CHANGING TIMES

During a recent roundtable of hardwood executives in Pittsburgh, the question was asked: “Is this a normal economic business cycle or a reflection of fundamental change?” The unanimous response was fundamental change. The paradigm is shifting. The loss of the furniture industry clearly represents fundamental change for hardwood markets, although I still think the effects of that change were somewhat dampened by an historic upswing in the housing market. The change in timberland ownership (i.e. Timos), globalization and the flood of imports, the green movement and the potential for biomass energy are all fundamental changes in the marketplace.

This issue of Hardwood Matters highlights how fundamental changes and the global economy touch all of us in our businesses. Mike Snow, the Executive Director of AHEC, reports on emerging hardwood markets overseas. Michael Buckley, NHLA’s representative in Singapore, discusses our association activities in Asia.

Another feature story focuses on the high cost of shipping containers. Our company has seen ocean freight container costs to Italy increase from $500 to $1200 this year. As container availability continues to tighten, shipments are delayed as lumber often gets bumped off ships to make room for even higher paying customers.

A reflection of the changing times is NHLA becoming more engaged in the international hardwood community. This year’s NHLA Convention theme is “The Global Gathering of the Hardwood Community.” A recent board strategic decision was to not put our heads in the sand and fret about changing times, but to promote worldwide use of our grading rules and promote North American forest resources and NHLA to lumber traders and customers worldwide. AHEC and NHLA have already invited Asian delegates and European members to attend our San Francisco convention.

This September in Washington, DC, NHLA will host a certification summit to address the global environmental concerns about sustainability and legality of our hardwood resource. And, just this past month in July, Mark Horne chaired the task force on international hardwood grading standards in Kuala Lumpur.

NHLA grading rules are still the “gold standard” in the international markets. The potential undermining of these NHLA rules would make us all less competitive in the long term. The NHLA Board strongly supports teaching our grading rules overseas to protect our brand integrity.

We hope you enjoy this month’s issue of Hardwood Matters. This publication strives to stay current and relevant. Please send us your feedback as we address such important issues as environmental sustainability, globalization, government relations, NHLA grades, hardwood certification and public awareness. NHLA has a rich history and is always evolving. Our new tagline is “Strong Roots, Global Reach.” Let’s all help make it happen.

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