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Vol. 37 No. 5 — Serving Forest Products Buyers Worldwide — April/May 2011

WWPA Annual Meeting Converges In Portland

By Wayne Miller

Portland, Ore.–Approximately 125 members and guests recently attended the 2011 Western Wood Products Association (WWPA) Annual Meeting, held here at the Embassy Suites Hotel.

The industry's top professionals, ranging from senior level management executives to sales manager and production personnel, attend this one-day meeting. News about exports consumed a large portion of the meeting with speakers

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Robert Doerfler, Courtney Atwood, Jamie Trenter and Jeff Romo, Lumbermen's Underwriting Alliance, Portland, Ore.


Kevin Paldino, Collins Cos., Portland, Ore.; Allan Trinkwald, Western Wood Products Association chairman, Simpson Lumber Co., Tacoma, Wash.; and Eric Schooler and Wade Mosby, Collins Cos.

Canadian Hardwood Bureau Speakers Offer Positive Messages

By Wayne Miller

Montreal, Quebec–About 125 men and women representing Hardwood suppliers in the United States and Canada attended the recently held annual Canadian Hardwood Bureau meeting at the Delta Montreal Hotel. The general mood of attendees seemed fairly upbeat, but those attending agreed that until U.S. housing construction levels reach a "normal" or "average" level again, hardwood suppliers on both sides of the border will continue to experience what is

Additional photos on pages 10 & 12

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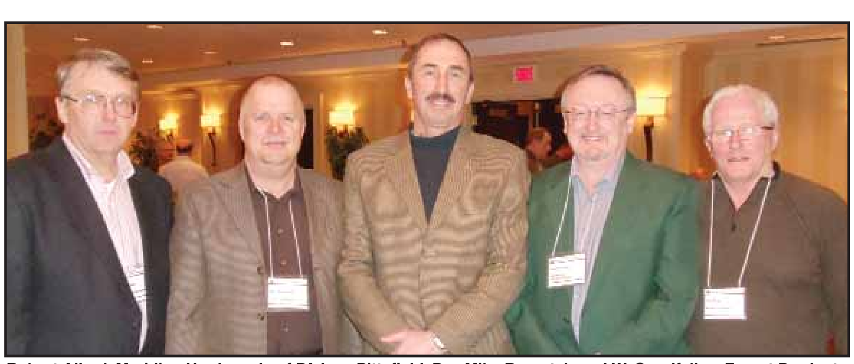
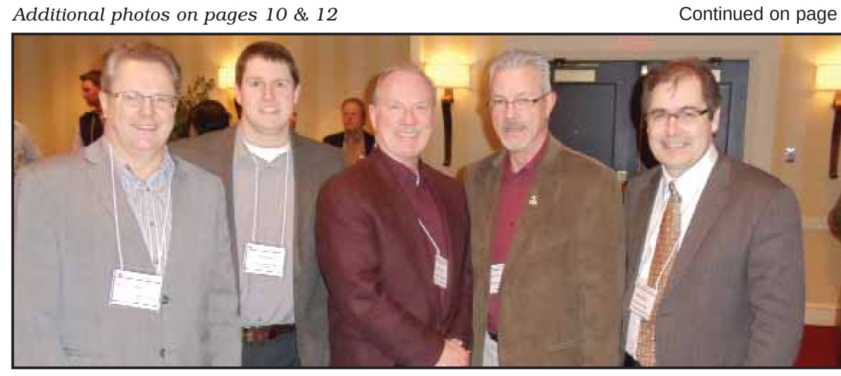

Robert Allard, Meridien Hardwoods of PA Inc., Pittsfield, Pa.; Mike Bernatchez, J.W. Goodfellow Forest Products Inc., Hemmingford, Que.; Peter Van Amelsfoort, Quality Hardwoods Ltd., Powassan, Ont.; Doug Knowles, DGK-WOOD INTERNATIONAL, Peterborough, Ont.; and Ted Rowe, Aurora Timberland, Bradford, Ont.


Dennis Cuffley and Francis Arsenault, J.D. Irving Ltd., Edmundston, N.B.; and Wayne Miller, Import/Export Wood Purchasing News, Memphis, Tenn.; Roland Dufour, Groupe Savoie Inc., St. Quentin, N.B.; and Philippe LeBlanc, Lumber Resources, Quebec City, Que.

U.S. Exporters Well Represented At Domotex

Hanover, Germany–At the recent Domotex 2011, held here, exhibitors from 70 countries displayed their products to 40,000 visitors from 87 countries, of which 60 percent were from outside Germany. Many technical seminars and demonstrations were held within the show. The contract sector was also displayed in a hall featuring wood and laminate flooring aimed at architects and interior designers.

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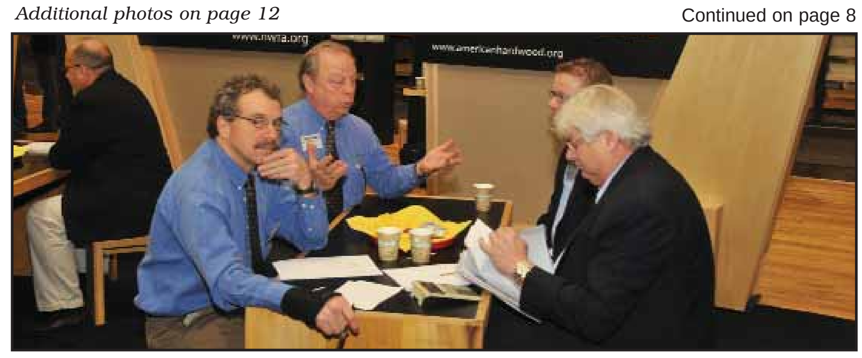
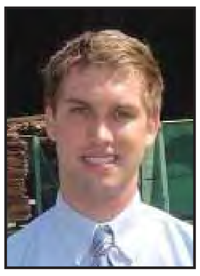
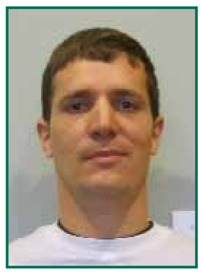
Sennorwen Flooring, one of 50 exhibitors from China.


Jack Grace and Toto Robinson, Robinson Lumber Corp., New Orleans, La., with Eric Terp, Terp & Stenshaj

Who's Who in Import/Exports


WESLEY BOLES


PHILIP FISCHER


DAVID SEGERLIND


JASON N. TWIGG

Hermitage Hardwood Lumber Sales Inc., based in Cookeville, TN, recently announced **Wesley Boles** as sales and operations assistant.

Boles responsibilities will include expanding new customer bases in new locations around the United States and globally. The son of the firm's president and CEO Parker

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Philip Fischer conducts kiln-dried lumber sales and is manager of export sales at **Maley & Wertz**, located in Evansville, Indiana. His knowledge has been acquired through 33-plus years in hardwood lumber and wood products industry. Fischer's experience includes seven-plus years as a wood machine operator, eight as a

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Devereaux Sawmill Inc., in Pewamo, Mich., recently announced **David Segerlind** is now responsible for the company's export sales.

Segerlind has been with Devereaux since 2002 as inspector and quality control manager. A graduate of Portland High School, he obtained his bachelor's degree of forestry at

Continued on page 11

Jason Nathaniel Twigg at **Tuscarora Hardwoods** in Elliottsburg, Pennsylvania handles the company's sales of kiln-dried lumber and export logs.

Tuscarora offers a wide variety of products and services, including green lumber, S2S, straight-line ripping, kiln-dried lumber and container loading. The firm

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THE WASHINGTON SCENE

Congress Finds Unfinished Business

The 112th Congress recently found unfinished business from last session. According to analysts, the key question is whether this Congress with a Democratic majority in the Senate, and a Republican majority in the House, will be more effective and productive than last session, which had democratic majorities in both Houses.

The house is controlled 242-193 by Republicans. The Senate carries 51 Democrats, 47 Republicans and two Independents.

Over the last days of the 111th Congress, major tax extensions, the "Don't Ask, Don't Tell" repeal and the Start Treaty with Russia bills were passed. However, no appropriations bills were enacted for FY11 and Congress implemented a Continuing Resolution (CR). Congress will now decide whether to extend the CR for the remainder for the year, or create a new budget for FY11.

The CR created uncertainty for the Forest Service, which had new funding initiatives, including a budget increase of $30 million for the Forest Landscape Restoration Act (FLRA). Projects were selected for FLRA last year, not enough funding is available for full implementation or for the selection of new projects this year.

Washington State Biomass Study

The Washington State Department of Natural Resources (DNR) has selected the University of Washington School of Forest Resources and TSS Consultants, a Sacramento based consulting firm, to conduct a statewide forest biomass supply study. The study seeks to obtain data on the economically available forest biomass volume throughout the State of Washington, from forest operations on a long-term, sustainable basis to be used as feedstock for energy production. The assessment will estimate woody biomass volume throughout the State of Washington, from forest operations on a long-term, sustainable basis to be used as feedstock for energy production. The assessment will utilize various filters, such as operational feasibility, as well as financial and environmental hurdles, to determine suitable prospective woody biomass volumes. Factors to be evaluated include environmental protection, road access, existing infrastructure, and travel.

Mandated by Washington's Forest Biomass Supply Agreements Bill (2SHB2481), the study will use part of a $1 million grant DNR received from the Forest Service last summer. Results are expected to be issued by September 2011.

Also DNR announced that it will soon submit to the Legislature a comprehensive update on the agency's

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It's Time To Let Science Do The Talking

For more information on AHEC and the export promotion programs, call (202)463-2720, fax (202)463-2787, or visit the website, www.ahec.org.

By Michael Snow
Executive Director
American Hardwood Export Council
Reston, Virginia

AHEC and the American hardwood industry have long welcomed increased market focus on environmental issues. A natural, renewable, legally harvested and sustainably sourced product with very low embodied energy, like American hardwood, has much to gain from increased market interest in these issues. However, it has also been very disheartening to see the marketplace overwhelmed with "green washing" and dubious environmental claims, usually based on only one specific attribute such as "rapid renewability" for Bamboo, or "recyclability" for steel or plastics. The true environmental impacts of materials cannot be summed up by one single attribute, and it is time that consumers and policy makers had the ability to truly compare the environmental footprint of the different products and materials they source.

That is why AHEC is encouraging the on-going movement towards a more science-centred approach to green specification and design using environmental Life Cycle Assessment (LCA). Although there is some way to go before LCA becomes a deciding factor in material specification throughout the world, there are clear signs of movement in this direction. Green building rating systems like BREEAM in the UK, HQE in France, and DGNB in Germany are becoming more widely used and all draw on LCA for allocating credits for building materials. Even the US-based LEED system, which is not exactly known for its embrace of science, is set to operate a "pilot" LCA based standard for materials sourcing. This reliance on science is long overdue. If green building systems and "green procurement" policies are to have any credibility, they MUST be based on science, and all materials producers MUST play by the same rules.

In 2010 AHEC commissioned the largest LCA study ever undertaken in the international hardwood sector. The independent assessment is being undertaken by PE International, a leader in the field of LCA, in accordance with the ISO14040 series of standards for LCA. It will include, as a discrete component, independent assessment of the "carbon footprint" of American hardwoods in line with carbon footprint standards such as the UK's PAS 2050 standard and the international Green House Gas (GHG) Protocol. The study also involves the compilation of environmental life cycle inventory (LCI) data on the main American hardwood

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Malaysian Timber Certification Council Brings Mission To U.S.

By Leonard Krause


LEONARD KRAUSE

Representatives of the Malaysian Timber Certification Council (MTCC) will be part of a Malaysian Trade Mission visiting the U.S. this April. The mission will be making stops in Los Angeles, at the IWPA Convention in New Orleans, and will be hosted by the NHLA in Memphis. (www.MTCseminar.com). Information about the MTCC certification program should be of particular interest to American buyers concerned about the impact of the Lacey Act.

Even without the new Lacey legislation, over the past several years there has been much focus on legality and sustainability in the forest products sector and it seems like many countries these days are trying to "jump on the green bandwagon." However, the Malaysian timber industry is no newcomer to being green—they have been on the vanguard of promoting sustainability and legality in forestry practices for more than a decade.

While there were market reasons to promote legality, the practical reason to promote sustainability was quite simple. If the current generation of lumber producers wanted to have a flourishing industry that they could pass down to their children and grandchildren, they would need to foster a resource that would be sustainable and productive year after year. So for the dual purposes of marketing the legality of their forest program and ensuring the value of their national resource, in 1998, the Malaysian Timber Certification Council (MTCC) was formed.

The MTCC was established to develop and operate what is referred to as the "Malaysian Timber Certification Scheme (MTCS)." The MTCS is a voluntary national timber certification scheme in Malaysia, and was formed on the premise that timber certification is a market-linked tool to promote and encourage sustainable forest management as well as to provide an assurance to buyers that the timber products they buy come from sustainably managed forests.

The initial standards the MTCC employed were based on the 1998 International Tropical Timber Organization's (ITTO) "Criteria and Indicators for Sustainable Management of Natural Tropical Forests." The plan outlined the key elements for sustainable forest management, covering economic, social and environmental aspects, and incorporating the corresponding standards of performance for each Malaysian region: Sabah, Sarawak and

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What Price Protectionism?

By Brent J. McClendon, CAE

Executive Vice President

International Wood Products Association

www.iwpawood.org

Quick question for you: What are the consequences if public policies directed at diminishing wood imports into the U.S. are successful?

A) Reduced U.S. manufacturing capacity?

B) Increased U.S. manufacturing capacity?

C) Higher prices and fewer choices for consumers?

D) Lower prices and greater selection for consumers?

If you answered "A" and "C", you get the golden star. Seems counterintuitive doesn't it?

But that's just not the case. Take, for example, the current International Trade Commission's inquiry into Chinese flooring imports.

The investigation into the imported flooring was initiated by the Coalition for American Hardwood Parity, a group of U.S. domestic flooring manufacturers. As a result, the U.S. Department of Commerce is conducting countervailing and antidumping duty investigations on imports of this product from China. Importers and their U.S. customers are anxiously awaiting the outcome.

But guess who else is watching this case closely? U.S. sawmillers. Why? Because what do you think is going to happen if punishing duties are placed on flooring imports?

China flooring companies will cease buying U.S. woods, which they use in manufacturing flooring that is exported back to the American market and around the world. Losing or reducing this export opportunity to China is going to severely impact an industry already facing significant trouble finding a home for their production. Not only that though. Consider this… U.S. flooring mills will have less global competition for the lumber they want to buy, conceivably pushing lumber prices down. Reduced global demand for their lumber, lower prices for their lumber, no wonder sawmillers are concerned.

Think U.S. consumers benefit? Think again! U.S. consumers will find fewer choices when shopping. And do you really think flooring manufacturers

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American Oak Adds To "True Australian Hardwood Floor" Made In Malaysia

By Michael Buckley

At Trueloc International in Kuala Lumpur, an employee prepares raw material for processing at the firm's flooring plant. American White Oak, which is increasingly popular in Australia, is a highly practical choice for this diversifed company.

Nagaraja Jeganthan, director at Trueloc, oversees many aspects of the product's manufacturing process. American Oak now has a full range of stained colors offered by this firm, including Oak Blizzard, Outback, Desert, Thunderstorm, Dusk, Uluru, Midnight and Mist.

Quality control is essential to Trueloc's success. 90 percent of the company's flooring sales are for residential installations.

Trueloc is buying all 6-inch to 8-inch widths of American White Oak in FAS for use in its Swedish-style '5G' floor locking technology.

Trueloc purchases 10 to 12 containers monthly of American Oak, which winds up being prepared by in-house staff, such as in the firm's sanding department.

Kuala Lumpur, Malaysia–Recently American Oak has been added to the preferred species of Trueloc International Sdn Bhd, located here near the international airport. Today Oak represents up to 20 percent of this firm's flooring sales, up from only 5 -10 percent just two years ago. That may stand Trueloc in good stead as it promotes its products elsewhere in Asian markets where real wood is used and are now dominated by Oak and Teak for flooring.

Trueloc, an engineered flooring manufacturer, is wholly and privately owned by Australian Max Twigg. It is a classic example of international investment in Malaysian industry, making product intended for export but now looking at Southeast Asia for its market diversification. Brendan Smythe, General Manager, and Don De Luca, Operations Manager, are part of the Australian team responsible for a project for which their manufacturing reportedly was not previously successful in China; but works in Malaysia today.

The whole production is currently sold in Australia and New Zealand as "The True Australian Floor" largely because that is where it all started. Trueloc floors, based on Swedish '2G' and '5G' (2nd and 5th generation) locking technology, are mainly faced in Australian hardwood species to satisfy a customer base and distribution network that has been established since 1994. Blackbutt, Spotted Gum and Jarrah are the three most popular of a range of species that are much appreciated in Australia but relatively little known elsewhere.

American White Oak which is increasingly popular in Australia and across Asia is a highly practical choice for a company looking to diversify its markets, although Don De Luca is very confident that Trueloc's supply of native Australian hardwoods is also good for the future. In the meantime the company is looking at new markets such as India. Naga, just back from the Delhiwood show, is excited about India's potential among others, so the promotion currently being undertaken in India by AHEC may well help with Oak recognition for Trueloc as it is doing in Australia.

The company is buying all 6" to 8" widths of American White Oak, FAS only, in random lengths KD to less than 10%MC.

Current capacity is 10-12,000 M2 per month, which equates to 10-12 containers of product a month, but that could easily be doubled with the current production facilities. 90 percent of sales are for residential installations, for which the company offers "25-year Lacquer Warranty" and "Lifetime Structural" warranties for several of its ranges against any manufacturing defects. Such is Trueloc's confidence in its quality. Currently the coating of all of its prefinished flooring is acrylic urethane, which is acceptable in Australian and Asian markets and there is no intention yet to go "water based."

In terms of trends in Trueloc's main market, boards are getting wider – up to 250mm - and stains are getting

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ROMEA LEGNAMI Markets Quality Products Around the Globe

By Wayne Miller

The company's Padouk and Koto lumber is shown here ready for prompt shipment.

Beech, Oak and Ash logs are sourced from Romea's own forest concessions and are sent through the sawmill, kiln dried and graded at the company's modern sawmills in Italy. Light steamed Beechwood is shown here.

In operation since the 18th century, Romea Legnami produces 300.000 m3 of lumber annually and specializes in a wide range of specifications and internationally accepted grades. This is an image of the operation's Bubinga lumber.

Romea specializes in quarter-sawn African Mahogany, Afrormosia, Aniegre, Bubinga, Iroko, Makore, Moabi, Mansonia, Shedua, Padouk, Sapele, Sipo, steamed Wenge (shown here), Black and White Limba, and Zebrawood. The company also offers European hardwoods such as Beechwood, English Maple and Italian Walnut. Other species are available upon request.

An aerial view of the company's operations in Bologna.

An aerial view of Romea Legnami, headquartered in Venice.

Mira, Italy—Romea Legnami S.p.A., headquartered near Venice, manufactures a variety of products and specializes in quarter sawn **African Mahogany, Afrormosia, Aniegre, Bubinga, Iroko, Makore, Moabi, Mansonia, Shedua, Padouk, Sapele, Sipo, steamed Wenge, Black and White Limba, and Zebrawood**. The company also offers European hardwoods such as Beechwood, English Maple and Italian Walnut. Other species are available upon request.

In operation since the 18th century, Romea Legnami produces 100.000 m3 of logs and lumber annually and specializes in a wide range of specifications and internationally accepted grades. Cut-to-size lumber and dimension, square-edged long and short boards, one-sided boards, unedged long boards, flooring strips, squares, flitches and saw and veneer logs name a few.

General Manager Graziano

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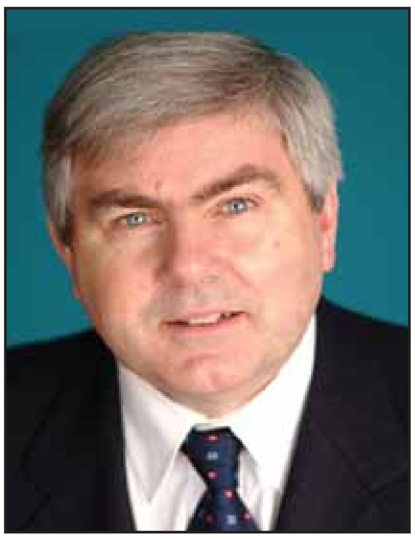
Steamed Acajou is among the multiple species Romea Legnami offers.

Romea's specialization increased over time by including log selection, felling, sawing, drying, measurement and tallying by computer scanners that ensure accurate and precise product information of each species. Iroko is shown here before shipping.

Cast An Eye Toward China, Say Webinar Presenters



RUSS TAYLOR

A recent webinar presented by the North American Wholesale Lumber Association cast positive light on the future for exporters who focus on the China wood products market.

Presented by Russ Taylor and Gerry Van Leeuwen, wood products Industry consultants with offices in China and Canada, from which market research is conducted, publications are produced and conferences planned.

Taylor and Van Leeuwen noted that "it is likely that the U.S., Canadian and Southern Hemisphere exporters will be real winners in log exports as well as lumber, plywood, chips and pulp" in the China market.

Their prediction is that China will require huge supplies of imports, and will also continue to disrupt the U.S. market.

Taylor said that China is one of the largest producing regions in the world and will need large quantities of imported raw materials in the future. He added that China's GDP averaged 8 to 10 percent growth the last few years and is anticipated to hit 15 percent in coming years.

In the global market, China ranks second in hardwood production and third in softwood, behind the U.S. and Canada. China ranks second behind the U.S. in overall imports as it needs high volumes in order to successfully run its processing plants. China consumes about 75 to 80 percent of its domestic production, so the GDP growth and wood products growth are tied closely.

GERRY VAN LEEUWEN

When final figures are tallied for 2010 hardwood log exports to China, Taylor predicted that figure will hit a new record. Hardwood logs from the U.S. to China has enjoyed steady growth since dipping in 2009, and that growth is expected to continue.

In softwoods from British Columbia, log exports to China have experienced huge growth, according to Taylor's presentation, which shows Spruce holding the lion's share of exports.

Van Leeuwen added that he expects by 2015 for China's lumber imports to be 20 million cubic meters, up from 14 million cubic meters in 2010.

Enhancing ease of imports are the existence now of two new fumigation ports in China for U.S. lumber. Van Leeuwen noted that importers can now ship barked logs to China and have them fumigated at either of these fumigation points. More such ports will be added in the future.

Taylor said that SPF and Hemlock/Balsa for utility and industrial production in China are in high demand by endusers. Another trend is the usage of more No. 2 and Better structural, which has dramatically increased in demand the last two years.

He added that the Chinese government is striving to introduce more green initiatives using lumber.

Van Leeuwen noted that the Russian Log Export Tax, which has been presented as problematic, will now be likely reduced when Russia enters the World Trade Organization within the next couple of years. This is significant since Russia is 40 percent of the world's softwood log export supply and 30 percent of hardwood log exports.

In summary, the China wood market presenters identified the following trends and issues:

China's total wood demand:

- Is expected to grow from 250 million m3 in 2010 to 350 million m3 by 2015;
- The projected wood deficit (or the role of imports) is expected to grow from 100 million m3 to 150;
- However, Chinese industry forecasts indicate that China's wood demand should grow more at a rate of 10 to 15 percent per year to 2015, so the import gap could be up to double what is currently forecast.

•

CHB -

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called recession by some and depression by others. Information shared indicates that a number of hardwood mills in both countries continue in the moth-balled mode and that despite this latent production, the industry continues in an oversupply situation with most species. In private conversations, it seemed clear that the suppliers faring best are those who are not indebted to banks, but who basically finance their own production and marketing activities independently.

Bruno Couture, h

ardwood and flooring manager of Quebec Wood Export, presented an overview about exporting. He said his bureau has helped export firms reach 24 countries worldwide by offering services such as advertising campaign preparations.

Couture noted trends in several countries. For example, he said the Middle East is purchasing primarily Oak and Ash in 2-inch thick and dried. The Dubai market is strong toward White Ash and Oak while Japan purchases considerable quantities of Maple and White Birch.

He added that the biggest market by far is the U.S. market.

Jean Francois Duffresne, of Preverco Inc., presented a "Flooring Industry Review" in which he said that the first six months of this year will continue on a slow trend, but "the second half of 2011 will be markedly better."

He noted that during the last two years, the market has been "dead" in the U.S., but positive signs are emerging and the market is increasingly competitive.

The state of the industry in general, said Duffresne, is marked by over production and will remain that way for the next 10 years. Most manufacturing plants continue to run at diminished capacity, which is not shrinking fast enough.

He was followed at the podium by Tom Walthousen, director of industry relations for the National Hardwood Lumber Association. He spoke about the Emerald Ash Borer, which came to North America from Asia. To learn more about the regulations pertaining to this insect, Walthousen directed them online to www.gc.ca.

Mike Barrett, of the Weekly Hardwood Review, also addressed specie trends, noting that White Oak is a good seller; Yellow Birch is showing some profits; Walnut is "hot" but hard to source; Ash is in short supply and Basswood is getting attention from overseas buyers.

Also, Brent Stief, Huron Forest Products, addressed the CHB's plans for the year and welcomed all.

In addition to enjoying an annual friendly, yet competitive, hockey game among CHB members, attendees enjoyed opportunities to network and to learn during information presented by guest speakers.

The CHB is headquartered in Ottawa, Ont. For more information, visit online at www.canadianhardwoodbureau.com.

DOMOTEX -

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The Domotex 2011 show had a strange feel of uncertainty about it. Had 2010 been any better than the disastrous market of 2009 that had dropped by 20 percent? No one will know until the European Federation of Parquet (FEP) flooring production and consumption data is completed later this year. Most wood flooring manufacturers, traders and marketers at the show felt that the 2008/9 collapse had stabilized in 2010. Consumption/production was down 16 percent in 2008 and down a further 20 percent in 2009, so will the 2011 market in Europe show the improvement that everyone is predicting and hoping for? Not much evidence was offered except that things seem to be improving slightly so far.

Would this show turn out to be a good one? Visitor traffic was slow from the wood sector, but none were surprised – given that the 'Bau' building show in Munich and the 'imm Cologne' furniture show both overlapped with Domotex. However many exhibitors, including most U.S. companies commented positively on the quality of the visitors that did attend. And finally the non-appearance of some major European wood flooring players such as Parador and MeisterWerke, was the subject of much comment. These key players now hold their own in-house shows reportedly attracting as many as 3,500 customers in one case. At least the next Domotex 2012 will be better because it will be an off-year for the biennial 'Bau'.

Overall the general comment was that Domotex 2011 was as good as could be expected after such a bad two-year market. Many exhibitors said that traffic felt down, but visitor quality and intent was quite good. Significant overseas groups of wood and laminate flooring companies exhibited from China (almost 50 percent), Croatia, France and USA.

NWFA/AHEC Exhibit

In the center of Hall 8 - the middle hall of three wood flooring halls - the National Wood Flooring Association (NWFA) hosted in cooperation with the American Hardwood Export Council (AHEC) a USA pavilion offering a wide range of American wood flooring products with a meeting and hospitality area. Most U.S. exhibitors questioned were positive about the pavilion. "This was a good show for us," said Toto Robinson of Robinson Lumber Company. Most exhibitors, including NWFA, stated that they intended to be back to the show in 2012.

American Exhibitor Highlights:

Robinson Lumber Company Inc. featured White Oak, Hickory and Pitch Pine flooring.

Graf Brothers Flooring & Lumber offered quarter and rift sawn in wide boards.

Mullican Flooring LP showed hand-sculpted and solid flooring, including 100 percent FSC (SCS-CoC_002109).

Verona Hardwood exhibited reclaimed flooring.

Basic Coatings provided water-based coating options.

Tresca Exotic Hardwood Flooring showed flooring that was pure art based on reclaimed wood.

W. D. Flooring LLC had a range of solid flooring with specialized finishes.

Shamrock Plank Flooring Co. featured engineered flooring with FSC availability.

Midwest Hardwood Corporation, as a first time exhibitor, demonstrated itself as a Walnut specialist.

Floor Muffler offered acoustical underlayment for floors.

Wagner Electronics provided total moisture measurement solutions for installers.

Market Trends in the Wood Flooring Sector

According to FEP data, the predominance of Oak rose in 2009 to 62 percent of all wood flooring in the European market. This extraordinary position of Oak is "unthreatened" according to most observers and if any change is likely it is more likely to

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DOMOTEX -
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be a reduction of tropical species from their current level (10.2 percent in 2009 according to FEP). Croatian manufacturers were strongly in evidence at the show and they report Oak as accounting for anywhere between 65 percent and 90 percent of their production and sales. Oak is increasingly offered in a range of limed, bleached, colored and brushed finishes which extend the choices of Oak to designers and consumers. The show organizers reported that "a preference for more naturalness was reflected in an 'unadulterated' and 'used' look for parquet, laminate and resilient floor coverings."

Despite Ash holding 2nd place in 2009 in Europe, there was not much of it on display at Domotex 2011. Beech, which had 5.9 percent share in 2009, remains surprisingly unpopular – given its widespread availability in Europe. Maple with 1.8 percent share in 2009, according to FEP, continues to experience low market share despite the strong international demand for sports floors. Fashion for Walnut flooring continues very strong.

The style of flooring in Europe remains lighter or paler than in the U.S. market and this was well demonstrated by one Chinese exhibitor, Sihe Wood, which had displays for both markets clearly showing the differences.

Boards in the solid wood sector (and imitations of boards in the engineered and laminate sectors) are getting longer and wider and the emphasis of character wood continues to grow in most EU markets except perhaps in Scandinavia. This sector has some niche markets such as the sports floor sector, with some European Beech processed in Asia for re-export. Significant changes are occurring in the solid decking sector with the emergence of many new types of treated wood and composites incorporating wood and plastic – often recycled.

Consumption in Europe

Clearly German consumption is leading the EU market, based on the improving economy and relatively good construction sector. The Financial Times of London commented on the euphoric catchphrase being used in Berlin of Germany's economic journey "*from zero to hero*" during the past two years. In consequence there are signs that production in neighboring Poland is improving. During the Domotex show there was much national and international media comment on the extent to which the Eurozone rescue is depending on Germany – as well as bond-buying by China.

By contrast consumption markets in Spain, Ireland, UK and Portugal are reported to be very weak. But while many traders are focused on the economic problems facing Europe it has become clear early in 2011 just how much looming inflation may actually be the new threat to economic growth. Unemployment remains high and construction activity is weak in all but Germany. Since the show the Irish government has resigned on the basis of its disastrous economic record.

Traders also confirm that the market for solid wood flooring is decreasing in market share in Europe, moving even more towards engineered flooring and despite some signs of a slight recovery, they do not expect solid to regain share. (Solid accounted for 16% of all wood floors in EU in 2009 - FEP.)

Environmental Issues

Among the Domotex exhibitors there were many displays of environmental accreditation.

However it has to be said that the non-wood substitute materials did a better job at presenting their environmental credentials to the visitors than most of the wood flooring exhibitors.

Domotex 2012

Next year Domotex will feature a new Woodflooring Summit dedicated entirely to laminate, parquet, and other wood flooring, said to feature an extensive expo with individual stands and attractive event zones where exhibitors can convey their messages.

In summary Domotex 2010 was a relatively quiet show, clashing with two wood related shows in Germany (Bau, Munich and imm Cologne) but visitor quality was deemed good, although media attendance was poor. Exhibitors by nationality were hard to identify in the catalogue and find, which made the USA grouping more significant. Laminate substitutes continue to threaten wood strongly and generally the environmental benefits of wood flooring were undersold.

Styles of flooring in EU and USA continue to differ significantly, while Oak totally dominates the wood sector. Ash and Maple are significant and Walnut popular; and tropical species represent about 10 percent of the EU market. The reduction in wood flooring consumption in Europe may have bottomed out and indicators for an improved EU market in 2011 are appearing, but hard evidence and logic suggests that stability in the market is more likely than growth.

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WWPA -
Continued from page 1

addressing various issues impacting exports.

Craig Larsen of the Softwood Export Council discussed goals and plans of the SEC this year emphasizing a focus on China, Japan, Mexico and the Middle East. He said 2010 was a "pretty good year for exports. All the numbers have gone up."

Other presentations included a State of the Association address by WWPA Chairman Allan Trinkwald of Simpson Lumber Co. and Bob Berg of RISI and Bruce Glass of the Campbell Group.

He said the China market is still growing for softwood exports, and large volumes of product are already being exported to that country. "A lot of wood is staying in China," he said, "mainly into furniture and housing construction."

Another speaker was Steve Zika of Hampton who said 2010 domestic sales are slow, but exports are surging, and "I believe we are starting to see a recovery." He added that log prices have increased dramatically due to China's demand. Zika also introduced other speakers at the WWPA meeting.

Russ Taylor, from Wood Markets, Vancouver, B.C., noted that China "is all about growth and is about getting organized. China is a gorilla (in the marketplace)", which can't be ignored.

The morning of the meeting was filled with committee meetings and sessions on exports, market services and quality/technical services.

After a luncheon, the chairman's reception and Exchange Show, which was sponsored by the Lumbermen's Underwriting Alliance, was held. The WWPA Exchange Show provides a valuable opportunity to learn about new products and services that can aid Western lumber mills. The Exchange Show is attended by production equipment manufacturers,

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CHB PHOTOS - Continued from page 1

Ted Rowe, Aurora Timberland, Bradford, Ont.; Loren Voyer, Champlain Hardwoods Inc., Essex Junction, Vt.; Richard Lipman, Canadian Hardwood Bureau, Ottawa, Ont.; Brent Stief, Huron Forest Products, Alliston, Ont.; Philippe LeBlanc, Lumber Resources, Quebec City, Que.; and Peter Van Amelsfoort, Quality Hardwoods Ltd., Powassan, Ont.

Tom Walthousen, National Hardwood Lumber Association, Memphis, Tenn.; Lloyd Lovett and Peter Lovett, King City/Northway Forwarding, Montreal, Que.; and Greg Patenaude, Bois Peladeau Inc., Laval, Que.

Daniel Archambault, Assoc. Forestiere des Canton de l'Est, Sherbrooke, Que.; Patrice Carriere, Lumbermen's Underwriting Alliance, North York, Ont./Montreal, Que.; Andre Lemire, Lemire Inc., Sherbrooke, Que.; and Martin Crete, Lumbermen's Underwriting Alliance, Montreal, Que.

Pierre Hamelin, Lumbermen's Underwriting Alliance, Dorval, Que.; Chuck Beatty, Gutchess Lumber Co., Cortland, N.Y.; John Goodfellow, J.W. Goodfellow Forest Products Inc., Hemmingford, Que.; and Michel Berard, King City/Northway Forwarding, Montreal, Que.

Shawn Calver, D&S Calver Lumber Ltd., Pembroke, Ont.; David Hubbard, GMC Hardwoods Inc., Dover, Mass.; and Brin Langmuir, Falcon Lumber Ltd., Toronto, Ont.

Patrice Carriere, Lumbermen's Underwriting Alliance, North York, Ont./Montreal, Que.; Daniel Hebert, Les Sechoirs A Bois St.-Roch Inc., St.-Roch-de-l'Achigan, Que.; Gaetan Bouchard, Produits Forestiers TLB Inc., Lachenaie, Que.; and Daniel Hebert, Jr., Les Sechoirs A Bois St.-Roch Inc.

Paul Jacobs, Paul Jacobs Lumber, Buffalo, N.Y.; Richard Keeso, J.H. Keeso & Sons Ltd., Listowel, Ont.; and Brent Stief, Huron Forest Products, Alliston, Ont.

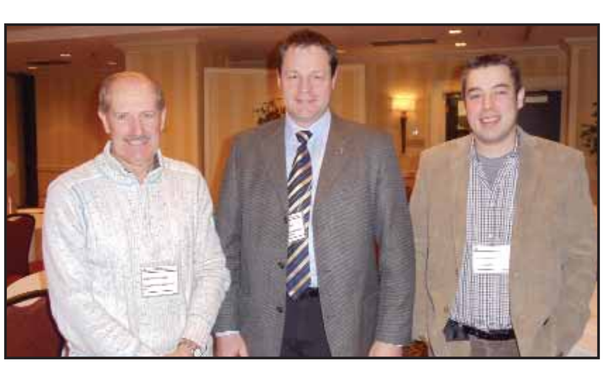
Marco Laflamme and Brian Garbacz, Boscus, Montreal, Que.; Diane Sararas, Rockland Flooring, West Lorne, Ont.; and Dave Williams, Champlain Hardwoods Inc., Essex Junction, Vt.

Paul Thabet, Bois Paul Inc., St. George, Que.; Cynthia Paquet, Bois Cymtek, St. George, Que.; George Evarts, G.H. Evarts & Co. Inc., Springfield, N.H.; Kim Bilodeau, Wickham Hardwood Flooring, Wickham, Que.; and Loren Voyer, Champlain Hardwoods Inc., Essex Junction, Vt.

Peter Duerden, U·C Coatings Corp., Buffalo, N.Y.; Richard Keeso, J.H. Keeso & Sons Ltd., Listowel, Ont.; Paul Jacobs, Paul Jacobs Lumber, Buffalo, N.Y.; and Brent Stief, Huron Forest Products, Alliston, Ont.

Roland Dufour, Groupe Savoie Inc., St. Quentin, N.B.; Richard Morin, LCN Inc., St. Felix de Kingsley, Que.; Johanne Guy, W.J. Jones Co. Ltd., Quebec City, Que.; and Jean-Francois Audet, Primewood Lumber, Drummondville, Que.

Ted Bechamp, Scierie Waltham Sawmill, Waltham, Que.; Steven Erickson, Besse Forest Products Group, Gladstone, Mich.; Brian Guilbeault, Quality Hardwoods Ltd., Powassan, Ont.; Jean Desilets, C.A. Spencer Inc., Laval, Que.; Art Nelson, Weston Premium Woods, Brampton, Ont.; and Luc Fortin, Scierie Waltham Sawmill



Jean-Paul Lupien, Produits Forestiers TLB Inc., Lachenaie, Que.; Daniel Couturier, J.D. Irving Ltd., Clair, N.B.; and Jean-Francois Audet, Primewood Lumber, Drummondville, Que.

Martin Lemay, Les Planchers Mercier (Drummondville) Inc., Drummondville, Que.; Katie Tremblay and Marilyn Tremblay, Industries T.L.T. Inc., Ste.-Monique, Que.; and Patrick Gagne, Les Produits Forestier M.E.S., St.-Bruno, Que.

Yvon Millette, Vexco Inc., Plessisville, Que.; Martin Crete, Lumbermen's Underwriting Alliance, Dorval, Que.; and Eric Vigneault, Vexco Inc.

Tom Walthousen, National Hardwood Lumber Association, Memphis, Tenn.; Lloyd Lovett, King City/Northway Forwarding, Montreal, Que.; Richard Lavallee, Husky Lumber, Montreal, Que.; Peter Lovett, King City/Northway Forwarding; and Greg Patenaude, Bois Peladeau Inc., Laval, Que.

Wes Love, Taurus Craco Woodworking Machinery Inc., Brampton, Ont.; and Melissa Lemay, Wood Manufacturing Council, Ottawa, Ont.

Guy Genest, Primewood Lumber, Drummondville, Que.; Nicolas Aubert, W.J. Jones Co. Ltd., St.-Hubert, Que.; Claude Lapointe, Transylve, Blandford, Que.; Mario Chicoine, Arbotek Inc., St.-Just-de-Bretenieres, Que.; and Jean-Francois Audet, Primewood Lumber

Additional photos on page 12

WWPA -

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insurers and service companies.

For more information about WWPA, visit online at www2.wwpa.org. WWPA offices are located in Portland, Ore.

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WHO'S WHO - Boles

Continued from page 2

Boles, Wesley is a recent graduate of the University of Tennessee with a degree in marketing and a minor in Logistics. He is also a graduate of the National Hardwood Lumber Association's 161st Inspector Training School class.

Wesley has experience working with Hermitage Hardwood prior to joining the team in April of 2010. He has previously worked during the summers while in high school and college.

Hermitage Hardwood Lumber Sales produces all Appalachian hardwood species in 4/4 through 12/4 thicknesses with width sorts available. The operation includes a 50-acre facility with 900,000 board feet of kiln drying capacity.

Wesley is excited to be with Hermitage Hardwoods and looks forward to applying all that he has learned at the NHLA Inspection School to the company in the future. An avid sports fan, he enjoys playing golf and tennis in his spare time.

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WHO'S WHO - Fischer

Continued from page 2

hardwood lumber grader, two overseeing grade log and veneer cutting operations and seven-plus in domestic and export lumber sales and purchasing. He has served several years on the board of directors and executive board for the Indiana Hardwood Lumbermen's Association and in 2004 Philip served as the organization's president.

Maley & Wertz provides premium Indiana hardwood to furniture makers and other wood-product manufacturers across the nation—and around the world. The company's present day success is the accumulation of nearly 125 years of attention to quality in the finished product and a wealth of practical lumber industry knowledge.

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WHO'S WHO - Segerlind

Continued from page 2

Michigan State University. He and his wife Cia have one son. In his spare time he enjoys woodworking, running, hunting, traveling and making Maple syrup.

Devereaux Sawmill specializes in products derived from Michigan resources. The firm's largest volume of production has been with White Hard Maple. They also process Red and White Oak, Hickory, Soft Maple, Ash, Walnut, Cherry, and other hardwood species. While all logs the company harvests are from within a 150-mile radius of their mill, they currently process 17 million feet through their kilns and ship to a wide base of customers both domestically and internationally.

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WHO'S WHO - Twigg

Continued from page 2

produces more than 16 million board feet of green and kiln-dried lumber annually and has a dry kiln capacity of 500,000 board feet. Tuscarora Hardwoods is a major supplier of Northern Appalachian Hardwoods in Red and White Oak, Ash, Poplar, Hard and Soft Maple, Cherry and Birch, as well as other species, in thicknesses ranging from 4/4 to 16/4.

Twigg began his career in the lumber industry over 10 years ago with Tuscarora. He is a graduate of the National Hardwood Lumber Association's grading school in Memphis, Tennessee, and studied forestry at the Pennsylvania College of Technology.

During his leisure time, Twigg enjoys hunting, fishing and hiking with his family and Maely, the family's chocolate Labrador retriever.

Twigg and his wife, Alison, have three children: Alexa, Josiah and Jaron.

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AHEC -

Continued from page 2

species from point of extraction in the U.S. through to point of delivery as kiln-dried sawn lumber or veneer in the EU and Asia. The study also includes a full life cycle impact assessment for a number of high priority finished construction and furniture products manufactured from American hardwoods in the international marketplace.

A major output of the study will be the preparation of Environmental Product Declarations (EPDs) for American hardwood products. If you have not yet heard of EPDs, you soon will. EPDs look set to become an important tool for the communication of product-specific LCA data, and are designed to allow fair comparison of the environmental performance of products through provision of structured, science based, and verified data. EPDs provide information along the product's entire supply chain, are designed to be neutral with no value-based judgements, and are required to be verified for accuracy by an independent third party. An international standard - ISO 14025 – has been prepared providing guidance on the structure and content of EPDs.

The value of EPDs to the consumer and policy makers around the globe will be considerable. No longer will industries be able to get away with dubious environmental claims—the raw data will be laid out in a standardized fashion for all to see. It is AHEC's goal that for once the wood products industry in general, and American hardwoods in particular, will be ahead of the curve and setting the bar from the beginning, and not simply playing defence as we have done too often in the past.

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WASHINGTON SCENE -

Continued from page 2

Forest Biomass Initiative, including updates on the pilot projects identified in HB 2165 as well as the literature review on the carbon neutrality of forest biomass required in 2XHB 2481.

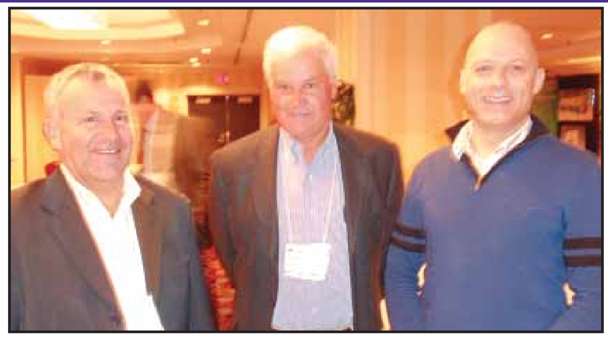
Coalition Welcomes International Arbitration Ruling

The Coalition for Fair Lumber Imports recently welcomed the London Court

Continued on page 13

CHB PHOTOS - Continued from page 10


Doug Knowles, DGKWOOD INTERNATIONAL, Peterborough, Ont.; Peter Duerden, U·C Coatings Corp., Buffalo, N.Y.; and Eric Porter, Abenaki Timber Corp., Kingston, N.H.


Mario Chicoine, Arbotek Inc., St.-Just-de-Bretenieres, Que.; Jim Woodberry, DLH Nordisk, Brattleboro, Vt.; and Benoit Martin, JV Lumber/DMB Forest Products, Quebec City/Montreal, Que.


Jeff Poirier, Berkshire Hardwoods Inc., Chesterfield, Mass.; Andy Schafer, Cut Rite Lumber Ltd., Toronto, Ont.; and Richard Larocque, Cut Rite Lumber Ltd., Montreal, Que.

DOMOTEX PHOTOS - Continued from page 1

A visitor meets with Rick Barrett and Bill Parks, Midwest Hardwood Corp., Maple Grove, Minn.

American Hardwood Solutions pavilion by NWFA and AHEC.

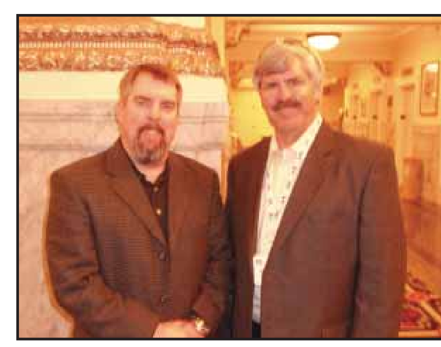
WWPA PHOTOS - Continued from page 1


Al Gaston and Rick Wilson, Taylor Machine Works, Portland, Ore.; and Jason Gasparik, Taylor Machine Works, Seattle, Wash.


Russ Hobbs, Plum Creek Manufacturing Inc., Columbia Falls, Mont.; Erol Deren, Idaho Forest Group, Coeur d'Alene, Idaho; Kevin Paldino, Collins Cos., Portland, Ore.; and Tom Searles, American Lumber Standard Committee, Germantown, Md.


Bill Kostich, BPA Energy Smart Industrial, Portland, Ore.; and Timothy Sargeant and Brad Turner, HALCO Software Systems Ltd., Vancouver, B.C.


Laurie Creech and Douglas Reed, Simpson Lumber Co. LLC, Tacoma, Wash.


Wes Bush, Neiman Enterprises, Hulett, Wyo.; and Dave Dickman, Andersen Corp., Bayport, Minn.


Bob Mai, Potlatch Corp., Spokane, Wash.; and Shawn Church and Pete Malliris, Random Lengths Publications, Eugene, Ore.


Jim Vandegrift and Pat Grady, Bennett Lumber Products Inc., Princeton, Idaho; and Steve Thomas, Sierra Pacific Industries, Mt. Vernon, Wash.


Josh Dean, Collins Cos., Portland, Ore.; Todd Gallant, Finer Cut Stock, Prineville, Ore.; Tim Black, Brightwood Corp., Madras, Ore.; and Jonny Wilford, Woodgrain Millwork, Fruitland, Idaho


Cyndee Johnson, Roberts & Dybdahl Inc., West Des Moines, Iowa; and Janet Corbett, Warm Springs Forest Products Indian Industries, Warm Springs, Ore.


Bruce Daucsavage, Ochoco Lumber Co., Prineville, Ore.; Wade Mosby, Collins Cos., Portland, Ore.; and John Shelk, Ochoco Lumber Co.


Jesse Neese, RISI, Atlanta, Ga.; Ray Barbee, RISI, Portland, Ore.; and Mike Phillips, Hampton Affiliates, Portland, Ore.


Duane Vaagen, Vaagen Bros. Lumber Inc., Colville, Wash.; and Steve Schmitt, Stimson Lumber Co., Portland, Ore.


Brad Hatley, C&D Lumber Co., Riddle, Ore.; and Kevin Binam, president, Western Wood Products Association, Portland, Ore.


Art Andrews, Malheur Lumber Co., John Day, Ore.; and Bruce Daucsavage, Ochoco Lumber Co., Prineville, Ore.


Bob Vanchero, Stimson Lumber Co., Portland, Ore.; David Jesseau, Poyry Forest Industry Consulting, Toronto, Ont.; Robert Landau, Poyry Forest Industry Consulting, Portland, Ore.; and Marshal Lauch, Stimson Lumber Co.


Greg Larsen and Natalie Macias, Softwood Export Council, Portland, Ore.; Kevin Cheung, Western Wood Products Association, Portland, Ore.; and Joe Patton, The Westervelt Co., Tuscaloosa, Ala.


Rick Fortunaso, Darrell Hansen and Rick Forgaard, Interfor Pacific Inc., Bellingham, Wash.; and Rich Frazer, Interfor Pacific Inc., Molalla, Ore.

WASHINGTON SCENE -

Continued from page 11

of International Arbitration's (LCIA) ruling that subsidies provided by the Ontario and Quebec governments to lumber manufacturers in their provinces violate the terms of the 2006 U.S.-Canada Softwood Lumber Agreement (SLA). This agreement prohibits the Canadian federal and provincial governments from providing new subsidies to the Canadian lumber industry after July 1, 2006.

Late in 2006-2007, Quebec and Ontario announced and implemented plans to provide hundreds of millions of dollars in grants, subsidized loans, and subsidized loan guarantees to lumber producers. The U.S. initiated dispute settlement proceedings under the SLA in 2008 with respect to the new subsidies.

"By providing new subsidies, Canada knowingly violated the terms of the lumber trade agreement to provide an unfair advantage to Canadian producers in this very challenging market," said Steve Swanson, chairman of the coalition and president of the family-operated Swanson Group in Oregon. "The remedy prescribed by the LCIA will help bring about a more level playing field for U.S. manufacturers, mill workers, and private forest landowners," he added.

This decision is the second consecutive ruling by an LCIA Tribunal that Canada has violated the 2006 Softwood Lumber Agreement. In 2009, another LCIA Tribunal agreed with the U.S. that Quebec, Ontario, Manitoba and Saskatchewan had exceeded quota requirements and ordered a 10 percent penalty export tax on lumber shipments from those provinces until C$68.26 million is collected. LCIA Tribunals are comprised of experienced international commercial arbitrators who may not be citizens or residents of the U.S. or Canada.

"The Coalition commends the U.S. Government team whose hard work made this successful outcome possible," Swanson concluded.

Federal Motor Carrier Safety Administration Implements New Regulations

The U.S. Department of Transportation's Federal Motor Carrier Safety Administration (FMCSA) is in the process of implementing its Compliance, Safety, Accountability (CSA) program. This program will affect trucking companies all over the country, both large and small, corporate carriers and business divisions. According to sources, lumber wholesale companies with trucking capacity may want to pay special attention.

CSA scores will be available soon and every company is encouraged to visit the FMCSA website to access the scores. The program and scores will likely influence the ability to get business and move freight in the upcoming years as it replaces the SafeStat system. Federal courts were asked by the National Association of Small Trucking Companies to stop CSA implementation.

For more information visit ww.fmcsa.dot/gov.

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MCLENDON -

Continued from page 3

will lower prices now that they have less competition?

So in addition to the large corporations that are manufacturing flooring, who benefits from protectionism? We are still trying to figure that one out.

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TRUELOC -

Continued from page 4

darker. This entails offering a surprisingly large range of Oak types. Currently Trueloc offers hand-scraped, wire brushed, waxed, oiled, white oiled, whitewashed, limed, stained oiled, and a full range of stained colours of Oak. And the names of finished product are getting ever more obscure: "Oak Blizzard, Outback, Desert, Thunderstorm, Dusk, Uluru, Midnight and Mist".

Central to the Malaysian operation is local Director Nagaraja Jeganathan, or "Naga" as he likes to be called, with 12 years experience in Malaysian production of hardwood flooring. He puts much of the company's technical success in the vacuum drying and acclimatising process that works for Australian species in tropical climatic conditions. Whereas flooring producers in tropical countries using Australian species normally import kiln dried lumber, Trueloc is importing wet lumber at 30% to 40%MC, cutting into 5.5mm lamellas and then drying to 6 to 7%MC in 5 days. The vacuum dryer is fully operated through internet connection from Australia by Trueloc's KD specialist, Keith Reeves. Naga believes that by this method there is more consistent drying, less downgrade and thus higher yield of a more accurate material for laying up on substrate. By this method of drying he feels that Trueloc has overcome the problems of surface checking that can be associated with native Australian Eucalyptus.

This is not a problem with the kiln dried American Oak lumber that the company now also uses. The company contracts out the manufacturing of core material supplies for its 3-ply engineered product utilising low grade rubberwood off-cuts recovered by local furniture producers. Total product thickness is 13mm (9/16") with final surface layer of 3.2mm (1/8") clearly intended for markets where people do not remove shoes!

The Swedish '2G' and '5G' glue-less locking system, invented and patented by Välinge, is spectacularly successful in achieving quality installation of engineered floors, but the quality of the hardwood species for the surfaces is equally important. The system uses a pre-tensioned bio-degradable polypropylene fillet at the end of each board facilitating an end click connection as well as the side click connection, resulting in very rapid and highly reliable installation to a consistent standard of strong, tight, seamless, jointed flooring.

In conclusion, Trueloc is an all-Australian company in terms of ownership, plant, marketing and part of its management, but its branding as "The True Australian Floor" may no longer be a true reflection. Made in Malaysia with Malaysia cores, to a Swedish system, using hardwoods from Australia, Malaysia and USA and now perhaps to be sold more internationally it is looking more global by the day.

For more information on this company, go online to www.trueloc.com.

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ROMEA -

Continued from page 5

Pasqualetto said the firm's markets span around the globe. "We market our products in about 60 different

Continued on page 15

AHEC STATISTICAL INFORMATION 2010-2011

UNITED STATES DEPARTMENT OF AGRICULTURE
JANUARY - DECEMBER VALUE IN DOLLARS HARDWOOD LUMBER

Partner	2009 Value	2010 Value	% Change
China			
Red Oak	50,725,357	88,867,227	75
Yellow Poplar	29,769,324	56,527,101	90
White Oak	35,428,084	48,895,857	38
Western Red Alder	23,718,713	42,403,088	79
Ash	17,129,183	38,985,523	128
Maple	13,377,292	20,781,934	55
Walnut	7,602,999	14,577,661	92
Hickory	6,859,199	12,010,251	75
Canada			
Red Oak	54,599,174	80,334,837	47
Maple	49,256,408	63,042,095	28
Walnut	16,734,202	25,838,510	54
White Oak	12,782,637	19,322,844	51
Tropical	1,255,909	2,568,962	105
Italy(*)			
Yellow Poplar	25,999,723	43,597,935	68
White Oak	14,324,896	27,911,135	95
Ash	3,738,773	5,524,439	48
Walnut	1,511,482	1,997,115	32
Vietnam			
Yellow Poplar	22,882,405	39,353,683	72
White Oak	18,987,207	27,515,751	45
Ash	2,888,605	9,146,256	217
Western Red Alder	3,461,251	5,034,754	45
Red Oak	791,245	4,575,218	478
Walnut	1,393,720	1,661,086	19
Mexico			
Maple	10,465,066	15,636,949	49
Western Red Alder	4,999,181	6,200,213	24
Hickory	1,999,266	5,493,779	175
Ash	2,819,100	3,418,180	21
Tropical	1,573,538	2,675,848	70
United Kingdom			
White Oak	18,922,278	20,469,938	8
Walnut	53,931,538	5,006,384	27
Germany(*)			
White Oak	10,327,338	13,838,878	34
Walnut	4,687,651	8,886,365	90
Yellow Poplar	1,617,859	3,398,149	110
Ash	664,336	2,022,319	204
Cherry	1,167,531	1,836,442	57
Maple	877,027	1,278,182	46
Japan			
Walnut	7,116,257	7,731,174	9
White Oak	3,783,123	5,548,054	47
Ash	3,123,172	4,530,326	45
Maple	3,163,073	3,472,590	10
Yellow Poplar	1,736,946	3,242,669	87
Cherry	1,384,768	2,792,290	102
Red Oak	1,827,219	2,529,047	38
Spain			
Ash	626,791	1,440,743	130
Hong Kong			
Yellow Poplar	1,700,866	5,660,789	233
Red Oak	1,760,619	2,329,498	32
Walnut	1,770,844	2,189,605	24
Western Red Alder	125,613	1,500,642	1,095
Cherry	552,588	1,075,119	95
Ash	176,874	1,031,729	483
Maple	418,869	1,000,095	139
Indonesia			
White Oak	6,429,532	7,200,843	12
Maple	1,804,690	3,131,059	73
Red Oak	718,992	1,621,067	125
Walnut	331,726	1,412,228	326
Yellow Poplar	412,853	1,362,305	230
Ash	741,134	1,228,971	66
Portugal			
White Oak	11,918,988	12,451,587	4
Ash	1,019,166	1,398,044	37
Cherry	169,471	1,136,256	570
Walnut	149,840	762,082	409
Maple	367,102	689,872	88
Thailand			
Ash	1,347,887	1,770,442	31
Western Red Alder	355,070	1,189,228	235
Egypt			
Red Oak	2,740,088	6,673,624	144
Ash	750,696	2,389,634	218
Malaysia			
White Oak	3,882,864	5,858,747	51
Walnut	1,083,009	2,372,527	119
Yellow Poplar	778,319	1,374,527	77
Red Oak	869,446	1,344,759	55
Korea, South			
Ash	3,187,378	3,822,821	20
Red Oak	1,388,336	2,132,864	54
Maple	1,597,668	1,895,334	19
Walnut	180,345	672,736	273
Yellow Poplar	306,627	401,928	31
Taiwan			
Yellow Poplar	442,692	1,233,934	179
Ash	479,797	1,085,070	126
Red Oak	531,324	956,837	80
Maple	459,359	851,024	85
Belgium-Luxembourg(*)			
White Oak	4,808,937	6,254,494	30
Ash	295,717	1,047,073	254
Yellow Poplar	423,870	1,009,339	138
United Arab Emirates			
Ash	1,492,654	3,052,394	104
Cherry	327,918	2,581,102	687
Walnut	426,570	2,138,867	401
France(*)			
White Oak	2,991,865	4,493,743	50
Ireland			
Yellow Poplar	695,048	1,072,795	54
Netherlands			
White Oak	1,613,557	2,545,595	58
Walnut	1,307,202	1,990,895	52
Ash	660,584	1,233,294	87
Saudi Arabia			
Red Oak	2,411,833	4,169,179	73
Ash	515,067	1,060,918	106
Maple	272,429	561,693	106

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ROMEA -

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countries via container, truck and break bulk," he explained. "Our sales office is located in Venice and we also cooperate with timber brokers."

With two factories located in Venice and Bologna, the operation includes sawmills, kilns, steamers, cut-to-size thermal treatment, and decking and flooring plants.

The firm operates 40 dry kilns drying approximately 6.000 m3 per month, with moisture content of six to eight percent. Romea's warehouse space is about 30.000 m2 with an average inventory carried of 25.000 m3 on the ground for prompt shipment. "Our patented drying system allows lumber to dry to a low moisture content in record time with little risk of degrade," Pasqualetto noted. "Also, the computer-controlled measurement and tallying system ensures accurate and precise product information."

Beech, Oak and Ash logs are sourced from Romea's own forest concessions and from government options, then they are sent through the sawmill, kiln dried and graded at the company's modern sawmills in Italy. Romea is FSC certified, underlining their commitment to quality production and the environment. "The policy of Romea is to be very careful with the products we buy and resell to our customers," he said. "We seek suppliers that guarantee sustainable products."

In addition, all products are barcoded and linked via GSM to the main computer. In the near future Romea will give their customers access to the latest information on the status of their order via the Internet. "The improved quality control and personal contacts the company has developed have helped sales and our exports increase considerably," Pasqualetto said.

The family operated business was established more than 300 years ago. Early beginnings included cutting Spruce, Pine and Larch in the Trentino Alto Adige region and shipping it to Venice, which was in need of forest products to protect their homes and palaces from salt-water erosion.

The family later switched from trading logs to processing and manufacturing lumber for buildings, the automobile industry and wagon manufacturing. Throughout the last 50 years, Romea Legnami has expanded its business to include facilities in Veneto, Friuli and Emilia, Italy.

Over the years the firm has continued to develop and innovate with the addition of state-of-the-art equipment. The plants were fitted with new modern woodworking machines for sawing, drying, steaming, H.D.D. and H.V.P.I. treatment and a grading system that uses an exclusive ecological structure.

Romea's specialization increased over time by including log selection, felling, sawing, drying, measurement and tallying by computer scanners that ensure accurate and precise product information of each species. To maintain the best possible results, Romea sends skilled workmen "on-site" to control log processing.

"Our primary focus is the selection and processing of logs coming from world-wide forest, according to the rules of legal cutting and the environment," Pasqualetto explained. "The processing steps consist of very specific requirements from customers all over the world. Today, we are the reference point for other companies that take up log import sector and the first processing step."

With approximately 80 employees the company operates about 54 hours per week. Pasqualetto said some of the employees have been with Romea for more than 30 years. "We feel we have a very good reputation thanks to the good quality of our people and our product," he said. "The philosophy here is that if you don't see what you want, ask! We want to help."

As for future plans, Pasqualetto said Romea continues to study new products to present to both its national and international markets. When asked about any unusual requests he has received, he said Romea once prepared Iroko beams that were 13.50 mt in length.

Romea Legnami is a member of the International Wood Products Assoc., National Wood Flooring Assoc., Kitchen Cabinet Manufacturers Assoc., Association Technique Internationale des Bois Tropicaux and the National Hardwood Lumber Assoc. For more information visit www.romealegnami.com.

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BUSINESS TRENDS (ABROAD)

China

According to sources, China is currently the largest wooden furniture producing and exporting country, with the main export destinations being Europe, the U.S. and Japan.

With the global economic crisis, China's exports of wooden furniture declined in 2008 but recovered in 2009. Statistics covering the period from January to November 2010 showed growth in China's wooden furniture trade.

Wooden furniture imports in China totaled a value of US$244 million from January to November 2010, a jump of 17 percent compared to the same time period in 2009. China also exported much more wooden furniture (excluding wooden framed seats) valued at US$9,447 million year-to-date, 42 percent higher than the same period in 2009.

Also in China, the former chief executive officer of China Forestry Holdings Ltd. violated Hong Kong law and should face proceedings in the city, according to a lawyer for the Securities and Futures Commission.

A freeze on HK$398.2 million of Li Han Chun's assets has been extended by Judge Andrew Chung until trial or further order. The regulator was also given permission by Chung to serve Li with a lawsuit seeking refunds for investors.

"The SFC is prepared to prove the fact of contravention," the watchdog's lawyer Roger Beresfore told the judge of the alleged breach in Hong Kong securities law. "There is a restitution to be made in protection of innocent investors."

China Forestry, partly owned by Washington-based private equity firm Carlyle Group, said in a Hong Kong stock exchange filing that Li and his personal company engaged in insider dealing. Allegedly the firm sold 119 million shares of China Forestry through a share placement plan according to the SFC.

Based in Beijing, China Forestry disclosed potential accounting irregularities recently and Moody's Investors Service put China Forestry's depot on review for a downgrade after share trading was recently suspended.

China Forestry Holdings Ltd. is located in Yunnan and Sichuan provinces. The operation currently owns approximately 12,447 hectares and 159,333 hectares respectively.

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Peru

Peru's Export Association recently reported the value of wood products

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BUSINESS TRENDS (ABROAD)

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exports at US$12.2 million, down 29 percent from US$17.3 million.

The three largest importers were China, Mexico and the U.S., which together accounted for 89 percent of the total export value. Columbia increased its imports of sawn wood while Puerto Rico imported more plywood compared to the previous year. Spain and Italy reduced their wood product imports sharply from the previous year by 72 percent and 57 percent respectively.

Semi-manufactured products accounted for 46 percent of the total export volume. Accumulated exports from the beginning of 2010 totaled US$69.8 million, a 22 percent hike from exports during the same time period of 2009. Peru's semi-manufactured products were exported mainly to China, accounting for 78 percent of the total exports. Sweden and Israel substantially increased their imports of semi-manufactured products also.

Sawn wood exports made up 34 percent of the total exports. Accumulated sawn wood exports from the beginning of 2010 totaled US$52.6 million, up 7 percent over the same period in the previous year.

Accumulated veneer and plywood exports were recently valued at US$14.5 million, an increase of five percent from the same time period one year earlier. Mexico accounted for 94 percent of veneer and plywood exports.

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Africa

According to sources, Africa's market situation has remained virtually unchanged with producers and exporters occupied with exiting orders. Inquiries from buyers are steady at volumes that are normal for the time of year, although European demand is still low.

One analyst said it is likely that European buyers will begin to look for purchases to build up their stocks, which will help maintain market stability in terms of both prices and demand, especially for sawn wood. Log prices are stable and unchanged from the previous report. Producers are not planning for any major moves as demand for some species continues at a high level of prices reported recently.

Prices for Sapele and Sipo are still reported at low levels, while Iroko, Billinga, Moabi and Padouk are increasing with continued demand. Exporters report order books as good, quoting higher prices for order inquiries on most popular species.

Gabon recently reported old logs were being cleared from the ports by sawing into boules for exports. Gabon is now allowing the exports of logs cut boules with at least one sawn edge.

Producers are taking preliminary orders for species such as Padouk, which has good demand in China and attracted recent interest from India. Additional demand for boules has helped to clear the older logs from the ports.

An analyst said the trade in boules is expected to strengthen as log producers and saw millers are satisfied with the export prices of boules, despite the higher freight costs per cu.m for boules than for squares, which are offset by lower handling costs for importer and end-users.

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Germany

Recent forecasts show that imports will rise slightly to 4.2 million cubic meters in 2011, right behind a projected 19 percent gain in 2010.

Consumption is expected to increase 2 percent to 17.9 million cubic meters, far and away the largest market in Europe, accounting for about 18 percent.

Shipments from the U.S. were reported as rebounding last year after losing ground in 2009.

Consumers and traders are preparing for higher lumber prices in the near future, according to the association for the sawmill and wood industry of Baden-Wuertemberg. The primary reason is a continuing difficult situation of raw materials. Prices for commodities rose by 25 percent last year. "We now have to charge more for our products," director Ludwig Jaeger whose association represents approximately 400 sawmills said.

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Spain

Sources said softwood lumber imports rebounded in Spain for 2010. A six percent increase in imports was forecast this year to 1.2 million cubic meters. Consumption overall is expected to inch upward by 2 percent, reaching 3.1 million cubic meters.

The Spanish Timber Trade Federation recently released figures showing imports increased by 11 percent through the first half of 2010, after falling 37 percent in 2009. France and Sweden were reported as the largest suppliers with increased shipments of 23 and 52 percent respectively.

Exports from the U.S. to Spain were average with the 2009 pace. However a dramatic downturn in demand has prompted U.S. suppliers to find alternatives, most continue to maintain a presence in that market and serve longtime customers as demand dictates.

However, suppliers said a significant increase in sales to Spain is unlikely while the country deals with an ailing overall economy. The housing market is expected to continue to struggle with a heavy inventory of unsold homes. Some estimates indicate building activity fell 14 percent in 2010. Demand for softwood lumber is forecast to remain soft for the next two years.

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Italy

Italy held its position as the leading European destination for Southern Pine in 2010, and is expected to hold that distinction again in 2011. Gradual gains similar to those seen in 2010 are the best most U.S. exporters say can be expected this year. The country's dwindling furniture manufacturing base remains a limiting factor in the demand for Saps and other higher-grade stock.

According to analysts, overall consumption and imports in Italy are likely to remain at or near 2010 levels.

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United Kingdom

Falling to its lowest levels in more than a decade in 2009, softwood lumber consumption managed a modest gain in 2010, according to sources.

The upward trend, though moderate, is expected to continue throughout 2011. Imports have also been forecast to rise slightly. U.S. exports rebounded last year from a historic downturn in

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