

# HMA Conference Is A Must-Attend Event For RTA Members

Commentary By **Jim Gauntt**,  
RTA Executive Director

The Hardwood Manufacturers' Conference (HMA) has become a must-attend event for not only RTA but also for several RTA sawmill, producer and supplier members. It's just the right size to engage the hardwood community with quality discussions and presentations.

One of the hot topics discussed was the impact of hardwood saw log exports to China. Hardwood Review's Dan Meyer noted in their survey of sawmills that prices paid are 25-50 percent higher than mills can afford to pay. Anecdotal information gathered supported the overall view that log inventories were thin. One tie mill owner told the story of losing "all" of his latest timber bids to entities servicing the export market.

In his presentation, ITR Economics' Dr. Alan Beaulieu said that leading indicators suggested a slowdown in the rate of growth heading into 2019. However, ITR's forecast for 2020-2030 suggested many good days are ahead for the U.S. economy.

This year, several hardwood association executive directors gathered to discuss timely cooperative projects. The most intriguing of these is a proposed economic impact study for the entire hardwood industry.

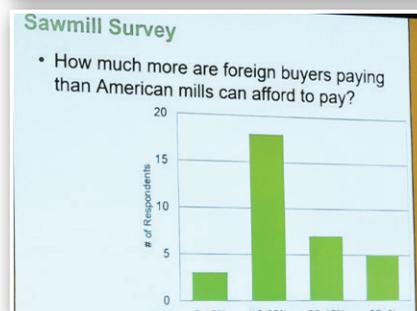
**Sawmill Survey**

- What are foreign buyers paying for logs?

	Our Survey	2017 USITC Trade Data*	Green #1 Com
Walnut	\$2,943	\$3,170	\$1,770
White Oak	\$1,446	\$2,038	\$1,010
Ash	\$1,060	\$1,390	\$785
Red Oak	\$994	\$1,443	\$865

\*M3 converted to Doyle assuming 14" logs and 37% overrun. Trade stats include all logs, including veneer.

Our survey respondents said most logs were 13-16" and 2-



**Sawmill Survey – How and Why?**

- "They are doing this to assure the supply and drive out competition, regardless of their sawmill needs or costs"
- "They are being subsidized by their governments to keep their people working"
- "The VAT tax the Chinese pay on imported lumber is 17%; the tax on logs is only 11%"
- "They want to put enough U.S. sawmills out of business that they can control the market"
- "Russia and other suppliers have slowed/stopped log shipments to China, so the Chinese focus has turned to the U.S."

The project would be designed with an objective to provide analysis to allow the hardwoods associations and their

members to better articulate the value of the hardwood industry and its economic impact on the nation, certain states and selected congressional districts. Never has this been more important than in the environment that now exists in Washington. Partisan politics in Washington affect many things negatively, but when clear needs are identifiable, there are often bipartisan outcomes such as the 45G tax credit for short line railroad infrastructure investment (see separate article Page 8).

It is in that spirit that many hardwood associations look to cooperatively fund work to develop impact analysis that will help forge bipartisan support when the hardwood industry petitions legislators to recognize challenges and needs of the hardwood sawmill community. After this meeting, the RTA Board signaled to staff its willingness to participate in such a cooperative effort with appropriate funding should other hardwood associations follow suit.

Interestingly, there is another rail industry supply network cooperative economic impact proposal the RTA Board is also studying. If both analyses proceed, RTA could leverage the data in much the same way as RTA's economic work for 45G has been used to help build powerful messages to present to congressional leaders in the future. ■

## What's Your ROR (Return On Relationships)?

Special To Crossties from  
**Hardwood Manufacturers Association**

An impressive mix of hardwood industry stakeholders convened in Greenville, S.C., March 21-23, for the Hardwood Manufacturers Association (HMA) 2018 National Conference and Expo. The confab, designed around the question, "What's your ROR," successfully provided a host of events, business sessions, and network-

ing opportunities to assist all conference participants in evaluating their "Return on Relationships."

Open to all industry stakeholders, the 2 ½-day event included an Industry Expo, several networking receptions and presentations. Presentations addressed member company upgrades and problem solving, legislative issues, hardwood cross laminated timber, cybersecurity and physical security, staffing and labor issues, economic issues,

and domestic and international hardwood lumber trends, among other topics.

Additionally, HMA's NextGen Leaders Council hosted a reception for next generation conference attendees and others interested in mingling with this group of enthusiastic future leaders.

More info: [www.HMAmembers.org](http://www.HMAmembers.org). Or, contact HMA Executive Vice President Linda Jovanovich, (412) 244-0440, [ljovanovich@hardwood.org](mailto:ljovanovich@hardwood.org). ■