



IHLA Hard News

www.ihla.org

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Wood Summit III – Get Ready for the Recovery

The hardwood industry will bounce back soon, and when it does, it will certainly do so under different circumstances than it saw during the last brisk business cycle.

A new administration in Washington D.C. with all new policies will affect businesses in many areas; most noticeably in energy costs, taxation, health care, and transportation.

With sawmills and secondary manufacturers open to any new market opportunities and the green movement dominating media coverage, certified lumber has gained a market share in the United States and strengthened its position in foreign procurement policies.

The housing crisis, the decline of the RV industry, and a decade of increasing furniture imports have severely reduced demand for timber; resulting in green supply shortages from reluctant sellers, and a shrinking base of skilled and experienced loggers.



Former IHLA president Richard Wertz shares a laugh with Lt. Governor Becky Skillman, during her visit to the IHLA booth at the 2009 Indiana State Fair (more photos on page 5).

*“MASTERS OF HARDWOOD;
A TRADITION LIKE NO OTHER”*

January 27 & 28, 2010

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to make your room reservation.

**Sign Up Now for Your Exhibit Booth
At the 2010 IHLA Convention!
Pick Your Spot Before They're All Gone!**

www.ihla.org

IHLA's third edition of its Wood Summit symposium has been developed to help you understand the new challenges that lie ahead as we crawl toward recovery. It was also developed to help you “sharpen your saws” in preparing your company and your employees for the industry of the future.

The Summit will take place October 15, 2009, at Purdue University's Pfendler Hall in West Lafayette. Technology, forest health threats, renewable energy, woody biomass, certification, export market intelligence, and economic forecasts will all be addressed through a number of experts; all in a single-day format of speakers and panels.

This is the most important meeting you will attend this year, and the first chance in a while to network with the industry's best and brightest; all for an incredibly affordable \$59 per attendee, courtesy of the IHLA Education Committee.

Register today, and get ready to merge onto the road to recovery.

The schedule of events, speakers and registration form can be found on page 6 of this issue of the Hard News.

Inside This Issue

Executive Director's Remarks Page 2
From the Desk of Denice Page 3
Industry News Page 4

The Summer in Pictures Page 5
Industry News Page 6
New IHLA Members Page 7



Hard News

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Federal Climate Change Legislation and Forestry's Impact

Ray Moistner

Executive Director, IHILA

It seems almost certain that Congress will pass some version of the climate change legislation. The United States Senate is now considering the climate change legislation that was adopted in the House by a narrow margin. H.R. 2454, the American Clean Energy Security Act (ACES), is a 1400 page document that seeks to deal with climate issues, is most often associated with its cap-and-trade provisions, but also includes incentives for renewable energy production, electricity infrastructure, clean vehicles, and job training.

It's original goal of producing 25% of electricity from renewable sources by 2025, has been modified to 20% by 2020. States may opt to meet the goal with 20% renewable energy while others may split the goal, such as 12% renewable and 8% improved efficiency.

The bill adopts the Farm Bill definition of renewable biomass, which allows resources from non-federal lands to include residues and by-products from wood, pulp and paper facilities. The bill also allows biomass from federal lands to include dead, damaged, and badly infested trees.

Electricity efficiency will be a key target for the bill, seeking to reduce energy use in buildings by making them more efficient, and it includes a funding mechanism to cover 50% of retrofit costs. Also targeted is fuel efficiency and reduced emissions, which could result in more public transportation and a switch to lower carbon fuels in vehicle fleets.

The bill's stickiest component is the "cap-and-trade" program, which sets a limit on greenhouse gas emissions modeled after the 1990 system, which was successful in reducing acid rain pollution. Under the version passed in the House, agriculture and forestry operations are exempt from being regulated as capped entities, unlike entities such as electric utilities, oil refineries, and energy-intensive industries such as cement and aluminum producers.

Those firms will use allowances to cover their emissions, and emissions beyond that level can be bought via "offsets"

from uncapped sectors, such as agriculture and forestry. Industries who reduce their emissions below their allowances can sell or trade their excess in the carbon market. Over 85% of the allowances will be distributed for free by the government to capped sectors. The remaining allowances will be auctioned with revenues used to compensate households for increased energy costs, or to reduce greenhouse gas emissions.

The key opportunity for forestry to contribute is through the production of offsets for the carbon market. The USDA would oversee the method used to establish the baseline emissions (this system is favored by the Hardwood Federation), as well as several other areas. The program would also provide technical assistance for those developing the offsets, and reward those participating in voluntary carbon sequestration practices.

The bill allows up to \$1 billion to fund programs for forest landowners and others, to participate in government-funded programs to reduce emissions and improve efficiency. Offset projects can include: forestation or reforestation; forest management that increases carbon storage; conservation of forestland; improved forest management including accounting for carbon stored in finished wood products; reduced deforestation; urban tree planting; adaptation of plant traits resulting in increased forest sequestration.

There are certainly a number of reasons to be concerned about potentially costly new legislation, but the forestry sector has a huge role to play in climate change legislation. We are uniquely positioned to be a key factor in the change, and it provides us an opportunity to show the world what we have been saying for years about forestry's positive role in a healthy environment.

I am serving on Indiana's 25 x '25 Implementation Committee, which has been endorsed by Governor Daniels. It seems as though our industry has focused itself on the potential increased cost of electricity that may accompany this legislation, but it would be worth a second look to see our industry as a key provider of biomass, and a holder of many trump cards in the game.

We all applauded the book written by Patrick Moore entitled "Trees are the Answer," and we all truly believe that our industry was "green" before green was a buzz word. It seems that now is a good time to let the media and the debate show our industry in a very positive light.

From the Desk of Denice H.



Hello from the IHLA office! We have spent the last three weeks at the Indiana State Fair (I never get tired of looking at that beautiful covered bridge) and our Tree Stumper Board sure got a workout!

We featured the new website www.indianawoodisgood.com, to demonstrate to the fairgoers how easy it is to use. We also passed out refrigerator magnets to help them remember "Think Hardwoods. Think Indiana." **Rich Solano**, Commerce Committee Chairman has worked hard to keep fanning the flames on our branding campaign. Thanks to **Tom Derleth** and his crew **Tracy Vandeventer** and **James Gibbs**, once again for setting up the booth and hardwood floor. A big thank you to all the dedicated volunteers who helped man the booth each day of the fair! Thanks to the following companies for donating logs for the Pioneer Village at the fair: **John M. Wooley Lumber Co.**, **Foley Hardwoods**, **David R. Webb Co.**, **Hope Hardwoods**, **Pike Lumber Co.**, **C.C. Cook & Son Lumber Co.**, **Indiana Veneers Corp.** **Richard Wertz** encountered a lady who swore we had an example of a "Poison Ivy Tree" on the Tree Stumper Board, and **Darin Hollingsworth**, **IHLA President** even held an executive committee meeting at the fairgrounds. There is no grass growing under our feet!

If you are an IHLA member and have not registered your company at the **Indiana Wood is Good** website, then do it right now! What are you waiting for? It is free marketing and advertising for your company. **Mike Seidl** and I frequently direct people to the website. You may be missing business!

Reminder that **Scholarship applications** are due by **September 30th**. Committee Chairman **Paul Branch** wants to remind members to think about anyone that might be interested in applying. The application is online on the IHLA website www.ihla.org, click on the Education link.

The annual **Fun Shoot** is scheduled for Saturday, October 10th. **DeWayne Feltner** and **Carter Rothrock** are counting on another good turnout. Call Denice at the office if you need a registration brochure, or download one from the IHLA website. It's always a beautiful, fun fall day and all proceeds go to Riley Hospital for Children!

Wood Summit III is scheduled for October 15 in West Lafayette at Pfendler Hall Auditorium on the Purdue campus (see the cover story). You will not want to miss this. It will be a jam-packed day with updates on everything from log-scanning to pests, from economy to certification, etc. You name it – we'll talk about it! Information can be found at www.ihla.org, under Events. The Education Committee has worked hard under **Mista Feist's** leadership to put this seminar together for you, at a very nominal fee.

Chris Moore and his team have met to work on the **IHLA Convention** coming up January 27 & 28, 2010. This year's title is "**Masters of Hardwood: A Tradition Like No Other**" (golf theme). Remember, this year the convention will be held at the Indianapolis Marriott Downtown. Room reservations can now be made by calling (317) 822-3500. Watch your mail for registration information in October!

Did you know that if you get a new IHLA member that you are eligible to win \$100 dollars in the monthly drawing? Just ask **Martin Quanci**, **Mill Quality Equipment & Designs**. He won \$100 for sponsoring new member **Mel-lott Mfg. Company**, in July. **Mark Williamson**, Membership Chair is working earnestly to recruit new members and he wants to give you \$100. Membership applications are online.

Rick Zorman is a new Grandpa! Baby Elizabeth was born to Rick's oldest daughter on July 21. I have seen pictures and she is a cutie. We also had visitors in the office, **Jeff Manges**, **Angie** and little **Drew** came up for a visit! Drew was in fine form flirting with the ladies! We always love our members to drop in for a visit. If you are in Indy going around the "loop" – come on in. This is your office too! Did you know "**The Society of Wood Heads Only**" sponsored a fundraiser for high school woodworking programs of El Dorado County? Ask **Jim VonTellrop**, **Bois Peladeau** to show you the huge article written in the Mountain Democrat, regarding the festivities. Great job to the SOWHO's! Our sympathies to members that have lost loved ones this summer. **Cici Hollowell** passed away in June. Bob & Cici were honored guests at our Board dinner this past February. **Jim Steen's** son in law **Mike Kester** passed away July 21, following a brave battle with cancer. **Grif Cook**, Past President of IHLA (1964) passed away August 7th after an extended illness.

That's all my news for now. Hope to see you at the Fun Shoot or Wood Summit!

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International Marketing for Forest Products Industry

Thursday, October 8, 2009

8:30 a.m. – 4 p.m.

Vincennes University, Jasper Campus
850 College Avenue, Jasper, IN

You are invited for a one day workshop which will introduce modern concepts in marketing for US wood products industries to take advantage of global trade benefits.

FREE OF CHARGE

Lunch is provided

LODGING

**Hampton Inn
(812) 481-1888**

REGISTRATION

**Please register
before October 1 by email at:
ehaviar@purdue.edu
or by phone:
(765)-494-3619**

REGISTRATION

The workshop is free, but registration is required. Participants are responsible for their lunch. You may register by phone or email. Registration deadline is October 1.

LODGING

Hampton Inn (812) 481-1888. You are responsible for making your own hotel reservations.

FOR MORE INFORMATION

For registration information or if you have questions, contact:

Eva Haviarova

Phone: (765) 494-3619,

E-mail: ehaviar@purdue.edu

SPEAKERS

Matt Bumgardner, USDA Forest Service; Bob Smith, Henry Quesada, faculty from Virginia State University; Mike Seidl, ISDA/IDNR and Indiana Forest Products Industry and government representatives.

PROGRAM SCHEDULE

8:30 - 8:45	Introduction Remarks
8:45 - 9:30	Status of Wood Products Industry
9:30 - 10:00	Coffee Break
10:00 - 10:45	International Marketing Principles
10:45 - 11:30	Marketing Intelligence for Export
11:30 - 12:30	Lunch Break
12:30 - 1:30	Sustainability and Green Markets
1:30 - 2:15	Logistics and Transportation Issues
2:15 - 2:45	Coffee Break
2:45 - 3:45	Panel Discussion
3:45 - 4:00	Conclusion Remarks



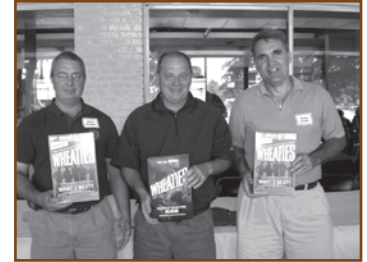
The Summer in Pictures



Congressman Brad Ellsworth (left) and **Mike Powers** of **Maley & Wertz** talk about Ellsworth's House Resolution 81, which recognizes the sustainability of U.S. hardwoods and promotes their use in green building projects. Powers is IHLA's representative on the Hardwood Federation's Board of Directors in Washington, D.C.



Wheaties all around for the last place team in the North Golf Outing. **Rick Zorman, Gary Henselmeier and Greg Pianko.**



Pike Lumber played host to several members of the ISDA's leadership during their visit to several hardwood facilities in June. From left are **IHLA President Darin Hollingsworth; ISDA Director Anne Hazlett; Jeff Irwin and John Brown, Pike Lumber Company.**



North Golf co-chairmen, **Jeff Manges and Shaun Cook.**

Anne Hazlett gets an up-close look at a bundle of hardwoods ready to ship from Pike Lumber.



Norm and Thuy Murray of **U*C Coatings** with **Roger Presl**, who just missed sinking a \$2500 putt in a contest sponsored by Murray's company.



Anne Hazlett and Mike Seidl take a rainy visit into the woods.



IHLA's State Fair booth goes high-tech. Pictured: Volunteer **Tim Eizinger/Tree Farm.**

North Golf Outing Champions: **Quality Hardwood Products. Mark Donathan, Ed McGuire, Roger Presl and Ben Vineyard.**



Mista Feist, Mark Williamson, Jay Engle and Necy Feist at the IHLA Board meeting at Hoosier Downs in Anderson.



Milt Cole welcomes State Representative **Rich McClain** (R-Logansport) to the North Golf Outing.



The IHLA Board of Directors, aptly in the Winner's Circle.

Thanks to Our 2009 PAC Contributors!

**Cole Hardwood
Forest Commodities, Inc.
Frank Miller Lumber Co.**

**Maley & Wertz, Inc.
Indiana Hardwood Specialists
Koetter & Smith, Inc.**

**Indiana Furniture
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Homes & Co., Inc.
Wertz Timber & Veneer, LLC
Werner Sawmill, Inc.
Buchan Sawmill, Inc.
Mike Seidl

Wood Summit III “The Road to Recovery”

SCHEDULE

- 9:00 – 9:15** State of the Industry Overview
- 9:15 – 9:45** Higher Yields, Coming Soon in 3-D!
Dr. Rado Gazo
- 9:45 – 10:00** What’s Bugging You?
- 10:05 – 11:15** Panel Discussion: Hardwoods - The Future of Renewable Energy in Indiana
- 11:15 – 11:45** Certification and Sustainability Update
John Seifert, State Forester
- 11:45 – 12:45** Lunch
- 1:00 – 1:45** Tour of the Hardwood Tree and Regeneration Center
- 1:45 – 2:15** Panel Discussion: Accounts Receivable and Credit Policy (Panelists TBA)
- 2:15 – 2:45** Economic Forecast - Dr. William Hoover, Purdue Forestry and TBA, Krannert School of Business
- 2:45 – 3:30** Marketing Intelligence for Exports
Mike Seidl, ISDA
- 3:30 – 4:00** Open Forum

Visit the IHLA Website at www.ihla.org, or Call (317) 875-3660 for a Complete Brochure

Registration Form (please print)

Name _____ Company _____

Name _____ Company _____

Company Address _____

Phone _____ Fax _____ E-Mail _____

City _____ State _____ Zip _____

____ Sign me up for the Wood Summit III - \$59.00 (Member or Non-Member)

____ Sign up another attendee from my Company for the Wood Summit III - \$40.00

____ I am signing up a Non-Member for the Wood Summit III - (please enter my name into the 2010 IHLA Convention Raffle, the prize is a Four Wheeler/Gator).

Card# _____ Exp. Date _____

Name on Card _____

Signature _____

Please Fax Registration Form to: IHLA (317) 875-3661

President's Message

Indiana Department of Agriculture Tours Hardwood Industry



*Darin Hollingsworth
IHLA President*

Earlier this summer, **Anne Hazlett, director of the Indiana State Department of Agriculture (ISDA)** along with her staff colleagues **Ann McConnell, Cary Aubrey and Mike Seidl**; toured Cole Hardwoods, Hollingsworth Lumber, and Pike Lumber Company. Along the tour, Anne and her staff were led through the various steps the hardwoods of Indiana go through to become finished products. **John Brown (Pike**

Lumber) showed the group how logs are delivered to the mill and then processed into hardwood lumber. John mentioned that a good hardwood forest can be harvested every 7 to 15 years, and still remain a sustainable crop. John showed the group Pike's new optimizing edging equipment and board width sorter. I think the group was impressed with the organization and professionalism of Pike Lumber.

Next, Oliver Grimm from Pike Lumber showed the group the woods close to the mill owned by my friend and retired past president of IHLA and Pike Lumber, **Dean Baker**. The woods are managed by Pike Lumber and are toured every year by local schools. Way to go Dean Baker and Pike Lumber!!

The group stopped by **Cole Hardwoods** for a tour and lunch.

Milt is always a great host with kisses for all the women. **Jeff Manges** showed the group through the wholesale yard and inventory (WOW- lots of inventory). **Roy Rentschler and Jeremy Rentschler** headed up the tour through the IDI dimension plant. With all the new equipment and state of the art finishing that is now in place, the group was quite impressed. While the tour group was at our facility, **Hollingsworth Lumber**, they were introduced to **Mike Williams and Brenda Robertson**. They saw our retail outlet, millworks, sawmill, and warehouse buildings. I shared my family's history in the lumber business with the group, and showed pictures of our advancement over the last 70 years.

Overall, I feel the day could not have gone better (except for a slight driving error and a little rain). An anonymous IHLA staff member drove the tour van and shared good information with the group. We had good media coverage of this event, as well. The Kokomo Tribune, Logansport Pharos Tribune, and Argos Newspapers all ran articles on the day's activities and used the industry's importance to the economy as the basis of their articles. Hoosier Agriculture Today and the Brownfield Network also wrote stories, and HAT provided live radio interviews on their website.

Mista Feist and the **Education Committee** have been working hard to bring the Wood Summit III (The Road to Recovery) to Purdue, on October 15th. This should be an informative and educational experience for all who attend. Thank you, Mista and other committee members, for your dedication and hard work. I am looking forward to our fall board meeting at Indiana University Memorial Union on October 30th, in Bloomington. Hope everyone has enjoyed their summer.

Quanci Takes 4th Wood-Mizer Cup Race

Martin Quanci, membership driver for Mill-Quality Equipment, captured the \$100 first prize and landed in the Winners' Circle in Race 4 of the 2009 Wood-Mizer Cup Membership Contest.

Beginning in April, each two-month period will feature a different membership race, and all who "qualify" will have an entry into that race, the winner of which will receive \$100 cash and bonus points in the Wood-Mizer Cup standings. At year's end, all who have earned points will enter the "Chase" portion of the contest, and have a shot at the Final Race and the \$500 cash grand prize.

2009 Results to Date

Race 1 - Pocono - **Sally Johnson, Batey Ltd.**
Race 2 - Bristol - **Larry Hunter, Pike Lumber**
Race 3 - Talladega - **Jerry Hilgefert, J.J. Hilgefert Woodworking Machinery**
Race 4 - Brickyard - **Martin Quanci, Mill-Quality Equipment**
Next Races - Darlington - From September 2009 through October 2009
Richmond - From November 2009 through December 2009
Championship - IHLA Convention, January 26-27, 2010

Welcome IHLA New Member

Mellott Manufacturing Co., Inc.
Stacy Mellott
13156 Long Lane Mercersburg, PA 17236
Phone: (717) 369-3125 - Fax: (717) 369-2800
EM: stacy@mellottmfg.com
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July 2009 \$100 Winner - Sponsor of Mellott Manufacturing Co., Inc.
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