



SOUTH CAROLINA TIMBER PRODUCERS ASSOCIATION
2016 Annual Report
American Loggers Council Annual Meeting
Panama City, FL

Crad Jaynes, President & CEO

South Carolina endured a horrific 2015 fourth quarter with the state receiving record rainfall levels beginning the first of October resulting in significant flooding around the state. Timber harvesting operations were hit very hard due to the number of days lost in the woods due to wet and “mo wet” ground and log road conditions, closed state roads and bridges washed out or damaged creating trucking logistical issues. Loggers in the coastal regions lost as many as 21 working days, midlands loggers 10 to 12 days and piedmont loggers up to 10 lost days based on SCTPA’s survey. The wet weather and conditions carried through the fourth quarter and into the first two and a half months of 2016. Mill inventories suffered as well due to the reduced amount of wood deliveries. Some loggers due to the financial hardships closed shop while others traveled as far away as 120 miles or more to operate. A terrible five month period for SC’s timber harvesting industry.

SCTPA entered its 17th year with our “What Is The Issue... Trucking” Annual Meeting in Myrtle Beach, SC, February 2016. With the industry and economy improving the trucking of unmanufactured forest products (UFP) from the harvesting sites to mills has grown to be a major issue because of increasing insurance costs, fewer insurers for wood trucking vehicles, finding and retaining safe, qualified drivers, higher operating costs, lower profitability and the increase of accidents involving wood trucks. The attendance was outstanding as over 400 attended our annual meeting.

SCTPA proudly welcomed several outstanding speakers. American Loggers Council President Richard Schwab provided insights into ALC national activities, information on his company’s history and timber harvesting operations in Florida. Forestry Mutual Insurance Company’s Jimmie Locklear and Keith Biggs and Randy Hervey of BITCO Insurance Companies presented Team Safe Trucking and talked about the log trucking crisis regarding auto liability availability, costs and UFP trucking accidents. Mike Lucas of The Lucas Group, a trucking consultant company, reviewed the complexities and regulations of the FMCSA’s Compliance Safety Accountability (CSA) program. Our Saturday luncheon speaker was Kathy Abusow, President of Sustainable Forestry Initiative, presented “SFI... Then and Now.” Kathy described SFI’s history and advancements to being a globally recognized credible forest certification program to sustain our nation’s forests.

Austin Logging, Inc., Gaston, SC, was presented with the 2015 Logger Activist Award for their outstanding timber harvesting business, their sincere commitment to community involvement, sustainable forestry education and support of SCTPA and their profession. Donnie Lambert, Leo Lambert Logging, Inc., Georgetown and Billy Walker, Walker & Walker Logging, LLC, Laurens were re-elected to four-year terms. The Forestry Mutual Insurance Company SC Logger of the Year was awarded to Danny McKittrick, McKittrick Timber, LLC, Heath Springs for their outstanding business and outstanding safety program. Swamp Fox Agency, LLC awarded their Timber Industry Leadership Award to Frampton Ferguson, Ferguson Forest Products, Inc., Luray. Frampton is a former SCTPA board member. The SCTPA President's Award was presented to Cam Crawford, President SC Forestry Association for his and their association's partnership with SCTPA and Mike Rushton, retired forester Norbord South Carolina, Inc. for his support of SCTPA and his work in the industry. There were twenty-nine inside exhibitors and many outside exhibitors displaying trucks, trailers, logging equipment and chippers.

The winter was very wet and impacted production, but it was strange as the mills maintained good inventories. Summer brought extremely hot triple digit temperatures and dry ground across the state for a prolonged period. Markets remained good, but quotas kicked in this summer. Overall production appeared to remain steady. Bottom line was... SC Logged On!

With the economic recovery and steady markets, loggers saw reductions in fuel costs and the logger attrition slowed with startup timber harvesting businesses coming on line and existing operations expanding.

South Carolina's legislative session was active for forestry issues. Highway and bridge improvement funding was again the "hot" issue. Finally the House and Senate came to an agreement and Governor Haley signed a funding bill for improvement, construction and maintenance of SC's poor infrastructure. The funding will provide a boost in available funds now and recurring funds and provide money to improve and/or replace over 400 posted bridges on SC state roads. This was significant as the load restricted, "posted," bridges impact UFP trucking the most. This was a great legislative victory. SCTPA supported the funding and thanks Cam Crawford, SCFA, for his work. Another bill still on the table from last session proposed to eliminate the sales tax exemption on off road diesel and agricultural equipment replacement parts which both impacts timber harvesting did not go anywhere. A Farm Aid bill was presented to help farmers impacted by the floods. SCTPA and SCFA worked to get loggers included, as loggers are harvesting the state's number one cash crop, timber, but was met with opposition and thus our segment was excluded. A state budget proviso passed removing the requirement enforced by several counties that forest landowners obtain a forest management plan to qualify and receive the Agricultural Use Exemption. SCTPA supported this and thanks SCFA for its work.

Local issues came up as counties tried to pass ordinances to prohibit UFP trucks from using county maintained roads and in one county their ordinance would have prohibited any truck over six tires from using county roads. This would have impacted all trucking. SCTPA partnering with SC Forestry Association and SC Trucking Association stopped these actions using the SC Right to Practice Forestry Law and the state law preventing counties from having such authority.

Supported by SCTPA and SCFA the SC Forestry Commission received funding to purchase additional new firefighting units and add Commission personnel.

SCTPA continues to partner with the SC Forestry Commission and SC Forestry Association to make good things happen for South Carolina forestry.

SCTPA continued its activities with the SC Biomass Council as SCTPA president was elected to the board of directors representing timber harvesting. The Biomass Council has been working on a State Energy Plan proposal with forest biomass included as a feedstock. Activities continued with the Statewide Trucking Task Force, SFI State Implementation Committee, SFI Timber Operations Professional Training Program, Timber Equipment Applications Management (TEAM) Committee, Team Safe Trucking and organizations such as the SC Forestry and the SC Trucking Associations and State Transport Police. SCTPA's board met with State Transport Police's Capt. Price, Lt. Cloud and Corporal Catoe to discuss unmanufactured forest product trucking issues regarding size, weight, inspections, accidents and regulatory enforcement. Issues of State Transport Police's focus areas for safety and driver behavior were discussed. SCTPA continued representing timber harvesting in coalitions to promote forestry, agricultural, wildlife, natural resources and AgriBusiness to promote these segment's importance to the SC General Assembly, state agencies and public for economic development.

SCTPA and Southern Loggers Cooperative (SLC) continue to work to establish Southern Loggers Cooperative fuel depots in the state. The Allendale and Georgetown depots have been operating with new depots in the works. Construction is underway on property adjacent to Caw Caw Land & Timber's headquarters in Orangeburg and construction to begin in the near future for a depot across from WestRock's Florence papermill. SCTPA acts as the on-the-ground representative for the program. Thus far, positive results have occurred in locating sites.

SCTPA participated in the 17th SC Sustainable Forestry Teachers Tour, a six-day sustainable forestry education program. This year's June tour was "hot" yet tremendous with 35 statewide teachers. SCTPA arranged the timber harvesting stop at one of Charles K. Doolittle, Inc.'s jobsites headed by John Doolittle. The tract was on the Sumter National Forest. Thanks to John for an outstanding tour stop to educate the teachers on professional timber harvesting. Swamp Fox Agency's Rick Quagliaroli sponsored a film crew to video the logging stop using ground and drone equipment. Other stops included West Fraser's sawmill, Norbord's OSB mill, Resolute Forest Products' paper mill, private, public and industrial forest lands. Teachers were taught the basics of sustainable forestry, prescribed fire versus wildfire, forest management practices, SFI, logging BMP's and more. The teachers viewed an actual prescribed fire done by the SC Forestry Commission on the Harbison State Forest.

SCTPA representatives, Danny McKittrick, Billy McKinney, Tommy Barnes and Justin Barnes visited our South Carolina U.S. House and Senate delegation during the ALC Fly In and board meeting in Washington, DC to promote the ALC issues and state issues related to sustainable forestry, professional logging and trucking.

SCTPA continued supporting the Wood Supply Research Institute for wood supply chain research projects. SCTPA's president serves as chairman. The May WSRI annual meeting held in Colorado Springs, CO in conjunction with FRA's annual meeting saw Executive Director Jim Fendig retire after serving for 15 years and new executive Director Steve Carruth come on board. SCTPA board member Joe Young, Low Country

Forest Products, Inc., Georgetown, received the FRA 2016 National Outstanding Forestry Activist Award at the FRA annual meeting.

Statewide district meetings were conducted in the Spring to keep attendees updated with national and state legislation, ALC activities, regulations, SCTPA activities, markets and local issues.

Emphasis for producing energy from woody biomass has continued with an increased interest in developing wood pellet facilities in state. Colombo Energy's Greenwood, SC pellet mill is operational. Enviva proposes a pellet mill in Laurens County and the project is catching a great deal of grief from Dogwood Alliance supporters. SCTPA attended their meeting in Laurens and quite frankly, it was comical. The information they use to stir folks up is ... well... it's misinformation. The Price Companies announced a plans to build a wood chip processing mill new Holly Hill. Loggers, wood suppliers and landowners will welcome these alternative markets.

SCTPA continued providing the SFI Training in our Timber Operations Professional (TOP) program to members using the DVD format for the annual training period of July 1 – June 30. SCTPA participates in the 2-Day TOP program for the initial SFI Trained status in SC.

SCTPA's President Crad Jaynes continues serving as the ALC National Master Logger Certification Committee Chairman.

As South Carolina's professional timber harvesters, wood suppliers and timber truckers continue to face challenges, SCTPA will continue to assist timber harvesting and wood supply business professionals meet and exceed the challenges for improved economic, production and market opportunities.

SCTPA is proud to be THE association representing, servicing and advancing the professionals harvesting, producing and trucking South Carolina's sustainable forest resources.

Respectfully submitted,

Crad Jaynes
President & CEO