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# INSIDE VT WOOD

## Reminder...

Remember to submit department news items by Friday 3 p.m. of each week to Will Pfeil at [wpfeil@vt.edu](mailto:wpfeil@vt.edu) for inclusion in Inside VT WOOD each Monday morning. All past issues of Inside VT Wood reside on our department website under the publications link.

## News From Paul Winistorfer

- Our Graduate Student Spotlight this week is on Brian Perkins, PhD candidate working in the area of forest products business performance in the hardwood industry.
- Congratulations to the Forest Products Club and the many student volunteers who participated in the recent work day on a Habitat House in Roanoke in support of the VT Engage initiative. You can read more of their effort below.
- A late fall clean up is coming to the Brooks Center beginning Tuesday November 28th. Containers will be available for disposal of wood materials. Bob Wright is coordinating this effort.

## Buehlmann Recruits MS candidate from Cal Door

Dr. Urs Buehlmann (on the left) has recruited a new MS student from the California Door Company. Gavin Wherry will be joining our program in January as a new MS student. He holds the BS in ag resource economics from the University of Arizona and is currently in charge of the shipping department at Cal Door located in Morgan Hill, California. He is interested in industry performance and supply chain issues. Welcome Gavin to our program.



## VT Forest Products Club Teams Up With Habitat for Humanity By Adam Scouse



Those who participated included: (L to R)

Amy Jahnke, Angela Zhou, Brian Perkins, Ryan Bamberg, Becky Dawson, Josh Hosen, Channa Cerza, Mike Elebash; On the Stairs: Adam Scouse, Kevin Lancaster, Kevin Eberling, Dr. Dan Hindman, Mr. Bob Wright, Jesse Paris, and Teal (a habitat for humanity regular volunteer)

On November 3rd 2007, the Forest Products Club at Virginia Tech participated in the VT Engage Challenge. The club contributed an overall 70 hours of community





service with the Habitat for Humanity Roanoke chapter. Twelve students and two faculty members used their Saturday to help with deck work, caulking and priming a newly constructed four bedroom house on Rugby St, located in Roanoke, Virginia. The group enjoyed working alongside a number of regular volunteers and Habitat for Humanity representatives with the goal of reaching 600,000+ hours of community service by the Virginia Tech community in honor of the April 16th tragedy. Much thanks is given to all who participated in the project

and to Steve Hammond, the Roanoke chapter representative, who helped set up the work date. If you are interested in learning more about the VT Engage challenge or wish to make a pledge, then please visit the official website at <http://www.engage.vt.edu>.



### **The Virginia Tech Forest Products Club in Roanoke**

Other pictures available at: <http://filebox.vt.edu/users/scouse/Habitat%20Pictures/>



Brian Perkins, Ph.D. Candidate

**M**y name is Brian Perkins and I am pursuing a Ph.D. in the Department of Wood Science & Forest Products at Virginia Tech. I am originally from Beckley, WV and yes, I cheer for the Mountaineers. I started my long college education at a small school in the heart of WV, Glenville State College, which is well known for graduating procurement foresters with hands-on experience. Not wanting to enter the “real world” earlier than my friends with my two-year degree, I decided to go to WVU. Upon my transfer, WVU I decided to enroll in wood science and technology, the logical next step in the forest utilization process.

I worked in a college cafeteria during the school year and for Georgia Pacific Mt. Hope OSB (near Beckley) in the summer to pay my way through school. After four years in Morgantown, I was finally ready to enter the real world. I went to work as a residential millwork salesperson for Winchester Woodworking, an architectural millwork firm located in Northern Virginia. After two years, I went to work managing a small, custom,

high-end cabinet company called Westminster Woodworks. Unfortunately, the mistakes of the previous manager had left the company nearly insolvent and with \$100,000 kitchens hard to sell, the company went bankrupt. That is when I decided to go back to graduate school. I just barely squeaked into Virginia Tech, where I initially wanted to work with Tom Hammett. As it turned out, Bob Smith had money and a project for me, so I went to work with Bob. The faculty and staff here in the Department of Wood Science and Forest Products are some of the most knowledgeable and helpful people that I have ever met. I am very honored to be apart of Virginia Tech and this department.

My thesis research, which I finished in December 2006, determined the economic feasibility of utilizing red oak small diameter timber for solid wood and residue production. I have learned a lot over the past three plus years as a graduate student, by applying business theory and practices to the field of forest products and wood science. There are a number of subject areas that I am interested in including: firm performance, hardwood lumber industry, small diameter timber utilization, carbon sequestration, forest products marketing, business strategy, forest products certification, globalization, wood recycling, wood acetylation and cellulosic ethanol. After writing a successful grant proposal to fund my PhD research, I will investigate factors that influence firm performance in the hardwood lumber industry.

I also works part time for the Center for Forest Products Marketing and Management where I edit the Center’s newsletter, the Center Focus and manage the website. I am currently a member of the Graduate Student Assembly’s delegate body and I am the graduate student representative to the university’s Energy and Sustainability committee. In my spare time, I have numerous hobbies that I enjoy. Depending upon the season, I may be canoeing, backpacking, snow skiing, fishing, hunting, caving, road cycling, running, or gardening. Fortunately, all of these activities can be enjoyed close by in the Jefferson National Forest. Virginia Tech is a great place to study and Blacksburg is by far the best place that I have ever lived.

## Bob Youngs Travels to Taiwan

Bob Youngs spent the last half of October meeting with administrators, faculty, and students at National Pingtung University of Science and Technology (NPUST) in Taiwan regarding his courses in English scientific writing. His travel was supported by a fellowship from the Democratic Pacific Union, an association of democratic nations bordering the Pacific Ocean, dedicated to strengthening international peace and understanding. He teaches a basic course “Scientific Writing in English for Chinese Authors” and “Advanced Scientific Writing in English for Chinese Authors” on the Internet, using Centra software provided by Virginia Tech’s Institute for Distance and Distributed Learning (IDDL). His co-teacher is Dr. Cathy Wang, retired from NPUST and now living in Vancouver, BC. The teaching is part of the collaboration agreed to under a Memorandum of Understanding between Tech and NPUST. The basic course is currently being taught with 58 students. Both courses will be taught in the spring semester.

The visit enabled Youngs and Wang to meet all of the students and discuss the course. They met also with the NPUST President and several Deans, Department Heads, and Faculty to discuss related concerns and needs.

Students in the NPUST College of Agriculture are required to pass the course as an alternative to TOEFL.

After the visit in Pingtung, Bob participated in the IUFRO Forest Products Division Conference in Taipei. He was on the International Organizing Committee and presented a keynote speech, “IUFRO and the Challenge of Change”.



A Mongolian restaurant in Pingtung has an array of well-furnished yerts available for overnight rental. These are advanced models of the type of yurt made for sale in Floyd, VA.

## Professor and Department Head, Department of Forestry – Position Available

The position of Professor and Department Head of the Virginia Tech Department of Forestry is available and the search has begun. Please see the web resource site established for this important leadership search in our college:

<http://www.forestry.vt.edu/searchresources>

## Lunch and Learn program

Lunch and Learn program to begin in January. Beginning in January the department will host a once-a-month ‘Lunch and Learn’ informal brown-bag lunch program. This is not a formal seminar program – but an opportunity to put topics on the table for anyone in the department to participate in. Volunteers are needed to lead a discussion on a topic of your interest for each month during the spring.

## General Announcements

### Sawmill Industry In Arkansas Sees Historic Decline

By Nate Hinkel - 11/12/2007

The once-buzzing sawmill industry in Arkansas is currently operating at its slowest clip in more than half a century. That’s according to several leaders in the business who say sawmills are closing down or cutting back production at a rate like never before, with no end in sight until late 2008.

John Ed Anthony, chairman of Anthony Timberlands Inc. of Bearden, says not many people realize the dire situation many operations are facing.

“The lumber industry, wood products industry, lumber and plywood industries - they’re all at absolutely catastrophic levels,” Anthony said. “I’ve been around for 50 years, and not once has it ever been as dire as it is right now. I can’t stress enough how volatile it is right now.”

The number of sawmills in Arkansas has been steadily declining for the past quarter-century, but before now, that was simply a reflection of modernization and consolidation and didn’t indicate a struggling market.

In 1983 there were more than 1,200 sawmills - 677 primary and 541 secondary - in operation in Arkansas. At last count in 2006, according to the Arkansas Forestry Commission, there were just 420 total sawmills buzzing in the state, dramatically down from the 1993 total of 536.

### **But Production Up**

But just looking at the tape doesn’t reveal the tale. Despite the steady decrease in numbers of wood-processing plants, actual production increased, and Arkansas rose to become the third-largest timber harvester in the country.

“Though we have fewer sawmills now, we process more wood currently than we have in previous years,” said Rebecca Montgomery, a field audit supervisor for the Arkansas Forestry Commission. “The number of large mills has increased over the years, and mill capacity has increased over the years due to advances in technology. So, though mill numbers have declined over the years, we really have gained production through technological advances.”

According to the U.S. Census Bureau, Arkansas ranked No. 7 in 1993 in lumber output, but jumped to No. 3 and trailed only Oregon and Washington in output in 2006.

“Over the years there’s been a lot of consolidation among foresting companies, not only in Arkansas, but all over the country,” Anthony said. “Modern technology and business models have changed, like every other industry, and a lot of the little family operations have fallen by the wayside or sold to bigger players.”

Anthony says the industry globally, not just in Arkansas, is as bleak as it has been in his 50 years in the business. And because of the downswing, mill closings and layoffs are now a reflection of slowing production.

Though the decrease in the number of sawmills in the state traditionally didn’t reflect bad market conditions, the industry’s current slump is the reason behind several closings.

“And if they’re not closing down, they’re definitely slowing down and cutting back on shifts and operations,” said Matthew Pelkki, associate professor of forestry in the School of Forest Resources at the University of Arkansas at Monticello, where he holds the George Clippert Endowed Chair. Indeed, the state’s sawmills are currently in flux - “not just in Arkansas, but nationally and internationally as well.”

Georgia Pacific announced on Halloween that one of its plywood mills at Crossett would be idled and 300 of its workers laid off.

The Buddy Bean Lumber Co. Inc. in Glenwood shut down indefinitely in April. J.P. Price Lumber Co. of Monticello, which was in its start-up phase, has curtailed production. Potlatch Corp.’s Warren operation shut down temporarily and has now cut back to just one shift. International Paper at Leola cut back production by a shift.

“The list goes on and on,” Pelkki said.

Anthony said two pine mills his company operates in Bearden and Malvern have largely curtailed production, and experts don’t see an end to the slowdown until late 2008.

“A lot of these mills are not your little beside-the-road operations that you’d think would be the most likely to go,” Anthony said. “These are extremely efficient, lean, modern, high-volume operations that employ hundreds of people, and they just aren’t seeing the demand.”

### **Housing to Blame**

Most everyone in the industry agrees that as housing starts go, so goes the timber industry.

The real estate boom that boosted sawmills to record production during the first half of this decade has gone into a dramatic spiral that echoes throughout the timber industry.

Housing starts in September slowed to the weakest pace in 14 years and were 19 percent lower than a year ago. Housing permits and home sales continued to fall, and foreclosures reached a high of nearly 244,000 in August.

The decline in housing starts and permits coupled with the oversupply of existing housing and falling lumber prices is not a good mix for sawmills.

“Housing starts are certainly the main contributing factor,” Anthony said. “The housing boom in recent years created a huge oversupply of raw building materials, and shrinking starts have dramatically decreased demand.”

Anthony said lumber pricing is also at a 15-year low and continually declining.

Pelkki said most sawmills had record years from 2001 until 2006 because of low interest rates, a booming housing market, the Iraq war forcing the government to purchase plenty of wood and the rebuilding necessary after the historic hurricane season of 2005.

“The wood products industry modernized and expanded production, and now we’ve had this collapse and we’ve got a lot of excess capacity of solid wood products,” Pelkki said. “So the sawmills are basically cutting back on the one thing they can - labor costs.”

### **Chip Off the Block**

The current production slump, like most industry lulls, trickles down to several areas of the overall economy but especially affects some within the timber ranks.

The state’s paper mills largely rely on sawmills to provide “residuals,” the chips and scrap left over from turning raw timber into lumber, to use in the paper-making process. And when sawmills are curtailing production at the current dramatic rate, that means fewer leftovers are getting passed along to the paper mills.

“When those wood products facilities suffer or shut down temporarily or permanently, it does have an effect on us and puts added pressure on our team to be flexible enough to make the kinds of adjustments in the marketplace,” said Max Braswell, communications director with Domtar Industries Inc. of Montreal, which operates a paper plant in Ashdown. “We still have to get that fiber, so they have to be able to make those adjustments and get it in here.”

Ben Myane, group manager of wood and fiber procurement at Domtar, said the plant traditionally likes to keep a 50-50 mix of wood chips from sawmills and roundwood - a length of cut tree - that goes into the paper-making process. But since production has slowed, that mix has shifted.

“And so there has been a downsizing in solid wood, mostly on the pine side, so what we have to do since we do buy roundwood is go out and increase our roundwood purchases,” he said. “We’ve pushed and tried to increase our tree-length end of the mill to offset some of the loss of chips. So, yes, we have pushed up tree-length receipts, and what that does is maintain a bigger roundwood inventory here at Ashdown that protects us during winter months.”

The bottom line, according to Braswell, is that the company has to work a little harder to get products into Ashdown for making paper.

“It’s just an ebb and flow that we have to adjust to,” he said. “No doubt things are a little easier and economical when the sawmills are operating at full steam.”