About Manthei Veneer

A VISION FOR THE FUTURE BUILT ON THE FOUNDATIONS OF THE PAST

In the early 1940s brothers Ted and Ernie Manthei were strawberry farmers who wanted to save money by making their own fruit baskets.

In their pursuit of this cost cutting idea they purchased a “basket making machine” which mistakenly turned out to be a veneer lathe. So they began manufacturing and selling veneer instead of growing strawberries.

By combining vision, diligence, and an attention to craftsmanship Manthei Veneer has risen from humble beginnings to a national leader in precision hardwood face veneers.

Today, Manthei Veneer is owned and operated by the third generations of the Manthei family, which provides experience along with creative thinking in forging new paths while continually improving on existing ones.

We are proud to be one of the few remaining family-owned veneer mills in North America, and as a family, we understand the value of commitment and integrity. We believe that superior service is invaluable, therefore we work hard to provide the flexibility and product diversity that best serve our customers.

That’s why for over 70 years we have offered our customers the highest quality veneer products available and remain committed to working with the changing needs of plywood, flooring, and furniture manufacturers around the world.
Manthei Veneer Fire/Rebuild

- We experienced a major fire at our lathing facility where we steam, debark, and peel logs in August of 2017.
- We continue to purchase high volumes of veneer logs while custom cutting rotary and sliced veneer during our rebuilding process.
- Completion of a brand new state of the art Meinan rotary lathe and complete green end will be completed in early 2019. The new facility will be the most technically advanced veneer mill in North America.
Manthei Veneer Products

1. Rotary face veneer. Used primarily in the production of plywood and doors. Species include Hard Maple, Red Oak, White Ash, Tulip, and Basswood. www.mantheiveneer.com

2. Plain spliced face veneer. Used primarily in the production of plywood and doors. Species are wide ranging, sliced veneer is responsibly procured around the World. All veneer purchased for splicing is FSC certified. www.mantheiveneer.com

3. Plywood. We manufacture plywood and doork skins at our facilities in Petoskey Michigan and Oconto Falls Wisconsin. www.techniply.com

4. Interior Hardwood wall covering planks. A premium veneer or MDF core hardwood plank engineered for new construction and remodeling applications. www.plankwise.com
Veneer Market Update

- Veneer sales were strong in the first 2 quarters of 2018 following the ITC’s anti-dumping and countervailing measures placed on Chinese Hardwood Plywood. The ruling resulted in nearly a 200% tariff placed on imported Hardwood Plywood from China.

- Veneer sales have slowed considerably in recent months as Chinese manufacturers have figured out ways to avoid the import tariffs by selling Radiata Pine boards, manipulating HTS codes, and engaging in trans-shipments of their products.

- The market projections for the next 6 months are steady as the US economy remains strong overall.
We expect a slightly weaker market for veneer logs in the winter months of 2018-2019 as compared to the last few years due to a reduction in log exports and flat hardwood plywood sales domestically.

North America Hard Maple loggers out produced veneer mills over the summer resulting in some mills shutting off buying for several weeks. We do not expect this trend to continue into the colder months, even with slightly softer markets.

Existing tariffs on US wood product exports to China currently range from 5-10%. We expect these tariffs to be raised to 25% in the coming weeks or months. China is by far the largest importer of US logs accounting for over half of the total logs exported.

New requirements on fumigation of exported US logs prior to arriving in China have also added costs and uncertainty on capacity for Chinese importers.

Markets for White Oak, Walnut and White Ash logs remain robust while Hard Maple and Red Oak logs have seen recent reductions in demand.
1st half 2018 US hardwood log exports total = 249,113,000 bf
1st half 2018 US hardwood log exports to China; total = 139,739,000 bf (~40,000 containers of logs)

- red oak: 28%
- ash: 14%
- walnut: 13%
- white oak: 21%
- y. poplar: 7%
- maple: 7%
Questions?

Please give me a card or your email address if you would like copies of the slides.