OAKS UNLIMITED -

Continued from page 19

because, "the larger expense is the time commitment. The company has to be committed from the top all the way down. You're going to do training and make a paper trail documenting everything because you will be audited by a third party annually. This third party will review your processes and your books to assure that you are maintaining your chain-of-custody."

The people at Oaks Unlimited examined the certification process and determined it was a beneficial expense. "We are excited and committed to following through and doing it properly. While there is not a fee to join FSC, there is an expense to have your processes in place. We set up our own certification filing system with layers of documentation that we're committed to do accurately so we will be prepared when the auditor comes by my operation," Pryor said.

As far as sourcing FSC certified lumber, Pryor mentioned his company has had to obtain the certified lumber from firms located further north, "simply because there seems to be more FSC timberland available in that area of the country," he explained. "I've been pleased with the quality of the certified lumber and its availability and I believe it's going to get more prevalent as time goes on."

Oaks Unlimited is situated on 10 acres of land. The company has six dry kilns with 300,000 board foot capacity, three air-drying sheds and two enclosed warehouses. The firm keeps an inventory of approximately 2 million board feet at its facilities at all times. Pryor said, "About 60 percent of our lumber is exported and the other 40 is sold in the domestic market." His operation also has a planer, straight-line ripsaw, a Weinig moulder and an end matcher. They recently completed construction of a new office building and a 13,500 square foot warehouse.

Pryor also mentioned that Oaks Unlimited doesn't venture into the retail market. "We don't compete with our distribution yard customers; we focus on supplying them," he said.

Pryor's workday seems to always be full. Taking the lead from his father, who ran a sawmill and a stave mill in Marshville, N.C. for 36 years, his goal is "to be a customer-focused company that supplies the highest quality wood products to partners worldwide."

Key personnel at Oaks Unlimited include: Trent Thomas, vice president; and Mark Taylor, export sales manager. Both Pryor and Taylor travel overseas at separate times ensuring one of them is available at the company headquarters at all times.

"Trent Thomas is acting controller. He handles accounting and our computer systems, and he developed a lot of our software. Sabrina Browning and Tina Parker are office administration people that support him," Pryor said.

Of the company's 25 employees, the lumber salesmen include: Joe Pryor, Mark Taylor, Doyle Hyde, Monty Minton, John Oakes, David Dickson, Brett Dively and Ray Shepard. Shepard is also in charge of green lumber buying and Ricky Parton is the lumberyard manager.

Oaks Unlimited Inc. offers straight and mixed loads for the domestic markets, is experienced in the export preparation of lumber.

For more information about Oaks Unlimited and its products visit www.oaksunlimited.com or contact direct at 828-926-1621.

•

GILCO INTERNATIONAL -

Continued from page 6

ducing the highest quality lumber," Hannah said.

Prior to buying the assets of Gilco Lumber Inc., Everett Hannah already owned several sawmills, with the largest being a band mill called Paintsville Wood Products, located in Paintsville, Ky. Other Hannah mills are located at Varney and Julian in West Virginia, another is under construcion at Ft. Gay on the Tolsia Highway near Huntington, West Virginia. Throughout much of his career Hannah has been very successful in his real estate ventures and, recently, formed Appalachian Paving and Aggregrate LLC, and currently has a new asphalt plant under construction at Myrtle, located between Logan and Williamson on the Corridor G Highway in Southern West Virginia Hannah's company recently won a major contract to build a new airport in this same part of the Mountain State.

Along with changing the name of Gilco Lumber Inc. to Gilco International Lumber LLC, some of the company's divisions have been renamed:

Gilbert Lumber Co. located in Gilbert, W. Va., will become Gilbert Forest Products LLC; and Gilbert-PLC Lumber Co., located in Cabin Creek, W. Va., will change to Cabin Creek Lumber Co. LLC. Also, Gilco International Lumber—Salem Division—will continue the long-standing Co-Op partnership with Salem Frame located in Salem, Va. The Salem operation processes a large volume of Gilco's Hardwood lumber that will be shipped to the firm's overseas customers.

As far as Gilco International Lumber LLC's hardwood concentration lumberyard in Roderfield, W. Va., it is situated on 20 acres and has a one-million board foot capacity pre-dryer, 16 Irvington-Moore dry kilns, air-drying sheds and yard with four million board feet of open air-drying capacity. This location also has two grading chains; one to grade inbound green lumber and the other to grade, sort and surface dried lumber to customer specifications. Two one-million board-foot kiln-dried storage warehouses are

Continued on page 24

import/export timber products' stock exchange

4/4 and 5/4 Fas/1F & 1C Red Oak
4/4 thru 6/4 Fas/1F & 1C Pecan
4/4 thru 8/4 Fas/1F & 1C Ash
4/4 thru 8/4 Fas/1F & 1C Cottonwood
4/4 thru 8/4 Fas/1F & 1C Elm
4/4 thru 8/4 Fas/1F & 1C Hackberry
4/4 thru 8/4 Fas/1F & 1C Poplar
4/4 thru 8/4 Fas/1F & 1C Sycamore
4/4 thru 8/4 Sel/Btr, Pecky, Cypress
4/4 Fas/1F & 1C White Oak
4/4 thru 12/4 Fas/1F & 1C Sap Gum
4/4 thru 12/4 Fas/1F & 1C Willow

ATCO

LHP

We can offer any of the above as FSC Certified.

ANDERSON-TULLY WORLDWIDE
TEL 601.629.3283 - FAX 601.629.3284
Vicksburg, MS USA
WWW.ANDERSONTULLY.COM

DOWNES & READER HARDWOOD CO.
IMPORT DIVISION

Stock subject to prior sale

African Mahogany	8/4 FEQ 18,405
4/4 Sel/Bet 14,585	10/4 FEQ 14,859
5/4 Sel/Bet 852	12/4 FEQ 406
6/4 Sel/Bet 5,617	16/4 FEQ 16,310
8/4 Sel/Bet 5,376	Ipe
Bloodwood	4/4 Sel/Bet 12,453
4/4 Sel/Bet 6,395	5/4 Sel/Bet 7,843
Cumala	Jatoba
4/4 Sel/Bet 31,921	4/4 Sel/Bet 36,466
Edinam	Lacewood
4/4 Sel/Bet 11,716	4/4 Sel/Bet 5,598
8/4 Sel/Bet 16,363	8/4 Sel/Bet 418
Genuine Mahogany	Marupa
4/4 Sel/Bet 2,356	4/4 Sel/Btr 16,990
5/4 Sel/Bet 105	5/4 Sel/Btr 7,003
6/4 Sel/Bet 7,739	6/4 Sel/Btr 6,443
8/4Sel/Bet 3,474	Peruvian Walnut
10/4 Sel/Bet 2,098	4/4 Sel/Btr 10,640
4/4 FEQ 13,947	6/4 Sel/Btr 5,033
5/4 FEQ 6,050	8/4 Sel/Btr 8,552
6/4 FEQ 5,666	

Toll-Free: 866-452-8622
Call William or Steve
www.ironsticks.com
imports@downesandreader.com

Downes & Reader Hardwood Co. Inc.
P.O. Box 456 - Evans Drive
Stoughton, Mass 02072

HANCOCK LUMBER™
Est.1848

Eastern White Pine
America's Largest
Eastern White Pine Producer

Manufacturing 4/4 Boards S4S, S1S2E,
Rough and pattern in 4" through 12"
Manufacturing all NeLMA Grades which include:
C Select
D Select
DBTR Select
Finish
Premium
Standard
Industrial
Shop
Cut Stock
Timbers

Hancock Lumber operates 3 SFI/FSC Certified Sawmills in Maine and can produce to your needs

PLEASE CONTACT MATT DUPREY
OR
JACK BOWEN AT 207-627-7605

P.O. Box 299 • 1260 Poland Spring Rd
Casco, ME 04015
Sales Tel: (207) 627-7600
Sales Fax: (207) 627-4200

To learn more about us visit our website at:
www.hancocklumber.com

Penn-Sylvan International, Inc.
Spartansburg, Pennsylvania U.S.A.
Contact: Bill Reese, mobile (814) 881-7111
Telephone (814) 827-8271 Fax (814) 827-8272
E-mail PennSylvanUSA@aol.com
www.Penn-Sylvan.com

Veneer Logs - 4 Sides Clean
2 x 40' Northern Red Oak, 15" /up
2 x 40' Pennsylvania Cherry, 14" /up - grade A
2 x 40' Pennsylvania Cherry, 14" /up - grade A-B
2 x 40' Northern White Oak, 14"/up
Veneer Logs - 3 Sides Clean
5 x 40' Pennsylvania Cherry, 13" /up
5 x 40' Northern Red Oak, 13" /up
2 x 40' Northern White Oak, 13" /up
Northern Appalachian Hardwood Lumber - Kiln Dried
4/4 Pennsylvania Cherry - Prime and Comsel grades
4/4 and 5/4 Red Oak - Prime and Comsel grades
4/4 White Oak - Prime and Comsel grades
4/4 Hard Maple - Prime 1+2 White and Comsel grades
4/4 Soft Maple - Prime and Comsel grades
4/4 Ash, Beech, and Poplar - Prime and Comsel grades

Hard Maple Veneer Logs - end Oct. shipment
CUSTOM Grades Available -
Shipping Dry Lumber-
Inquiries Welcome
Contact Us Today!

FOR SALE

GENUINE MAHOGANY LUMBER
CEREJEIRA
SPANISH CEDAR
SAPELE
SANTOS MAHOGANY
PERUVIAN WALNUT

Newman Lumber Co.
Gulfport Sales Staff: Doug, Bill, Pam, Roy
Phone: 1-800-647-9547 or (228) 832-1899
FAX: (228) 831-1149
Website: newmanlumber.com
Mailing Address:
P.O. Box 2580 - Gulfport, MS 39505-2580

KILN DRIED LUMBER FOR SALE

WHITE OAK
4/4 FAS/1F&Btr #1 Com

HICKORY
4/4 FAS/1F&Btr #1 Com, #2 Com
5/4 FAS/1F&Btr #1 Com
6/4 FAS/1F&Btr #1 Com
8/4 FAS/1F&Btr #1 Com

WALNUT
4/4 FAS/1F&Btr #1 Com, #2 Com
5/4 FAS/1F&Btr #1 Com, #2 Com
6/4 FAS/1F&Btr #1 Com, #2 Com
8/4 FAS/1F&Btr #1 Com, #2 Com
10/4 FAS/1F&Btr #1 Com, #2 Com
12/4 FAS/1F&Btr #1 Com, #2 Com

YELLOW POPLAR
4/4 FAS/1F&Btr #1 Com, #2 Com
5/4 FAS/1F&Btr #1 Com, #2 Com
6/4 FAS/1F&Btr #1 Com, #2 Com
8/4 FAS/1F&Btr #1 Com, #2 Com
10/4 FAS/1F&Btr #1 Com
12/4 FAS/1F&Btr #1 Com
16/4 FAS/1F&Btr #1 Com

W.M. Cramer International Inc.
Hickory, NC 28603 USA
FAX: (828) 397-3763 PH: (828) 397-7481
E-Mail: ruthc@cramerlumber.com
Web site: www.cramerlumber.com

Jim C. Hamer Co.
Appalachian Hardwood

4/4 - 8/4 FAS - #2 Common Ash
4/4 - 8/4 FAS - #2 Common Basswood
4/4 - 8/4 FAS - #2 Common Cherry
4/4 - 8/4 FAS #1 & #2 White Hard Maple
4/4 - 8/4 #1 - #2 Common Hard Maple
4/4 - 8/4 FAS - #2 Common Soft Maple
4/4 - 5/4 FAS - #2 Common Red Oak
4/4 - 5/4 FAS - #2 Common White Oak
4/4 - 5/4 FAS - #2 Common White Oak R/Q
4/4 - 5/4 FAS - #2 Common Hickory
4/4 - 8/4 FAS - #2 Common Poplar
4/4 - 8/4 FAS - #2 Common Walnut

Please Contact Us For All Your Appalachian Hardwood Needs
Green or Kiln Dried
phn: (304) 453-6381 **fax:** (304) 453-6587
email: sales@jimchamer.com
www.jimchamer.com

import/export timber products' stock exchange

FOR SALE

Tropical Hardwood Lumbers
Genuine Mahogany
African Mahogany (Khaya)
Sapele Mahogany
Spanish Cedar
Brazilian Cherry (Jatoba)

Alan McIlvain Company
501 Market Street
Marcus Hook, PA 19061
Phone: (610) 485-6600
FAX: (610) 485-0471
www.alanmcilvain.com

Quality Hardwood Lumber and Moulding Since 1798

FOR SALE

5 T/L 10/4 S&B Ash
1 T/L 5/4 S&B Basswood
2 T/L 5/4 #1 Com Basswood
1 T/L 6/4 S&B Basswood
2 T/L 8/4 S&B Basswood
3 T/L 4/4 #1 Com Beech
3 T/L 5/4 S&B Beech
1 T/L 8/4 S&B Beech
5 T/L 4/4 S&B Hickory
4 T/L 4/4 #1 Com Hickory
5 T/L 4/4 #2 Com Hickory
1 T/L 5/4 S&B Hickory
3 T/L 5/4 #1 Com Hickory
5 T/L 5/4 #2 Com Hickory
5 T/L 6/4 S&B Hickory
5 T/L 6/4 #2 Com Hickory
4 T/L 8/4 S&B Hickory
5 T/L 8/4 #1 Com Hickory
2 T/L 5/4 S&B W. Oak
2 T/L 8/4 S&B W. Oak
2 T/L 4/4 S&B Walnut
4 T/L 4/4 #2 Com Walnut
1 T/L 5/4 S&B Walnut
2 T/L 6/4 S&B Walnut
4 T/L 8/4 S&B Walnut

Cole Hardwood Inc.

P. O. Box 568
Logansport, Indiana 46947
574-753-3151 Fax: 574-753-2525
e-mail at: dave@colehardwood.com
home page: www.colehardwood.com

Aspen - Tremble
4/4 Fas/F1F 6' only 20000'
Black Cherry - Cerisier
4/4 Fas/F1F 6' 6000'
4/4 Fas/F1F Sappy 14000'
4/4 Comsel 18000'
4/4 Fas/F1F Narrow 4" 1000'
4/4 Fas/F1F Narrow 5" 10000'
5/4 Comsel 28000'
5/4 2 Com 4000'
6/4 Fas/F1F Sappy 7000'
8/4 Fas/F1F 40000'
8/4 Fas/F1F 6' only 10000'
10/4 Fas/F1F 40000'
12/4 Fas/F1F 40000'
16/4 Fas/F1F 14000'
Soft Maple - Plaine
4/4 Fas/F1F 14000'
5/4 Fas/F1F 25000'
8/4 Fas/F1F 20000'
Hard Maple - Erable
4/4 Fas/F1F Sap 30000'
4/4Comsel Sap/btr 7000'
6/4 Comsel Sap/btr 25000'
8/4 Comsel Sap/btr 20000'
4/4 Fas/F1F 1+2 w 30000'
4/4 Fas/F1F 6' only 8000'
5/4 Fas/F1F 1+2 w 30000'
8/4 Fas/F1F 1+2 w 20000'
8/4 2 Com Sap/btr 10000'
10/4 Fas/F1F 1+2 w 30000'
12/4 Fas/F1F 1+2 w 20000'
Red Oak - Chene Rouge
6/4 Fas/F1F 1+2 w 30000'
8/4 Comsel 12000'
4/4 Fas/F1F 4" strips 14000'
4/4 Fas/F1F 5" strips 14000'
White Ash - Frene Blanc
3/4 Fas/F1F 4000'
3/4 Fas/F1F Narrow 6000'

PL

PRIMEWOOD LUMBER INC.
Tel: 819-478-7721 Fax: 819-477-6662
1150 Labonte
Drummondville, PQ, CN J2C 5Y4
Web: www.primewood-lumber.com
Contact: J.J. Bourbeau
E-mail: jjbourbeau@primewood-lumber.com
Guy Genest
E-mail:ggenest@primewood-lumber.com
Denis LeBlanc
E-mail:denisleblanc.primewood@on.aibn.com

Kiln Dried Lumber
Walnut
4/4 - 20/4
Cherry
4/4 & 8/4
Red Cedar
4/4 & 6/4

MIDWEST WALNUT MW

MIDWEST WALNUT CO.
P.O. Box 97
Council Bluffs, IA U.S.A. 51502
Call: 1-712-325-9191 Fax: 712-325-0156
E-Mail: larrym@midwestwalnut.com
www.midwestwalnut.com

FITZPATRICK & WELLER Inc.

Ellicottville, New York
716-699-2393 phone
716-699-2893 fax
sales@fitzweller.com

ASH
4/4 FAS
8/4 FAS
CHERRY
4/4 1 com
8/4 1 com
HARD MAPLE
4/4 FAS 9' + longer
4/4 1 com
4/4 2 com
RED OAK
4/4 1 com
4/4 2 com
WHITE OAK
4/4 FAS

F&W

Hermitage Hardwood
----- Lumber Sales, Inc. -----

105 Ridgedale Drive, Cookeville, TN 38501 U.S.A.
P.O. Box 698, Cookeville, TN 38503 U.S.A.
931-526-6832 • 931-526-4769 Fax
E-mail: info@hermitagehardwood.com
lawson@hermitagehardwood.com
Website: www.hermitagehardwood.com
Contact: Parker Boles, Adam Moran, Steve Gunderson
Lawson Maury - Export
www.hermitagehardwood.com

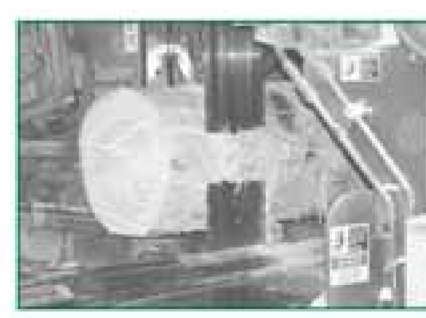
SPECIALS:
AFRICAN MAHOGANY 5/8, 4/4 - 12/4 6" - 7" only
For Sale

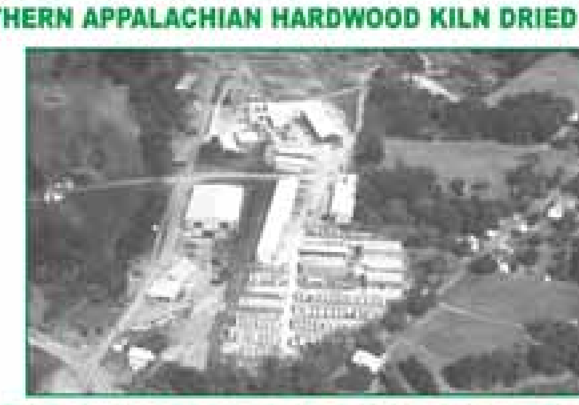
ASH
4/4 FAS 50m' W1F 15/16
4/4 FAS 20m' Uns. 15/16
5/4 FAS 13m'
5/4 2 Com 6m'
6/4 2 Com 5m'
8/4 1 Com 20m'
BASSWOOD
4/4 FAS 20m'
4/4 2 Com 10m'
5/4 FAS 3m'
CHERRY
4/4 FAS 35m'
4/4 1 Com 35m'
4/4 2 Com 45m'
4/4 3 Com 25m'
POPLAR
4/4 FAS 55m'
4/4 FAS 12m' S2S
4/4 FAS 7m' 12" & Wider
4/4 1 Com 30m'
4/4 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'

TUSCARORA HARDWOODS

MANUFACTURING OVER 18 MILLION BF OF QUALITY BAND SAWN NORTHERN APPALACHIAN HARDWOOD KILN DRIED LUMBER





RED OAK
WHITE OAK
CHERRY
SOFT MAPLE

POPLAR
WHITE ASH
HARD MAPLE
WALNUT

RIFT & QUARTERED RED OAK & WHITE OAK

500,000 B.F. Dry Kiln Capacity	2 Million B.F. Dry Storage
Container Loading	Mixed TL's
S2S, Ripped to Width, Cut-Length & Finger-Joint	
Lumber Measured & Inspected after Kiln Drying	

Phone 717-582-4122 FAX 717-582-7438 Toll Free: 1-800-253-0263
E-mail: sales@tuscarorahardwoods.com Website: tuscarorahardwoods.com

GILCO INTERNATIONAL -

Continued from page 21

located at the end of the grading chain, enabling the firm to provide its customers with "just-in-time" shipments to any location in the world by route of truck, railcar and/or container.

As was alluded to earlier, in 2007 Gilco formed a strategic partnership with Salem Frame Co. Inc. based in Salem, Va. At the time, the company's owner, Buck Harless was in search of a hardwood lumber concentration yard that could handle part of his lumber production as far as getting it kiln-dried, graded, packaged and shipped. The agreement between Gilco and Salem was that the lumber output from Gilco's Cabin Creek, W. Va., sawmill would be shipped to Salem Frame Co. Inc. to be completely processed to overseas customers' specifications, and then the lumber would be containerized and shipped to them.

From their five band mill operations and lumber yards with dry kilns, Gilco International sells green, air-dried and kiln-dried hardwood lumber to a variety of domestic and export customers such as the manufacturers of wooden furniture, cabinets, flooring, mouldings, trim, pallets and other types of woodworking plants, as well as to wholesalers and exporters of hardwood lumber, and to hardwood lumber distribution/concentration yard operations.

Hannah stated that he was pleased to announce that Tony Love, who has been a sales representative with Gilco for nearly 12 years, has been named the new sales manager. "Tony's work ethic and his desire to meet the customer's every need will be of tremendous value in expanding the sales of Gilco into additional areas," Hannah said. Love replaces Scott England who has resigned to pursue other interests. Hannah also announced that Charles Kirksey of Morganton, N.C., has joined the sales team and will be working with Chris Buck, Hank Bishop, and Tonya Lemon to bolster the sales force.

Love said that he is excited about this new role with Gilco International Lumber LLC and looks forward to developing the international markets in a very aggressive manner. "Claire Chen has done a great job for us in China, and we look forward to expanding that as well as the European Market, with the addition of Charles Kirksey," Love said. Love also said that his sales team is pleased about the recent certification of Gilco by the Forest Stewardship Council (FSC) and feels that this will be a tremendous plus to Gilco customers.

With five state-of-the-art sawmills located in the states of West Virginia and Kentucky, Gilco's annual production is approximately 65,000,000 board feet of Appalachian hardwood lumber. Primary species manufactured at the Gilco International sawmills are Ash, Basswood, Beech, Cherry, Hickory, Hard and Soft Maple, Poplar, Red and White Oak and Walnut.

Cabin Creek Lumber LLC opened in 1993 as Gilbert-PLC Lumber Co. 15 miles south of Charleston, W. Va. According to the company's website this facility has significantly contributed to the rapid growth of Gilco International. State-of-the-art Corley equipment including a high-speed band head rig, a line bar re-saw, and a slab recovery saw are utilized at this location.

Gilco International also has a select harvest area of over 1.2 million acres where a full-time forestry crew ensures sound ecological practices in timber harvesting and better grain, color, length and width tallies on each bundle of lumber produced.

Gilco International Lumber LLC is a member of the National Hardwood Lumber Assoc. (NHLA), Appalachian Hardwood Manufacturers Inc. (AHMI), West Virginia Forestry Assoc. (WVFA), Kentucky Forest Industries Assoc. (KFIA), Indiana Hardwood Lumbermen's Assoc. (IHLA) and the Appalachian Lumbermen's Club.

For more information about Gilco International Lumber LLC call Tony Love at (276) 393-8171 or Charles Kirksey at (828) 432-7770 or visit www.gilcolumber.com.

•

REDWOOD -

Continued from page 8

ion and lifestyle experience in Singapore, with an unmatched location, award-winning architecture and astute management, ION Orchard is now poised to become Asia's premier must-visit retail destination." In any event it is the new home to 400 so-called exclusive brand boutiques, including Cartier, Dior, Dolce & Gabbana, Giorgio Armani, Louis Vuitton, Prada, Topshop/Topman, Uniqlo and Zara. Others including Bally, Burberry, Body Shop, Ermenegildo Zegna, Muji, Sephora, and Yves Saint Laurent are also said to be arriving. A visit to this concentration of brand-leaders reminds how important for wood are their budgets for shop-fitting and interiors, served by an army of fabrication companies. Along with glass, steel, marble and fabrics, hardwood takes its place in the world of fashion. Redwood, a "one-stop, build and install" company, has been responsible for several of these top new outlets in Singapore.

The key to much of Redwood's success is in a combination of manual skills together with highly automated plant operated by the best trained and skilled craftsmen in metalwork, carpentry and joinery, as well as the latest in finishing techniques. The production facilities are equipped with state of the art CNC woodworking

Continued on page 25

REDWOOD -
Continued from page 24

machinery and technology. The company's own professional draftsmen are able to complete custom projects from design to implementation. One particular source of pride is the standard of finishing that Redwood is able to achieve in the customized spray rooms developed by its own engineers. Take a look down at the ION and the results are obvious. Take a look in Redwood's Johor plant and the degree of handcraft finishing is impressive.

Where does wood come in to all of this success formula? The answer is undoubtedly in hardwood veneer. But the volume of hardwood plywood used by Redwood is enormous, with the company preferring its stability and strength over that of MDF. It is used to construct very intricate display cabinets and built-in furniture most of which are custom made for each project. Plywood provides a perfect substrate for expensive veneers, of which North American Cherry is the most important. Other veneers include North American Oak, Walnut and Hard Maple, Teak and Ebony, African Anigre and Makore, as well as and European Lacewood. Most clients prefer crown cut veneers which Redwood buys from just a few trusted global suppliers. Reconstituted veneers from Italy have increasing attraction by virtue of the consistency of colour and grain they offer. Plywood is mainly sourced these days from China, made ironically from tropical logs from Southeast Asia and possibly from Africa.

Management of Redwood remains in Singapore but the bulk of production is based over the causeway in a newly built plant in Johor – currently employing 730. But the quality position that the company has established with international designer product houses gives confidence even in the current financial climate. Redwood plans to expand its workforce by several hundred in the coming months. Clearly Redwood is confident of its ability to provide a full service to clients.

Redwood is not a specialist wood processor, and sees itself as much broader than that. The company has great expertise in metal and glass. It just makes sure that any material it uses is treated with expertise, craftsmanship and care. The finishes it achieves on wood or anything else is a pleasure to behold – and here's the rub. The involvement in wood by such a company ensures client satisfaction and a return for more. Many of Redwood's clients have a renewal program and those with a hundred outlets around the world need to be absolutely sure of what they will get.

•

EGYPT -
Continued from page 11

the short-term, the outlook is extremely positive, with their position in the market becoming increasingly well-established. There seems to be a relatively easy acceptance of U.S. species, particularly the Oaks and the temperate hardwoods and their characteristics are widely understood, which is not the case in many other Middle Eastern and North African markets.

Over the longer term, the outlook for American hardwoods in the Egyptian market will be dependent on a number of influencing factors, including economic growth, U.S. dollar/euro exchange rates and the success of Egyptian flooring and furniture manufacturers in export markets.

•

BUSINESS TRENDS (ABROAD)

WEST AFRICA

Sources report few changes in the West African market situation as Asian demand and price stability has remained steady. There have, however, been increases in log prices for some species due to competition for the same species from India, China and Vietnam. Modest price gains were shown in Okan and Padouk logs as buyers from the Netherlands boosted demand for Azobe logs while the United Kingdom's demand rose for Azobe sawn timber.

Okoume logs gained in price by two or three euros per cubic meter with a steady demand from China. Vietnam was in the market for Tali in logs and lumber, however, the supply of Tali is limited. Back in demand, Okan log prices have increased slightly. A regular force in the current market, India's demand for Padouk, Tali, Sapele and Belli has increased.

Continued on page 26

BUSINESS TRENDS (ABROAD)

Continued from page 25

Europe has remained quiet, with low demand for logs and sawn lumber of any species. Kiln-dried Okume is in demand for Italy, the leading European country in lumber inquiries.

Gabon is preparing for a Presidential election. The timber industry has been watching the election process with a careful eye, as it is normally the President who determines wood processing and other industrial priorities.

While the level of trade has held steady in recent weeks, some of the previous pressures to curtail production have been reduced thanks in part to the stabilization of prices, along with firm demand from Asian destinations.

GHANA

In a recent roundtable discussion organized by the Graphic Communications Group Limited (GCGL) in Accra, Ghana, Vice President John Mahama announced that the government was determined to tackle the global economic recession. Mahama said this would be done through prudent fiscal and financial measures to limit its negative impact on businesses and ensure quick recovery of the economy.

In a speech the Vice President said some of the measures being adopted include cuts in public expenditure and robust resource mobilization. He emphasized that government would ensure that the approaches do not harm the growth prospects of businesses and put the economy on sound footing for growth. "A key lesson from the crisis is the need for government through its institutions to perform oversight responsibilities adequately," he said, adding that the performance of the task should not interfere with the growth prospects of businesses.

Dr. Joseph Amoako Tuffuor, a tax advisor at the Ministry for Finance and Economic Planning, said because the country's economy was vulnerable to external shocks, there was a need to develop gate keeping measures to mitigate any possible negative impacts on the local economy. He suggested streamlining domestic tax revenue mobilization measures in order to broaden the tax base and minimize tax deductions as a solution.

At an ITTO conference in Ghana the Vice President announced the planned removal of taxes on timber and sawnwood in an effort to boost the timber industry. Governor of the Bank of Ghana, Dr. Paul Acquah said the economy was recovering from economic challenges of the previous year.

EUROPE

According to estimates from the European Forest Fire Information System (EFFIS), 200,000 hectares of land in the EU have already burnt in 2009, compared to 180,000 in 2008. Continuously monitoring the forest fire risk, the EFFIS has just released the 'Forest Fires in Europe 2008' report providing a comprehensive overview of the forest fire danger conditions and impact of forest fires in Europe for 2008.

Using satellite images, EFFIS produces daily updated maps of areas burned by forest fires of at least 40 hectares in size. The mapped area of fires corresponds on average to 75 percent of the total burned area, which includes fires smaller than 40 hectares.

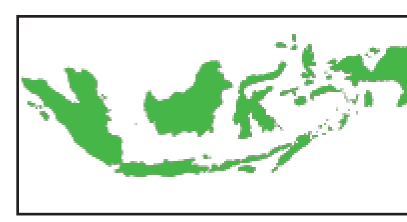
For 2009 the burned areas mapped so far in the EU is 150,076 hectares, which corresponds to an estimated total burned area of about 200,000 hectares. Spain and Italy have been mostly affected in 2009 due to extreme fire weather conditions. France, Greece and Portugal also suffered significant damage although to a lesser extent. Several unusual fire episodes occurred in Portugal and Northwest Spain where dry weather conditions and strong winds contributed to burning an estimated 25, 000 hectares.

Other parts of Europe experienced below average levels of the last 15 years with 22,000 hectares compared to an average of 30,000 hectares. Scandinavian countries experienced extreme episodes due to unusual drought and high temperatures. A 13-day fire in Sweden burned 1,170 hectares of forest, and a record fire in Norway burned more than 2,700 hectares—notably the largest fire in the country for the last 50 years.

INDONESIA

As the global economic downturn continues to negatively affect Indonesia, the Indonesian Central Statistics Agency reported a decline of 28 percent in timber exports for the first quarter 2009 compared to 2008. Reports from the Agency showed that timber products were exports worth USD559.7 million for the first quarter of 2009.

A 23.2 percent decline was registered in the export volume of wooden furniture, doors and window frames, as reported by The Jakarta Globe. The value of exports declined by 15.8 percent compared to the value of the first quarter 2008 exports (USD375.8 million).



Indonesia's exports of furniture and handicrafts in 2008 were valued at approximately USD2 billion. Share to the U.S. market was 30 percent while the EU market received 40 percent of total exports. Up to 11 million workers are employed by the Indonesian furniture industry with 7.5 million of them located in Java.

Over the past five months, new investments in the Indonesian forestry industry rose to Rp 1.2 trillion (USD116 million), partially due to new reforms in government regulations for the forestry industry sector, a forestry ministry official said. The Jakarta Post reported the rise is compared to the year 2008, when total investment for the same sector was only Rp 861 billion.

Director-general of the forestry ministry, Hadi Daryanto noted that within the first two quarters of 2009 a total of 14 companies successfully applied to develop new forestry areas worth Rp 851.6 billion. Another four companies had secured investments worth Rp 366 billion that would focus on developing and expanding industrial production capacity. He also said that these companies were set to produce sawnwood, plywood, veneer, and wood chips in Sumatra, Java, Kalimantan, Sulawesi and Papua.

Approximately 65,000 jobs in the forestry sector are expected to be created by these new investments. Among the 18 new companies are: PT Moranaga in North Sumatra; PT Papua Indonesia Lestari in Papua; PT Selemoi Timber Indonesia in West

Continued on page 27

BUSINESS TRENDS (ABROAD)

Continued from page 26

Papua; PT Elbana Abdi Jay in South Kalimanta; PT Elbana Abdi Jaya in South Kalimantan; PT Wahana Lestari Makmur Indonesia in South Sumatra; PT Cipta Wijaya Mandiri in Central Java; and PT Sejahtera Usaha Bersama in East Java.

MEXICO

Throughout the last seven years Mexico has labored to conserve and restore soil quality covering about 600,000 hectares in the country. From 2001 to 2007, the National Forest Agency, with added support of owners of forestland, restored 596,000 hectares of land and soil in the country, which involved an investment that exceeded 540 million pesos. Priority areas are the states suffering from a greater degree of deterioration of soil and forest resources. These states include: Oaxaca, Chiapas, Quintana Roo, Jalisco, and the state of Mexico, Chihuahua and Durango.

Conafor, through ProTree, has promoted various activities to prevent soil degradation through reforestation and soil enrichment; construction and land restoration; maintenance; and soil conservation. Some 29 federal entities are involved to promote sustainable management of agricultural and forest lands. Strengthening efforts toward the sustainable management of soils, many institutions also took part in drafting the National Strategy for Sustainable Land Management, aimed at developing public policies that support sustainable management of land. This strategy will be issued in the coming months and presented as a tool to tackle the problem of land degradation.

WINNIPEG, MANITOBA

The Sustainable Forestry Initiative (SFI) program is supporting a unique Habitat for Humanity partnership that will result in 11 energy-efficient homes for low-income working families in Winnipeg.

SFI-certified companies Louisiana-Pacific Corporation and Buchanan Sales will donate OSB and lumber from well-managed forests for the homes, which will be built over the next two years. Three of the homes will be built through a partnership-involving Habitat for Humanity Winnipeg; the Manitoba Métis Federation, Winnipeg Region; and the Province of Manitoba.

"The SFI program is helping us source our wood building supplies from organizations that are committed to responsible forest management, which is important for our sustainable construction model," said Sandy Hopkins, CEO of Habitat for Humanity Winnipeg. The 11 homes are the first of 34 that, once completed, will be Canada's most sustainable affordable housing development. They will be built to both the U.S. Green Building Council LEED (Leadership in Energy and Environmental Design) program for residential homes and the Manitoba Hydro Power Smart Gold Standard.

"The Métis people and community have strong family values and great respect for the land—and this project addresses both," said Ron Chartrand, vice president of Manitoba Métis Federation.

•

BUSINESS TRENDS (CANADA)

ONTARIO TRENDS

Secondary manufacturers state that demand for finished goods has not increased even though there have been reports that housing statistics and remodeling numbers improved but were well off of peak activity. This resulted in fewer cabinets, flooring, furniture and other hardwood construction materials. With demand for finished goods low, less kiln-dried lumber is needed to satisfy buyers' needs. Several contacts agree maintaining cash flow is a primary objective, though is increasingly difficult for those carrying a heavy debt load or faced with contracting credit lines. Landowners are hesitant to offer timber for sale due to the perceived low price offerings caused by substantially lower lumber pricing. With less timber to be harvested, loggers have reduced or idled operations, meaning fewer logs are available to sawmills. Green lumber output has declined, which over time has firmed pricing for some species, grades, and thicknesses. Several wholesalers and secondary manufacturers expressed concern over long-term supplies of green stocks, prompting efforts to rebuild inventories.

In the U.S. border States, it is reported that after months of contracting, hardwood lumber supplies have reached a relatively even plane with demand, and for given markets, have overshot end-uses and distribution needs. Certain items are being repositioned within the supply stream, even though purchasing is still driven by specific requirements. Market recovery is expected to take time. Capital is required and lending institutions are not acting quickly to reinvest in the market before a recovery is well under way.

Secondary manufacturers continue to purchase Yellow Birch at a steady rate, which is one of the few species maintaining its market share. Supply and demand is equally matched, thus keeping prices firm.

Cherry demand is at the bottom of the selling list, due to the slow-down in home building and remodelling sectors. There are not that many Cherry logs available, causing low log inventories, comment some contacts. Kiln-dried inventories are lower due to decreased green Cherry output.

Demand for Ash is unchanged, remaining evenly matched with the available green production. Thickness is affecting this species' activity. Higher production thicknesses are posting steady results in transactions, especially for the Common grades. It was felt by some that Ash cutting was being delayed due to the Emerald Ash Borer season (May through June). Production of Ash and other viable species has been down in many regions.

Reduced sawmill production of the regionally important Hard Maple over the summer months have reduced supplies of this species to an even level with demand. It is reported that demand is still suffering from a very weak housing market, despite the slight rise in new and remodelling and construction activity. End-users, such as cabinet manufacturers, have reduced their use of this species, thus leaving business for Hard Maple flat.

Continued on page 28

BUSINESS TRENDS (CANADA)

Continued from page 27

Business for Soft Maple is keeping relatively close pace with developing green lumber production and is stretching supplies thin for 4/4 No. 1 Common.

Pricing for Aspen upper grades is reported to be firmer than for the Common grades.

Demand for lumber from the millwork industry was stable, and flooring plants reported better sales, especially those producing unfinished strip products. Several flooring manufacturers noted that they have increased production to meet that demand, but green Oak procurement remains difficult.

Export demand continued to trend slightly upward. Sales of Poplar, Red Oak and White Oak to China, Vietnam and Indonesia were reported as "steady."

The economy may be taking tentative steps toward recovery, but Canadian companies are still stuck with recession prices. Inflation numbers released in late summer showed that upward pressure on prices weakened further last month, with the consumer price index falling 0.9 percent from a year earlier. Declines in the price of gas, cars and shelter were partly offset by higher food costs.

The numbers highlight the sluggish nature of the economic recovery that is now taking hold in Canada and around the world. Companies across a wide range of sectors say they just can't increase prices yet with only hints of a business turnaround in the air.

Policy makers and consumers feel that means inflation is not likely to be rekindled any time soon. But companies will continue to face downward pressure on their profit margins.

Some economists say it could take at least two years of recovery to absorb the slack in the economy, and until that happens, companies won't feel free to pass on higher costs.

"In response to the stronger demand, manufacturers and retailers will [eventually] regain pricing power," said a senior economist at BMO Nesbitt Burns. "But that's a story for late next year, or most likely well into 2011."

Even in the oil industry, where a barrel of oil is now worth more than twice what it was eight months ago, there's no feeling of a return of pricing power at companies that service the sector. While the volume of business has stopped falling, there's no sign of a pending rise in demand, and consequently there'll be no consideration of price increases at least until the fourth quarter.

•

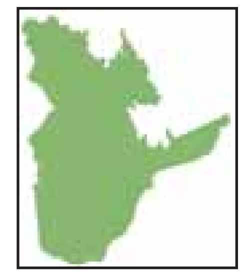
QUEBEC

Established buyer-seller agreements are what is selling Basswood these days. However, it is reported that business and shipments have fallen over time. Sawmill production has contracted, easing supply-based pressures. Markets for kiln-dried stocks are more varied. There continues to be a controlled business climate for Basswood. Supplies, according to certain contacts, surpass the demand for this species for green and kiln-dried stocks.

Birch supplies are low. However, this species is getting attention. Ongoing activity remains solid in terms of continuity in orders and shipments. Pricing is firm for most grades and thicknesses and trending higher for selective items.

The cutbacks in production over many months of Red Oak production in Ontario and Quebec, has had a meaningful effect on business. Supply appears to be keeping pace with demand for green and kiln-dried stocks. Prices are reported to be generally stable for most grades and thicknesses.

White Oak activity has gained momentum overseas, state some contacts. Prices have firmed for both green and kiln-dried stocks as buyers move to replenish depleted inventories. However, contacts state the upswing in orders and shipments is caused by a repositioning of material within the distribution system, and not from increased consumption.



Also, market intensity for White Oak is greatest in areas closest to ocean ports. "Firm" seems to be an accurate description of market conditions for White Oak in Ontario and Quebec. Demand is closely matched with developing green and kiln dried supplies, though production remains controlled.

The Quebec Forestry Occupancy Act was the subject of National Assembly committee hearings recently. The bill had potential to change the responsibilities of the forest industry in deciding on forest management objectives. Guy Chevrette, director general of the Quebec Forest Industry Council was recently quoted as saying, "If you have the impression that there is a great and wide unhappiness with the bill, that's a correct reading" of the situation. Some measures in the bill could add to the high cost of Quebec wood fibre that feeds industry mills. Other measures discourage investment in a sector that has seen the loss of about 42,000 direct and indirect jobs in recent years.

The bill contains 95 articles that say 'the minister may' (do this or that) and not 'the minister must.' Bill 57 calls for decentralization of the decision-making process and regional management boards that include local elected officials as well as representatives of other resource industries such as mining, along with forestry company representatives.

A timber marketing board would be created with the mandate of selling almost one-third of the province's timber to the highest bidder. This is seen as offering smaller ventures the opportunity to gain a foothold in a bedrock industry. The forestry companies, which currently have about 250 to 300 forest management contracts, would be offered a guaranteed supply of timber over a fixed term but would be allocated less wood than they have now. The bill, which the government hopes to see adopted by December, would come into force in 2013 when existing supply contracts with forestry companies expire.

According to Canada Mortgage and Housing Corporation (CMHC), the seasonally adjusted annual rate of housing starts decreased to 132,100 units recently from 137,800 units. "The slight decline in one month's housing starts is mostly attributable to the volatile multiple starts segment," said the Chief Economist at CMHC's Market Analysis Centre. "Although a decline was registered, housing starts are expected to improve throughout 2009." It is felt that over the next several years, housing starts will gradually become more closely aligned to demographic demand, which is estimated at 175,000 units per year.

Continued on page 29

BUSINESS TRENDS (CANADA)

Continued from page 28

The seasonally adjusted annual rate of urban starts decreased 5.5 percent to 113,500 units recently. Urban multiple starts decreased nine percent to 61,000 units, while urban single starts moved down 1.1 percent to 52,500 units.

That same month, urban starts increased 16.6 percent in Quebec. Urban starts declined 17 percent in the Prairies, 15 percent in Ontario, 10 percent in British Columbia, and 1.4 percent in Atlantic Canada.

•

BUSINESS TRENDS (U.S.A.)

LAKE STATES

The Lake States region offered positive news with sources reporting rises in business activity. Many report supply shortages but also note the result of such shortages is pushing prices into a decent range. In the current market, customers are said to be very "specific" in their requests and those ordering specialty items are more color and length specific.

In Michigan a hardwood supplier said business conditions were better than six months ago but not by a great percentage. "The basic downturn of the economy is still a factor but I think we're able to move our wood because of where we are located. Customers are becoming more selective and the color in our region is exceptional," he said. "The easiest thing to move right now for us is Basswood and the most difficult is White Oak."

While his inventory levels have increased on the lumber side, the log inventory is down. "I think the only bright spot is that inventories are low along with log supplies. As a result when things do turn around, I think we'll see a lot of activity," he commented.

The contact, which markets mainly to secondary manufacturers and pallet and crate operations, said business had recently picked up for his pallet customers. "A few weeks ago the pallet end picked up and then last week it dropped off again. Michigan is tied heavily to the automotive industry so that puts a hammer on us," the source mentioned.

In the coming months he expects a 10 to 15-percent increase in business but doesn't expect a significant change until 2011. The source offered, "I think 2010 will be an 'ink by' year where people will just get by. This year was dead and perhaps next year people will break even, then in 2011 a pick up will come around."

A Wisconsin hardwood supplier offered positive reports stating, "I think the worst is behind us. I've seen some supply shortages, but that's getting prices back in line where people can profit." He also mentioned that the advantage his company has is available inventory. "We've been purchasing aggressively throughout this whole cycle and our inventory levels have not changed."

With orders that range from 500-feet to five truck loads, the source said having a diverse customer base has helped during the difficult times. "I think the smaller companies have kept us busy during the downturn and now that things have picked up, we have continued to have a small quantity type of orders along with truck load quantities that are picking up.

Carrying all domestic hardwoods he said that Soft Maple and Red Oak remain strong and Hard Maple is slow. "Aspen and Basswood have been strong through this whole process but with lower margins on those it's tough to make a living on those two products."

Expecting seasonally adjusted activity for the coming months, the contact said things would slow down. "Early fall months are always slow because you're running out of the nice winter cut material and some of the large orders are waiting to some extent on the new wood cuts. The fall will be challenging and we expect the winter months to be a little slow as new production runs out."

•

SOUTHEAST

According to sources in the Southeast region business activity has been flat but signs of improvement are coming down the pipeline. Stating lack of home building sales and new home sales as the primary factor, most don't look for a significant change until 2011. Due to supply shortages, green lumber prices are increasing but prices are still not yet high enough to have an impact on sawmill operations. However the National Association of Realtors (NAR) recently reported existing home sales on the rise for four consecutive months.

A hardwood supplier in Mississippi said that while business activity had been flat for the previous two months, he is beginning to see some pick up in recent weeks. "I think it's a supply driven market and there is not a lot of supply out there," he said. "We've seen a tremendous amount of closures and a lot of loggers are out of business. People just aren't cutting their timber due to prices."

The contact said Oak and Poplar were beginning to pick up but the recent demand was for the export market. "There is just not enough supply to go around," he commented. "It's an artificial inflation due to lack of supply and I don't like to see a market like that. People already don't have money in a bad economy with demand for the product not being there and prices are still rising."

As for transportation issues the source said freight rates haven't increased much. "I haven't seen freight rates increase tremendously this year compared to last. I think from October to February we'll see a little more decrease but that is standard for the season."

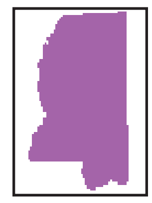
Looking ahead for the coming six months he said he expects even tighter supply, however, his company is in a good position. "Many companies are struggling out there. But if you have good enough relationships with people you've been dealing with, they will keep their orders with you because of that relationship."

In Georgia a hardwood supplier, which supplies most domestic species for the flooring, cabinet and furniture industries, noted that green lumber prices were increasing, albeit not enough to have a significant impact on many sawmill operations. "Lack of home building and new home sales is the largest factor. The economy col-

Continued on page 30

BUSINESS TRENDS (U.S.A.)

Continued from page 29



lapsing and the unemployment rate pulled potential homebuyers out of the market."

He also mentioned that some species were beginning to move. "Flooring Oak is moving better than anything else and low grade Poplar," he said. "We have seen a slight rush in the thicker stock like 8/4 White Oak."

The contact said his inventory levels were slightly higher than in previous months but hopes for a change in pricing soon. "There needs to be a significant increase in prices across the board to save the sawmill industry," he stated.

As for his customers' markets, he said, "The kitchen cabinet and moulding and trim clients are not fairing that well. Flooring manufacturers are doing well but nobody can figure out how they are selling product when everyone else is flat."

Going into the next six months the supplier expects more sawmill shutdowns and less volume being produced. "In all the major cities you find people are sitting on a year or longer inventory so until that's used up it's unlikely there is going to be any major increase in business activity. The reality of it is that existing home sales have shown some pick up but that doesn't help the building industry and there are a lot of those that are unsold existing homes in addition to new homes," he said. "There is a big mess to clean up. We are in for some trying times."

An Arkansas source said that the industry as a whole was off by 70-percent. "Prices now are around what we were getting in the 1980's. We need to see prices go back up substantially in order to survive."

A recent report from the National Association of Realtors (NAR) showed existing home sales increased for four consecutive months for the first time in five years. Including single-family, townhomes, condominiums and co-ops the recent increase was reported at a 7.2 percent gain. NAR chief economist Lawrence Yun said, "The housing market has decisively turned for the better. A combination of first-time buyers taking advantage of the housing stimulus tax credit and greatly improved affordability conditions are contributing to higher sales."

This recent increase is the largest on record for the total existing home sales series dating back to 1999. Yun added, "Because price-to-home ratios have fallen below historical trends, there are more all-cash offers. In some recovering markets the demand for foreclosed and lower priced homes has spiked, and a lack of inventory is becoming a common complaint."

•

WEST COAST

Sources throughout the West Coast region are now reporting the supply shortages they predicted earlier this year are surfacing just as they expected. After many mill closures and curtailments in the early months of 2009, many state lack of production as the number one reason for the supply shortages. However, the shortage has at least determined firm pricing for some.

Housing markets for the region remained weak but showed further signs of improvement although commercial real estate demand continued to decline. Contacts who entered the economic downturn with a healthy financial status noted stable conditions and expect to be in a good position when the lumber market turns.

A hardwood supplier in Oregon said that conditions were not better, not worse, but stable. "I think our customers have worked off some inventory and we're finally getting to the point where everybody has a realistic feel of where they need to be with inventories and expenses. We are finally beginning to see some repeat orders," he said.

The contact, which supplies all domestic hardwoods, noted that Rustic Alder has been moving well but Maple and Cherry were slow. "Maple is pretty slow and we've even slowed down on Cherry," he said. "But we are seeing a little more movement in the Red Oak."

When asked about the coming 90 days the supplier said that while he did anticipate improvement, "it will be mostly supply driven, not demand."

According to this source transportation costs have been favorable on the West Coast. "Freight is certainly a factor that has helped us, especially out here in the West where eastern hardwoods have trouble getting here," he mentioned.

Supplying hardwoods to high-end cabinet and door manufacturers, the contact said his clients are "just trying to hold steady."

"It's very competitive out here and everyone is going after the same business so it's tough," he said. Looking ahead, the supplier said he looks for the winter to be tough but hopes for an increase by the spring of 2010. "I think we'll hold steady for the next 30 days and then we'll see a drop off, which is normal for that time of year. Hopefully we'll get increases in the spring but we're going to hunker down for the fourth quarter of 2009."

In California a hardwood supplier commented that while business conditions haven't gotten worse his company has been "bouncing on the bottom" for several months. "December through February were our low points and then by March things seemed to pick up but we seem to have been on the bottom since then," he said. "We're just maintaining around the bottom of sales."

The contact relayed that he thought conditions would not improve until the housing market recovers completely. "We market to cabinet, furniture and window and door manufacturers and that's all tied in heavily with the housing market," he said. "I just don't see a sustainable recovery coming down the line yet. Until consumer confidence comes back nobody is going to invest in new housing or even furniture for their existing homes."

The source, which handles more than 25 domestic species, said that Poplar is still moving strong along with Red Oak and Hard Maple. "Poplar remains strong and we are still selling a significant amount of Red Oak and Hard White Maple," he said. As for inventory levels the supplier noted that he has lowered his inventory from a year ago and has plans to continue lowering inventory. "At this time last year I had an $8 million inventory and a year later I have a $6 million inventory. Looking farther down the road I believe I can get it down to a $5 million range and still not miss any business."

Regarding supply issues, the contact said all species were readily available until recently. "Up until a month ago everything was available. Now we're starting to see spot shortages in the

Continued from page 31

BUSINESS TRENDS (U.S.A.)

Continued from page 30

No. 1 and 2 Hard Maples and specific color Red Oak for the specialty items."

"In a supply driven market business is not getting better—production is off. We are in uncharted economic territories that none of us have experienced. Even outside of the lumber market, all businesses are devastated by this economic downturn. We are in a good position only because we went into this financially healthy, so we will survive but there will be a lot of people that won't albeit sawmills or distributors, if you were not in a stable financial position going in you probably won't make it out," he commented.

According to the Beige Book, economic activity for the West Coast appears to be holding steady with continued signs of stabilization or improvement. Housing markets remained weak but showed some further signs of improvement. The report said sales prices for new and existing homes fell further in most parts of the region and home construction activity remained at low levels. Although some price declines and low mortgage rates have steadied the pace of home sales in some areas. Commercial real estate demand fell further along with construction activity for commercial property. Beige Book sources noted a lack of available credit remained a constraint for construction activity and investment transactions in some locations.

•

NEWSWIRES

Laval, Quebec—C.A. Spencer Inc., based here, recently announced renovation is taking place at its sawmill in Lachute. Making a capital investment of $2.5 million, the installation of a new bin sorter is underway.

Peter Cadrin

Provided by Piché Inc., a material handling equipment manufacturer in Daveluyville, Que., the new state-of-the-art sorter has a 75-bin sort capacity.

"This new investment will help us to meet the needs and demands of today's market," Peter Cadrin of C.A. Spencer said.

Established in 1908, C.A. Spencer Inc. is a hardwood producer and worldwide exporter. With a kiln capacity of over 1.5 million board feet and a storage capacity of 5 million board feet, the company produces Hard and Soft Maple, Red and White Oak, Birch, Basswood, Aspen, Cherry, Ash and Hickory.

For more information visit www.caspencer.ca or contact 450-622-2420.

•

Portland, Oregon—North Pacific recently announced it has signed a letter of intent to sell its stock to a nationally recognized private equity firm.

"After a thorough review of our strategic alternatives, the company believes the proposed acquisition better positions North Pacific," said Jay Ross, chief executive officer and president of North Pacific. "The current market conditions present an exceptional opportunity to strengthen and grow our company, benefiting our employees, our customers and our suppliers."

Jay Ross

The transaction is subject to completion of definitive agreements and a number of consents. Closing is expected to be completed in the fourth quarter of 2009.

Founded in 1948, North Pacific is an employee-owned, privately held wholesale distributor of building materials, industrial and hardwood products, wood poles, crane mats and other specialty items. The firm produces, acquires, imports and exports building products, wood, poles, and agricultural products throughout the 50 states and internationally.

•

Washington, D.C.—The American Hardwood Export Council (AHEC) recently made its first presentation at the National Conference and Expo. Executive Director Michael Snow gave a 45-minute speech entitled, "Environmental Policies, Illegal Logging, Trade and the U.S. Hardwood Industry."

According to a recent Hardwood Manufacturers Assoc. (HMA) newsletter, Snow offered the following comments before heading to the airport for a flight to Asia:

• "International markets are going to continue to be of vital importance to the health of the hardwood industry and we need to make sure we are not shut out of these markets.

• Environmental groups and the international political process are the forces driving "green" building, "green" procurement laws and other environmental policies especially an end to illegal logging.

• What's doable for the hardwood industry is to "continue to supply what is really one of the greenest products in the world without undue administrative burden, undue costs."

In conclusion Snow said, "Our message to importers is very simple. If you use American hardwood, your due diligence has essentially been done for you. If you are making flooring or furniture out of American hardwood, you are not going to have an issue with the Lacey Act." To view the complete power point presentation visit www.HMAmembers.org and for more information about AHEC visit www.ahec.org.

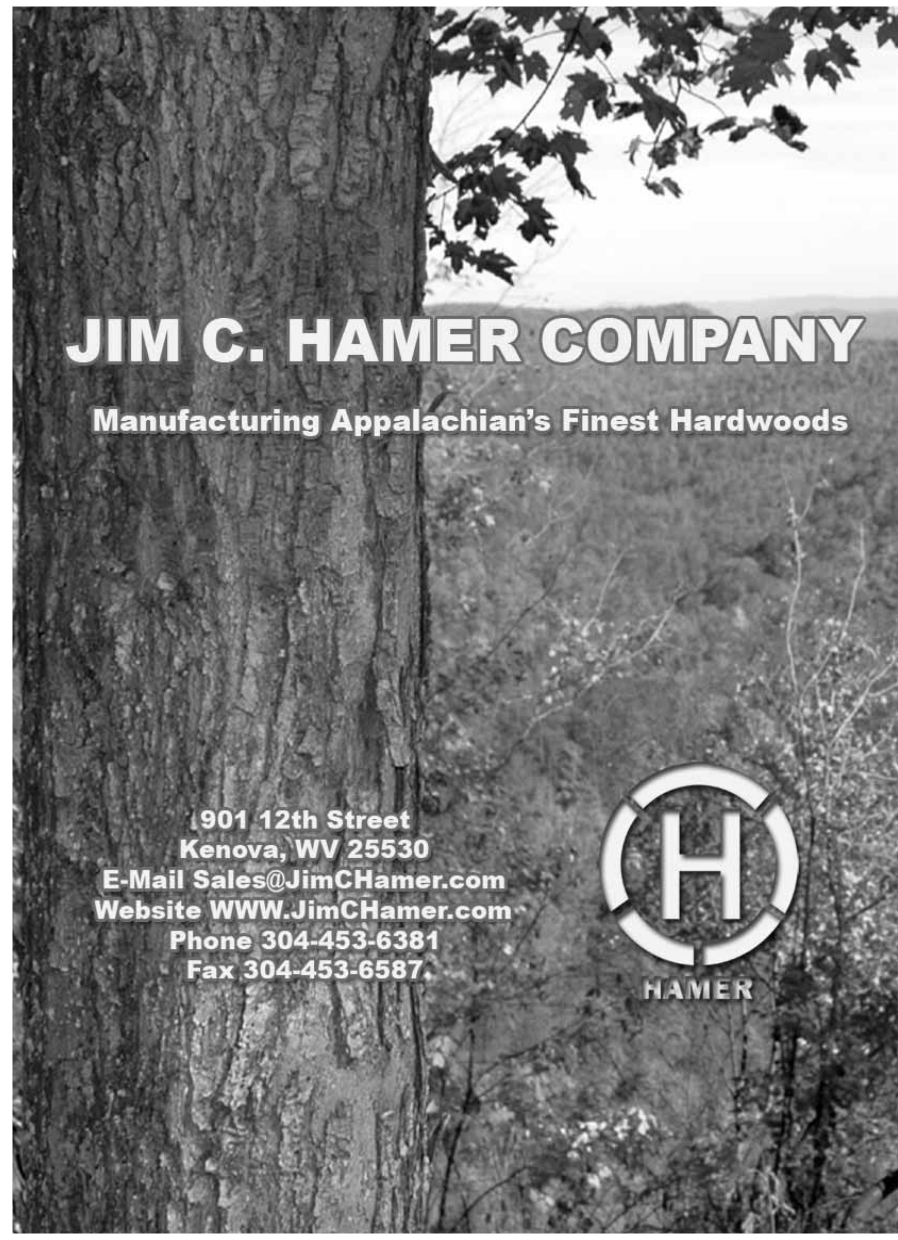
•

Otay Mesa, Mexico—Recent reports show that retailers of Kathy Ireland Home by Martin products are receiving advantages by ordering from its plant based here.

One of a number of companies looking to Mexico for case goods, entertainment and home office furniture, the retailers state speed to the U.S. market and lower labor costs as the primary reason.

However, for container shipments, Asia is still cheaper by 10 to 25 percent as estimated by Karl Eulberg, the firm's vice president of sales and marketing. "For goods ordered through a warehouse, and with ocean freight fig-

Continued on page 33



JIM C. HAMER COMPANY
Manufacturing Appalachian's Finest Hardwoods
901 12th Street
Kenova, WV 25530
E-Mail Sales@JimCHamer.com
Website WWW.JimCHamer.com
Phone 304-453-6381
Fax 304-453-6587
HAMER

NEWSWIRES

Continued from page 31

ured in, the costs of Asia and Mexico are very close," he said.

"One advantage of sourcing in Mexico is that the supply chain is shorter," Eulberg added. "A long supply chain is not a problem if demand is stable. It's only a problem when you're growing or shrinking."

He said the furniture industry's long supply chain is cash-intensive noting a supply chain that starts in Asia requires more warehousing than goods made in Mexico. "Usually, a good rule is to keep 18 to 20 weeks worth of inventory from China—versus a four-week supply from Mexico which can replenish the stock quicker," Eulberg explained.

•

Asia—According to *Furniture Today* magazine, major steamship companies that transport containers from Asian ports to the United States say the recent free-fall of shipping rates is unsustainable, and they need an additional $500 for every 40-foot container.

Representing an increase of 30-percent Transpacific Stabilization Agreement members are seeking full implementation of a quarterly fuel surcharge that would add another $188 for containers going to the West Coast and $385 for containers bound for the East Coast.

"The eastbound transpacific trade lane has been driven by panic, and panic is difficult to stop once it has begun," said W.W. Lee, chief executive for container line business at Hanjin Shipping.

Logistics experts for the furniture industry say the "panic" has resulted in shipping rates falling from $2,000 to $2,500 per container last fall to $1,000 to $1,500 today. While the logistics executives are sympathetic with the plight of the steamship companies, many question the wisdom of trying to raise prices in a deep recession. "I think they probably need an increase, but I don't think the marketplace will accept it," Steve Wolfe, vice president of business development at Zenith Global Logistics said. He added that he believes shipping companies will try to raise prices but when the first one "caves, the rest will follow."

•

Vancouver, British Columbia—The Vancouver Sun recently reported that the collapse of British Columbia's resource industries is expected to push provincial government revenue projections into a steep decline, far deeper than the $2.8 billion drop forecast last year.

According to the report, revenues from all sectors except mining are falling as global demand for many of the province's natural resources continues to drop. "It's the great disappearing act," Executive Vice President of the B.C. Business Council, Jock Finlayson, said. "The fact of the matter is, almost all categories of provincial revenue are going to be down significantly from what Finance Minister Colin Hansen forecast in his budget a few months ago."

The estimate that Finlayson spoke of now appears optimistic as natural gas prices have fallen to half of what they were and revenues from forestry, which normally add $1 billion to the budget's yearly bottom line, have seemingly disappeared.

"If there are mills closing or taking downtime, it's going to impact on personal income tax collections from workers who lost their jobs, sales taxes in the communities and other taxes that flow from the operation of the forest industry," Finlayson added.

•

Malaysia—The Deputy Minister of Plantation Industries and Commodities, Hamzah Zainuddin, recently reiterated the federal government's commitment to addressing the problem of timber smuggling into and within the country. He noted that six arrests have been made, with timber confiscated worth RM19 million.

According to the IHB Fordaq Network, law enforcement officers from the Malaysian Timber Industry Board (MTIB) intercepted timber smuggled into the country from India via Port Klang and the Port of Penang. A total of 11 tons of timber was confiscated, a value of RM10 million.

Malaysia's timber exports slipped 20 percent in the first quarter of 2009 compared to the first quarter of 2008, with exports amounting to RM4.1 billion. Total exports for 2008 stood at RM22.79 billion.

•

Spain—Exports of U.S. softwood

lumber to Spain have plummeted to the lowest volume in more than 30 years according to Random Lengths International.

Statistics provided by Random Lengths International show exports to Spain fell to 7.2 million board feet last year, down 63 percent compared to 2007. The lowest total since 1972, it marks the second consecutive year of steep declines.

A falling Spanish housing market, lack of activity in commercial segments, and a soft economy have undermined demand for softwood products in the country. Total Spanish softwood imports fell 39 percent last year and the sharp declines were evident from nearly all-supplying countries.

•

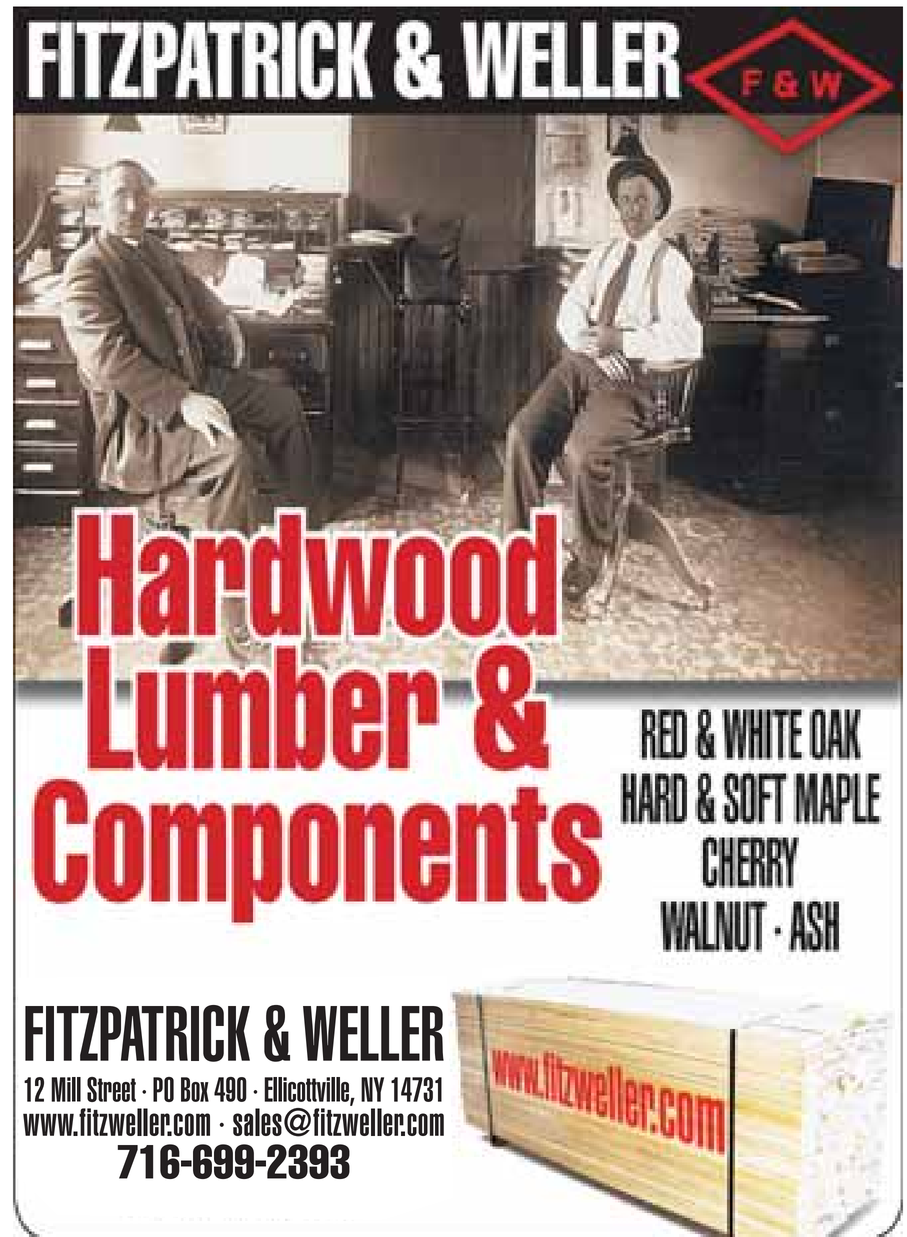
Japan—In 2009 housing starts in Japan began at the slowest first-quarter pace in more than 10 years.

Sources say if current trends hold to historical patterns, the first quarter could be a forerunner for 2009 to finish with the lowest annual total for wood-based starts in more than 30 years.

First quarter starts fell to just below 200,000 units and wood based starts specifically declined at a similar rate to 94,114, a 20 percent decrease.

The years of 1999 through 2008 showed the first quarter's contribution to total wood-based starts for the entire year was consistent, ranging from 21.1 percent to 23.1 percent as reported by the Japanese Ministry of Land, Infrastructure and Transportation. Wood-based starts for the first quarter of 2009 falling within

Continued on page 34



NEWSWIRES

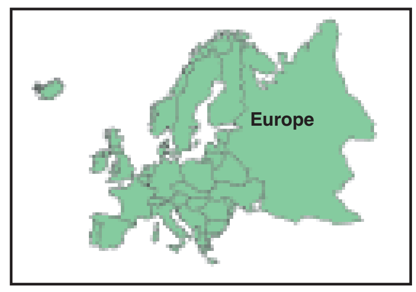
Continued from page 33

that range indicate an annual total will fall between 407,420 and 446,038 units.

•

Europe—U.S. softwood lumber exporters say traditional European summer shutdowns were much less disruptive than in previous years.

Key European market importers traditionally leave offices on holiday for at least one month. The result is a slowing of overseas trading that requires suppliers to adjust shipping schedules, usually to accommodate arrivals after buyers have returned from vacation.



The prolonged slump in European demand has left U.S. exporters much less dependent on that market for 2009. As a result the summer shutdowns had a minimal impact this year due to the fact that trading has been slow for the year. "It didn't affect us at all," a sales manager representing a Southern Pine exporting mill commented. Shipments to the European Union accounted for less than 6 percent of U.S. exports to offshore destinations.

•

Africa—According to a recent update from ITTO Tropical Forest, nearly 5 billion tons of carbon dioxide are being absorbed by tropical rain forests annually by burning fossil fuels and other sources. Included in this total is a previously unknown carbon sink in Africa that is absorbing 1.2 billion tons of CO_2 each year, according to results of a 40-year study of African tropical forests.

Removal of nearly five billion tons of carbon dioxide from the atmosphere by intact tropical forests, based on realistic prices for a ton of carbon, should be valued at approximately $26 billion per year, the study concluded. Eighteen percent of the CO_2 is absorbed by tropical forest trees, adding to the atmosphere each year from burning fossil fuels. The study also noted that tree growth would not continue indefinitely even if tropical forests were preserved. The explanation for the added absorption of carbon than previously estimated is unclear. However, a leading suspect is the extra CO_2 in the atmosphere itself, which may be acting as fertilizer.

•

Jakarta, Indonesia—According to the Associated Press, an endangered Sumatran tiger killed two illegal loggers that were sleeping near a pile of illegally harvested wood within a protected forest on Sumartra Island, located just 600 kilometers west of Jakarta.

The state conservation agency stated that tigers in the area from 2000-2004 killed about 40 people. However the Forestry Ministry said that Sumatran tiger numbers have decreased to 250 in the wild, down from 1000 in the 1970's.

A separate article reported an attack earlier this year that killed another two illegal loggers, making a total of eight people killed by tigers in a span of five weeks.

•

IMPORT/EXPORT CALENDAR

OCTOBER

Interbuild 2009, Construction suppliers of building materials exhibition, Birmingham, NEC, United Kingdom. Visit www.interbuild.com. Oct. 18-21.

American Hardwood Export Council, European Convention, Athens, Greece. Contact: 202-463-2720. Oct. 21-23.

6th China International Wood & Wood Products Expo, China International Exhibition Center, Beijing, China. Contact: 86 10 82924038. Oct. 22-24.

WMF Shunde 2009, Shunde Exhibition Center, Dalian, Shunde, Guandon, China. Contact: +86-757-2281330. Oct. 27-29.

NOVEMBER

FIMMA-Maderalia 2009, Wood Suppliers Fair, Valencia, Spain. Contact: 902-74-7330, Nov. 3-6.

DECEMBER

Taipei International Building Construction & Decoration Exhibition 2009, Taipei, Taiwan. Contact: 886-2-2706-4885, ext. 242.

•

Classified Opportunities

Classified advertising accepted only for: Positions Available, Positions Wanted, Business Opportunities, Machinery For Sale, Machinery Wanted, Wanted To Buy, Services Offered.
Classified Rates: Display classified $45.00 per column inch, fractions of an inch will be charged as full inch. Line Ads are $8.00 per line.
All classified Ads must be received by the 16th of the preceding month. Example: Ads for December 2009/January 2010 issue must be in by Nov. 16th.
Also please specify number of times Ad is to run. **All Ads to be inserted on prepaid basis only.**

SALES REPRESENTATIVE WANTED

We are looking for a sales representative to help us expand our industrial business in the USA. We offer outstanding earning potential and a good future. We want to grow our business by developing new accounts.

This is for sales of our product line of imported Chinese plywood and Wood products to include a first class line of fully finished cabinets.

The ideal candidate must be prepared to think outside the box, work from his home office, be entrepreneurial and have an exceptional work ethic with a positive attitude.

This is a commission position with a possibility of high earnings. Travel is needed. if interested, send a resume with your work background to:

Importedwoodsales@gmail.com

WANTED

Two Overseas Agents to sell our kiln dried Appalachian hardwood lumber in Northern China and Southern China.

Also looking for representation in the Middle East and Europe.

Carl Rosenberry & Sons Lumber Co. Inc.
7446 Path Valley Road • Fort Loudon, Pa. 17224
Tel: 717-349-2289 Fax: 717-349-2044

WANTED

Chinese Agent to represent Graf Brothers Flooring & Lumber – logs, flooring and lumber.
Graf Brothers, P.O. Box 458, South Shore, Ky 41175
Phone: 606-032-3117 Fax: 606-932-3156 email: info@grafbro.com

ATTENTION CHINESE HARDWOOD LUMBER BUYERS

American, NHLA graduate, current working contacts with domestic sawmills, wants to work for a company in China as a hardwood buyer in U.S. logs/lumber/veneer

CONTACT: Blind Box No. 141
c/o Import/Export Wood Purchasing News
P.O. Box 34908
Memphis, TN 38184-0908

INDEX OF ADVERTISERS

A Guide to

U.S./CANADIAN SOFTWOOD FOREST PRODUCTS
EXPORT SUPPLIERS

Import/Export Wood Purchasing News' worldwide circulation is distributed to companies that purchase both Hardwood and Softwood forest products.

WOODWORKING PLANER PRACTICE

This 24 page booklet contains the answers to almost any Planer problem. It tells you: How to handle uneven stock; How to produce squares on a planer; How to reduce disfigurement of stock, and the tearing of varigrained boards; How to prevent wear of center of platen; How to handle grains in glued up panels; How jointed cutters affect blower systems; How to make various thicknesses; How to make proper forms for tapering long pieces evenly; How to bevel and make forms for multiple operation, and many other ideas for better planer performance. ...One woodworking machine manufacturer stated, "This is the best book that has ever been written on the subject of Planer Practice.

....$20.00 per copy.

Send Check to: NHM, Book Division, P.O. Box 34908, Memphis TN 38184-0908

A guide to U.S. /CANADIAN SOFTWOOD FOREST PRODUCTS

EXPORT SUPPLIERS

Import/Export Wood Purchasing News' worldwide circulation is distributed to companies that purchase both Hardwood and Softwood products

A guide to **U.S. /CANADIAN SOFTWOOD FOREST PRODUCTS**

EXPORT SUPPLIERS

Import/Export Wood Purchasing News' worldwide circulation is distributed to companies that purchase both Hardwood and Softwood products


FREE
ONLINE
STOCK LISTINGS
from the world's
best suppliers of
HARDWOODS
CHECK OUT
forestproductsstockexc.com
Call 1-800-844-1280
for information about how you may
list your inventory here.
FREE