217-698-4941. Feb. 1-2.

**SURFACES 2010**, Sands Expo & Convention Center, Las Vegas, Nev. Contact: 972-536-6411. Feb 2-4.

**Appalachian Hardwood Manufacturers Inc., Annual Meeting**, Long Boat Key Club, Long Boat Key, Fla. Contact: 336-885-8315.

**MARCH**

**IndiaWood 2010**, Bangalore, India. Contact: k.lee@koelnmesse.cn. Mar. 4-8.

**Hardwood Manufacturers Assoc., National Conference/Expo**, Renaissance Tampa Hotel International Plaza, Tampa, Fla. Contact: 813-877-9200. Mar. 10-12.

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# Classified Opportunities

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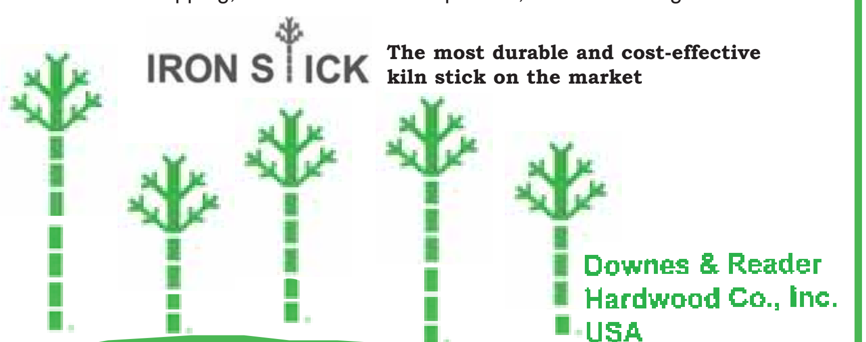


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Steve Johnson, owner of Thompson Hardwoods, Inc. along with John Stevenson, vice president of sales and marketing.

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