



Pine Chemicals Association, Inc.

Newsletter

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For further information access our website:

www.pinechemicals.org

PCA HOLDS ANNUAL MEETING IN CHARLESTON

The Pine Chemicals Association, Inc held its 2005 Annual Meeting at the Mills House Hotel in downtown Charleston, SC on May 4, 5, & 6. A record turnout for recent years was experienced with 42 delegates, 14 guests / spouses, and two staff members in attendance.

The meeting opened on Wednesday evening, May 4th with a welcome cocktail reception and buffet dinner. This gave everyone the opportunity to renew old acquaintances and to meet the first time attendees. The Board of Directors met early on Thursday morning, followed by a brief general session. At the general session Walter Jones presented information on the reversal of the recent downward trend in PCA membership. Eleven new companies have joined or rejoined PCA since the 2004 Annual Meeting.

The three Committees, Membership & Information, Meetings, and Environmental Health & Safety, all met for the remainder of the morning. This provided an excellent opportunity for non committee members to gain first hand knowledge of committee activities.



PCA Annual Meeting attendees at business session.

PCA ANNUAL MEETING



Jerry Marterer – Arizona Chemical, PCA Chairman, shares his vision of the future for PCA



David Germain gives report for the Meetings Committee



Retiring PCA Board members Ralph Emerson and Mack Harashima are recognized



PCA's youngest member – Greg McLean and daughter

The weather was totally uncooperative on Thursday afternoon with heavy rain and strong winds. Consequently, only eight brave souls participated (for nine holes we are told) in the annual PCA Golf Tournament. At the reception that evening, Greg McLean, Georgia - Pacific, Golf Chairman, awarded donated prizes to golfers and non golfers alike.

On Friday morning the Association held its annual business meeting. Jerry Marterer – Arizona Chemical, PCA Chairman, welcomed all attendees, especially those representing new member companies: Arboris, LLC; Lawter, International; Weyerhaeuser, DeWitt & Company; Lawson Consulting; National Capital Companies, LLC; and Strategic Consulting Partners, LLC. Jerry shared with us his vision for the future of PCA. He believes we should broaden our horizons to include an array of extracts and chemicals from plants. He envisions a time when the Association may be known as the "Plant" Chemicals Association.

Walter Jones PCA President, presented the Financial Report and the Annual Auditor's Report. The 2005 Budget was approved by the membership.

Committee Reports followed with Nelson Lawson reporting for the EHS Committee, Bernardo Mello for the Membership & Information Committee, and David Germain for the Meeting Committee. These reports were followed by the Nominating Committee report which proposed the following slate of Directors for the year 2005 – 2006;

Gerald Marterer – Arizona Chemical – Chairman
 Gerald Cross – Eastman Chemical – Vice Chairman
 Gregg Adams – IFF
 Ken Malin – Akzo – Nobel
 Bernardo Mello – Resitec
 Mike Roberts – Georgia – Pacific
 Corey Schneider – DRT
 Greg Wilson – MeadWestvaco
 Steve Violette – Plasmine

The recommended slate of Officers and Directors was accepted by acclamation.

At the conclusion of the business meeting, Jerry Marterer recognized two retiring Board members, Mack Harashima – Arakawa Chemical, and Ralph Emerson – Plasmine. He also recognized retiring PCA Attorney, Mike Weir – Whitman, Breed, Abbott, & Morgan. Jerry also presented the awards for the best overall and most improved safety performance to Steve Violette of Plasmine.

The Annual Meeting concluded with an informal buffet lunch.

PCA ANNUAL MEETING PHOTOS



Nelson Lawson gives report for the EHS Committee



Bernardo Mello gives report for the Membership and Information Committee



Steve Violette accepts safety awards on behalf of Plasmine



PCA guests enjoy cocktail reception

PCA NAMES NEW COMMITTEE HEADS

Due to his recent election to the PCA Board of Directors, Bernardo Mello of Resitec has resigned from his position as Chairman of the Membership and Information Committee. Under his leadership, the Association has experienced a period of unprecedented membership recruitment with 11 new or former members joining PCA. Also during his tenure the Association reinstated the practice of publishing electronically a quarterly Newsletter.

Replacing Bernardo as Chairman of the Membership and Information Committee is David Germain of Arizona Chemical. Dave has served as Chairman of the Meetings Committee for a number of years, and has guided the selection of numerous successful meeting sites and programs. We know that Dave will continue to exercise his leadership by expanding and retaining our membership.

Replacing Dave as Chairman of the Meetings Committee is Christian Pierce of Weyerhaeuser. Chris has served as an active member of the Meetings Committee for a number of years, and has made significant contributions to the site selection process.

We extend our thanks to Bernardo and Dave on a job well done and our congratulations to Dave and Chris on their new committee Chairmen appointments.

PCA OPENS REGISTRATION FOR 2005 INTERNATIONAL CONFERENCE

In a recent e mail message from Walter Jones, the Pine Chemicals Association announces the opening of registration for its 2005 International Conference to be held on October 2, 3, and 4, 2005, at the Royal Pacific Resort Hotel in Orlando, Florida. Orlando has long been a favorite spot for PCA conferences with the last International Conference being held there in 1996.

The conference format will be similar to that of recent years with papers being presented on Monday and Tuesday mornings with ample time available in the afternoons and evenings for networking. The Conference will open with a two hour welcome reception on Sunday evening, October 2nd. The final night's event will be very special one with a buffet dinner and special events in the Universal Theme Park.

For more information about the conference, the hotel and registration, please visit the PCA website, www.pinechemicals.org.

CHINESE GUM ROSIN MEETINGS

Alex CUNNINGHAM - alexcunn@uol.com.br

Secretary of ANIPIN – The Brazilian Gum Rosin Producing Association

The players in the Chinese rosin market are very active and organize each year a series of meetings and conferences, to address different issues about the business.

Since the PCA Conference in Shanghai in October 2004, we have participated in two of these meetings in Xi'an and Chengdu, and have been informed of two other meetings in Beihai and Wuzhou.

Let's first describe who the players in this market are. They involve the production and trade of gum rosin, turpentine and its derivatives; including also representatives of government organizations, the academic sector and suppliers of products and services for this industry. The workers that produce the pine resin are represented by the forest research institutes of the producing provinces. As all the aspects of the business are present, this result in very interesting meetings with hundreds of attendants.

The first of these meetings we participated in was the one held in Xi'an in the province of Shaanxi, from November 1st to the 4th of 2004. This was the Tenth Annual Meeting of the Chinese Gum Rosin Producers Association. It was sponsored by the China Gold Dragon Group and the aim of the meeting was to inform the gum rosin plant managers, about the rosin market situation at that time, and to discuss some issues about quality control on the production of gum rosin. The more than two hundred participants, mainly gum rosin producers, also heard a presentation about the situation of the Chinese economy and its effects on the rosin market, given by a business consultant. The organizers of the meeting graciously opened a space during the evening of the first day of sessions, so we could present the ANIPIN. The activities were closed with a tour to visit the Terracotta Warriors.

After a couple of meetings held early this year in Beihai and Wuzhou, we returned to participate in the 2005 Chinese Gum Rosin Trade Conference in Chengdu, province of Sichuan, sponsored by the China Forest Chemical Trade Association. One hundred participants attended during June the 2nd and 3rd of 2005. Nine presentations were given by lecturers from China and abroad:

- **Introduction of China Forest Chemicals Trade Association.** Li Yi, Secretary General of CFCA
- **A Future of Cooperation and win-win for Chinese gum rosin industry.** Wang Jingtai, Vice General Manager of GUANGDONG NATIVE PRODUCE I/E CORP.
- **Cooperate to promote the sustaining and healthy development of Chinese gum rosin industry.** Guan Qingkui, Vice General Manager of CHINA GOLD DRAGON ROSIN GROUP CORP.
- **Analysis of domestic market demand of gum rosin.** Xie Jinjian, General Manager of Guangdong Agribusiness Group Import & Export Co.



Gerald Cross (Eastman), Alex Cunningham (ANIPIN), Wang Jingtai (Guangdong NPIE), Li Yi (CFCA) and Norbert Jagers (Eastman)

- **Brief introduction of Yunnan gum rosin.** Zhang Ruifen, Vice General Manager of YUNNAN PINE FORESTRY CO., LTD.
- **Brazilian Gum Rosin Producers Association.** Alejandro Cunningham, ANIPIN
- **Drivers behind the raw materials impact.** Gerald W. Cross – Eastman Chemical Co.
- **Chinese Rosin Industry should pay attention to International Market.** Zhao Wei – AV Pound China
- **Domestic Rosin Quality Question Report** (a close session for the gum rosin plant managers). Cao Xiangming

Before the close of the conference the organizers read a proposal for the establishment of an International Association of Gum Rosin Producing Countries. The activities ended with a tour to Du Jiang Yan city irrigation system with a history of 2,260 years.

As newcomers to these meetings we observed that all the attendees are open to discuss in a healthy ambience the profound changes that are occurring in the Chinese gum rosin industry in the recent years.

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REACH

If your company does business in Europe you need to know about REACH, the most far-reaching regulatory initiative ever proposed by the European Union. If passed by the EU Parliament, this Registration, Evaluation, and Authorization of Chemicals legislation will require anyone who produces or imports any chemical (or article containing a chemical) to provide a registration to the new European Chemicals Agency. Some 30,000 chemicals produced or imported at over 1 metric ton are expected to be registered, the only exceptions being non-hazardous natural products¹. Accompanying the registration will be data on physical and toxicological properties, uses, exposure, risk management and programs to get the missing data. The evaluation phase will apply mainly to chemicals of greater than 10 tones (perhaps 5000), probably be complex due to overlapping regional vs. national interests, and surely be expensive particularly for small-to-medium companies, from what we have seen of the list of tests required. Consortiums will be needed to contain the costs, but how these will work isn't clear yet. The authorization phase is of the "guilty until proven innocent" type-banning by the European Commission comes first followed by the company having to show that the chemical can be used safely or the value outweighs the risks. Substitute chemicals will be encouraged.

The first reading of the legislation is supposed to be this fall, but who knows – it was also expected last fall! Lobbying is intense, and there is much opposition to the cost and complexity from companies, trade organizations, trade unions, major political figures and those within the EU who are concerned about the falling competitiveness of the region. A "paper" trial of the REACH process on 18 chemicals should be completed in July. This test (called SPORT) will better estimate the true costs and show up any inadequacies, perhaps in time to influence the coming legislation. PCA, through its EH&S Committee and close relations with the European trade groups, has been keeping close track of REACH, commenting where it can and preparing to assist its members cope with what eventually becomes law.

You can also get more detail on the following website:

<http://www.cefic.org/Templates/shwStory.asp?NID=29&HID=444&PHID=441>. If you have any questions concerning REACH contact the EH&S Committee chairman, Dr. Nelson Lawson at lawsonconsulting@bellsouth.net .

¹ Rosin must be registered due to its hazardous skin sensitizer label, wrongly, we believe – but that's another story.

ARIZONA CHEMICAL ANNOUNCES ORGANIZATION CHANGES

Jerry Marterer, President of Arizona Chemical, announced significant organizational changes effective May, 2005. The changes are designed to maintain Arizona's leadership position in traditional markets and to aggressively pursue new opportunities.

Stan Dobkewitch has been named Program Director, Bioceuticals. **Dave Peterson** will report to Stan as Technical Director, Bioceuticals. The program will be focused on developing markets and processes to use tree and plant based materials.

Gary Reed has been named Director, Marketing with responsibility for marketing, product management, and technology efforts in the US.

Andy Piers has been named Director, Sales. And will relocate to the US from Europe. **Roy Lofthouse** has been named Business Unit Manager Olechemicals, Europe, and will report to **Juhani Tuovinen**, Managing Director, Europe.

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