

# STRUCTURAL BUILDING COMPONENTS MAGAZINE (FORMERLY WOODWORDS)

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## "MSRLPC Annual Workshop Heads South" by Suzi Grundahl

The MSR Lumber Producers Council's Fifth Annual Workshop moved south this year, to Pine Mountain, Georgia. Jim Kaake, past president, was very happy with the results. "Attendance was great. The program surpassed our expectations. People enjoyed the opportunity to get away and enjoy the beautiful Callaway Gardens."

### ECONOMIC FORECAST:

The Workshop program began with an economic update by David Crowe of the National Association of Home Builders and Al Schuler of Norbord Industries. Both provided a meaningful perspective on the current and future economy. David Crowe said that the U.S. has now maintained the longest peace-time sustained growth in history. He said that based on a monthly builder survey, 1999 home sales have declined a bit from 1998. There will not be a big downturn, but NAHB expects that home sales will continue to decline until 2000.

Al Schuler said that offshore markets have had a major impact on Canada's economy. In addition, he pointed out several reasons why the U.S. economy is so much better than anywhere else in the world, including high domestic competition, new jobs and a high tech environment.

### COMPETING PRODUCTS:

Rick Ignelzi of Trussway, Barry Dixon of True House, Mary Pat Keller of Truss Components and David Crowe of NAHB talked about competing products to lumber. Keller said that her company began manufacturing with steel in 1997. At this point, 15% of her company's total sales budget is in steel. Dixon said that the steel industry has realized that they need to get smarter about marketing their product, and have begun to focus on making their product more efficient and cost effective.

In response to the question, "Why did you get into the steel business, and are you going to stay?" Keller answered, "My company began steel truss manufacturing with the knowledge that we would protect and defend our core business in wood truss manufacturing, but we are planning to stay in and grow the steel portion of our business."

Dixon said that his company was taking a hard look at MSR/MEL products. He was not completely aware of the characteristics of MSR, and he benefited from attending this workshop. He said that the main issue his company is concerned with is obtaining a straight product, and they are willing to pay more for quality.

Mike George said that in the last nine years, MSR production has doubled. Ignelzi commented that Trussway alone could eat up half of the current MSR production.

Mike Casey emphasized that the MSRLPC's focus is on how to get across to its customers the benefits of MSR, and to use this organization as a focal point. His message to the truss industry was, "You have our ear, and we encourage you to communicate your needs to us."

### **LUMBER SALES FORUM:**

In a Lumber Sales Forum, representatives from four customer groups were on hand to discuss MSR. Mike Momb of Apex Roof Truss looked at growth in post frame opportunities, and Ken Kellams of Fbi Buildings covered truss industry issues. Matt Myers of Trus Joist MacMillan talked about the use of MSR in their product, and Kerlin Drake of Anthony Forest Products discussed opportunities for glulam.

### **INDUSTRY'S FUTURE:**

Al Hopkins, Vice President of Lumber for Georgia-Pacific, concluded the Workshop with an interesting view of the future of the forest products industry. He pointed out that two key problems are the crisis in the Pacific Rim and Asia, and excessive government regulations. He said that the building products portion of the forest industry has been more profitable than the paper side. He said, "We have to listen to our customers, and figure out ways to take the volatility out of lumber pricing." He emphasized that it is critical for companies to invest in technology where it makes sense to get more margin.

He continued that it is essential for the forest products industry to go on the offensive and work in local communities to communicate the truth about wood. "We are growing more [trees] than we did five to ten years ago. What people don't realize is that trees are tenacious. Cutting a tree is not a bad thing!"

Hopkins ended his remarks by touching on the U.S./Canada Softwood Lumber Agreement. He pointed out that while current market conditions exist, there will continue to be controls on the amount of lumber shipped from Canada.

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