

## Members leave jam-packed Spring Networking Conference with numerous takeaways, new contacts

June 17, 2019

By Devin Steele

SAVANNAH, Ga. – SEAMS welcomed 133 members and guests to its Spring Networking Conference here at the beautiful Westin Resort & Spa, where they enjoyed plenty of time for networking (of course!) and heard from a number of speakers impart useful knowledge in the Made-In-America-focused association's semi-annual get-together.

From a Washington, D.C., update to hemp fiber to a Taiwanese company that shares the goal of successfully growing the U.S. textile industry – along with a sustainability panel session and breakout sessions on relevant topics – attendees learned more about a plethora of topics and engaged in discussions designed to help their companies and progress SEAMS' mission of building a supply chain bridge.

A big highlight of the conference was the conferral of the inaugural Sewn Products Reshoring Awards presented by SEAMS, with strategic partner the Reshoring Initiative. (See sidebar article.) With winners in three categories announced, the Textile Award was presented to Contempora Fabrics, while Unionwear was presented with the Cut & Sew Manufacturers Award and Mara Hoffman Brand was honored with the Brands & Vertical Retailers Award.

Another notable session was individual introductions built into the program, a unique and popular offering by SEAMS that goes miles in helping connect links in the supply chain. More than an hour was spent for attendees to introduce themselves and their companies as many attendees busily jotted notes on who to meet.

SEAMS' President **Matt Poovey**, president of Gastonia, N.C.-based Champion Thread, kicked off the meeting with an industry and association update.

"Last year in Asheville, I talked a lot about how the industry had changed, how we had finally stabilized and turned and started to grow again," he said in his opening remarks. "It's not the old traditional textiles like we had become used to, like our parents did. It's dynamic, it's changing, it's speed to market – all those kinds of things."

He then shared industry statistics from the National Council of Textile Organizations (NCTO), which we had recently seen in a presentation by then-NCTO Chairman Marty Moran of Buhler Quality Yarns Corp.

"The number that really blew me away was the value of all the textile shipments in this country, which is now \$77 billion, and that's a very significant number," Poovey said. "Broken down into various categories, you see apparel – everyone says apparel is gone, but it's \$12 billion in apparel made in the United States. I think that's very significant, too."

"The other one that got my attention was capital expenditures: In the United States in the textile industry in 2018, cap-ex was \$1.7 billion. For all those people who say that textiles is dead, there are a lot of people who sure are investing in their companies."

He went on to point out that employment in the industry is around 600,000.

“Back in the day, even 20 years ago, for the amount of output we give, that employment would’ve been two or three or four times more than that,” he said. “Automation, Artificial Intelligence ... all of those things have contributed to highly efficient employees. Our industry is far from dead. Our industry is real. Anybody who says our industry is gone, they don’t know what they’re talking about. We have a vibrant, strong industry.”

Poovey also urged attendees to keep up with what’s going on in Washington, particularly around the Section 301 tariffs on China and the negotiated U.S.-Mexico-Canada Agreement (USMCA). Related to Chinese tariffs, he said, “We’re clearly a made-in-the-USA organization, but there probably isn’t a single company in here that doesn’t have some foreign input in their product. I encourage you to speak to your congressperson and let them know that these increased tariffs are not helping American employment. If they wanted to do some damage to the Chinese, hit the finished goods in order to level the playing field – don’t hit our U.S. manufacturing.”

Passage of the USMCA is important, too, he said, as Mexico and Canada together are the U.S. textile industry’s two largest export markets worldwide. In 2018, the U.S. ran a combined \$3.8 billion surplus in textiles and apparel with those two NAFTA trading partners. Currently, the legislation is sitting idly in Congress, waiting for a vote.

“This is very impactful for our members and our industry,” Poovey said. “I highly encourage you to reach out to your congressperson about this, too. If it doesn’t affect you directly, it absolutely affects your supply chain. It is critical that we get the ‘new NAFTA’ passed as soon as possible.”

Poovey also told members that SEAMS has amped up its marketing efforts, particularly on social media, to raise its brand awareness and grow membership.

“Traditionally, SEAMS has been a Southern-based association,” Poovey said “We didn’t have enough brand recognition. Now, we have a very heavy presence on [LinkedIn](#), [Facebook](#) and [Twitter](#). If you haven’t done so, like or follow us on social media. Let’s try to create a community. Liking, sharing or re-tweeting is the best way for us to grow our brand and grow awareness for all our companies. This helps all of us.”

In recent months, the association has grown as a result of several efforts, be it through social media, trade shows or old-fashion cold-calling.

“We have gained 19 new members since January,” **Will Duncan**, SEAMS’ executive director, would later tell attendees. “That’s a lot of smiling and dialing.”

On the trade show front, Poovey also stressed the importance of members’ participation in the bi-annual Texprocess Americas trade show, scheduled next for May 12-14 at the Georgia World Congress Center in Atlanta.

“Texprocess is the biggest show for our entire industry,” he said. “It is at least twice as big as any show that I’m aware of in this country. From personal experience, for my company, it is absolutely the best value trade show that we go to. We get more leads there than anywhere. I highly encourage you to exhibit. Everybody should be in our Supply Chain USA Pavilion. By far, our pavilion is the busiest of the entire show. Traffic down the aisles is very busy. You actually write orders at the show.”

## **Presentations**

In an off-the-record presentation, **Lloyd “Woody” Wood**, deputy assistant secretary for Textiles, Consumer Goods and Materials at the U.S. Dept. of Commerce International Trade Association, discussed “Competitiveness of the Sewn Products Industry.”

Wood, who also addressed the association at its last meeting in August 2018 in Nashville when he was director of public affairs at the NCTO, covered textiles, consumer goods and materials and gave overviews of OTEXA (the Office of Textiles & Apparel), the industry, free trade agreements and preference programs and export promotion/made in the USA.

In response to growing interest and demand by consumers, brands and retailers for made-in-the-USA products, OTEXA has developed an online registry listing domestic manufacturers and suppliers of textiles, apparel and footwear for those seeking to source in the USA, Wood noted. The goal is to build a comprehensive database to help with U.S. sourcing. To register and search for a supplier, manufacturer, or service provider, go to [www.otexa.trade.gov/growamerca/madeinusa.htm](http://www.otexa.trade.gov/growamerca/madeinusa.htm).

## **Hemp, hemp, hooray**

**Guy Carpenter**, president of Bear Fiber, Wilmington, N.C., presented an overview of a fast-growing segment of the industry in his discussion on “American Hemp Farm-to-Fiber-to-Finished Good Value Chain.”

A member of the North Carolina Industrial Hemp Commission and one of the top “evangelists” in the country for hemp fiber, he extolled the virtues of the natural fiber, whose production was outlawed in the U.S. for decades. Federal law did not differentiate hemp from other cannabis plants, all of which were effectively made illegal in 1937 under the Marihuana Tax Act and formally made illegal in 1970 under the Controlled Substances Act – even though “you can smoke an acre of hemp and not get high,” Carpenter said.

But that changed with the 2014 Farm Bill, which allowed institutions of higher education and state agriculture departments to grow hemp under a pilot program as long as state law permitted it. Additionally, the 2014 bill established a definition of industrial hemp, officially setting the THC threshold in the U.S. at 0.3 percent on a dry weight basis.

Further, in December, President Trump signed the 2018 Farm Bill, confirming the legalization of hemp and provisions for its cultivation, transport, and sale. Industrial hemp and its derived products are now legal on a federal level, and states may choose how to move forward.

Hemp is stronger than any other natural fiber, with approximately eight times the tensile strength and four times the durability of cotton, and it provides the highest UV protection of any natural fabric, Carpenter noted. He added that hemp progressively softens with every wash without losing its shape, and has superior, inherent absorbency and breathability, which helps promote good sleep, he pointed out.

“Hemp is warm in winter, cool in summer and is a natural insulator due to its hollow core fiber, a characteristic it shares with wool, without the scratchiness,” he said. “Hemp is naturally hypo-allergenic, anti-viral, anti-mold and antibacterial, excellent for asthma and allergy sufferers.”

Carpenter went on to discuss hemp farming, mechanical and chemical processing, the process of blending and spinning yarns, textile development and apparel manufacturing with the fiber.

He added that the greater the supply of quality-controlled fiber for the marketplace, the more demand will increase, and, in turn, cause supply to increase. A number of reasons exist for this, including the fact that using hemp fiber in MANY existing product applications saves considerable cost, and in many cases has specific, important benefits such as lighter weight or improved durability.

“Once commercial end-users understand that there is an increasing supply of availability at retail from brands, they will be encouraged to pursue the possibility of lower costs and better products,” he said. “Growing demand will cause growing supply – not lower prices.”

### **Everest: ‘Scaling New Heights’**

In her presentation, “Scaling New Heights,” **Courtney Cruzan**, business development director at Everest Textiles USA, discussed the challenges and successes her Taiwan-based company has experienced since opening its U.S. operations in Forest City, N.C., in 2017. The U.S. facility produces full-package fabric and apparel (woven and knits).

Everest, founded in 1988, employs 6,000 people globally, including about 265 in North Carolina, and supplies goods to numerous leading brands. The 383,919-square-foot vertical facility in Forest City, established in 2017, has a textile capacity of about 2 million yards per month, with three garment sewing production lines. Capabilities include yarn texturing, weaving, circular knitting, jet dyeing, setting and finishing.

When the company was looking to expand in the U.S., a number of factors played into its decision to choose North Carolina, Cruzan said. One reason was the textile history and supply chain in the state, another was the proximity to N.C. State University’s College of Textiles and its technology and another was tax incentives. But a major draw was the presence of a water treatment facility at the former Hanes plant, as the company produces fabric through water-jet weaving.

She also discussed her company’s growth strategy, focused on untapped demand that is present but needs to be plumbed. Rather than merely competing in existing markets, the company aims to create uncontested markets, and create and capture new demand, she said. And rather than make the value-cost trade-off, it is attempting to *break* the value-cost trade-off, she added.

Everest’s hemispheric strategy led it to collaborate with a factory (Everest Apparel) in Northern Haiti through a trade-preference program to source some product for the U.S., which bodes well for speed to market, Cruzan said. Automated technology in the U.S. and Haiti, duty-free access and a good transportation system help make the model work, she added.

Among the challenges in the Western Hemisphere, she continued, is the cultural transfer from a Taiwanese company, establishing a workforce, policy and economic risks, building trust, price pressures and creating a sustainable supply chain.

To tackle some of these issues, Everest has memberships or collaborations in such organizations as SEAMS, the Carolina Textile District, the Manufacturing Solutions Center, the Economic Partnership of North Carolina and others, she noted.

## Other deep-dive sessions

Meanwhile, a panel of experts also provided their own unique takes on a timely subject, “What is Sustainability and How Does Supply Chain Traceability Help Companies Achieve Their Sustainability Goals?” Panelists included **Jennifer Crumpler**, seed expert at BASF, Fayetteville, N.C.; **Dan Feibus**, principal and developer of start-up Vidalia Denim in Vidalia, La.; and **Avedis Seferian**, president & CEO of Worldwide Responsible Accredited Production (WRAP). **Bob Antoshak**, managing director at Olah, Inc., moderated.

Three breakout forums ended the two jam-packed half-day conference. They included:

- Cut & Sew Forum, moderated by **Jeoff Bodenhorst**, president of LA Corp.;
- Textiles, moderator by **Geoff Senko**, national account manager at MMI Textiles; and
- Technology Providers, moderated by **Andy Arkin**, strategic account manager at Zund America.

SEAMS’ Fall Networking Conference is scheduled for September 11-13 at the Grandover Resort in Greensboro, N.C. Sign up soon to ensure room availability – you don’t want to miss this exciting program and networking opportunity.