

WOOD SUPPLY RESEARCH INSTITUTE UPDATE

“Understanding Logging Cost”

The WSRI Technical Team, chaired by Crad Jaynes, has awarded two research projects for the years 2013 and 2014, as approved by the WSRI Board of Directors.

The first is ***Developing Western Logging Cost as a Basis for Western Logging Cost Indices***, to be undertaken by Beth Dodson, Todd Morgan, Steve Hayes, and Josh Meek, of the University of Montana’s College of Forestry & Conservation and the affiliated Bureau of Business and Economic Research (BBER).

BBER has tracked logging cost in Montana and Idaho since the 1990s, and both logging professionals and the USFS Northern Region analysts have used the data as a part of their timber sale appraisal system (www.bber.umt.edu/FIR/F_logging.asp). The UM team will cooperate with University of Georgia researchers to develop Western logging cost information comparable to Southern information, with the potential to support a Western Logging Cost Index.

The Project, for which the final report is due by January 31, 2015, will:

- evaluate the stump-to-truck logging cost for the most common logging systems in the Western U.S.;
- compare cost structures for contractors operating on the west-side versus east-side of the Cascade range to determine if these two regions can be combined into a single cost index;
- develop the basis for a Logging Cost Index for the Western U.S. Researchers will work closely with UGA to ensure the proposed validation methods could serve as the basis for a long-term Western Logging Cost Index.

I’m excited that WSRI has broadened its research to the West in such a meaningful way, and I’m hopeful that this project will foster further Western WSRI participation.

The second Project, ***Validating the Southern Logging Cost Index***, will follow up on the initial validation of the University of Georgia’s revised Logging Cost Index, with respect to data more recent than 2006, which was the cut-off year for the Index which Bill Stuart and Laurie Grace originally generated; the new, quarterly Index is carrying that Index’s trend forward. Dale Greene, Shawn Baker, and Richard Mei, of the University of Georgia’s Warnell School, are the researchers.

This Project will:

- investigate the extent to which logging companies currently participating in the UGA Logging Cost Index actually represent the Southern logging force;
- determine how accurately this Index has tracked participating loggers’ actual cut-and-load cost;
- recommend a validation procedure for keeping the Index current in the future;

- suggest how to share the Index's trend information and leverage it with groups developing regional logging cost indices elsewhere in the U.S.

The Project will take 12 months to complete, with the final report also due by January 31, 2015.

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