



SOUTH CAROLINA TIMBER PRODUCERS ASSOCIATION
2019 Annual Report
American Loggers Council Annual Meeting
Orange Beach, Alabama

By Crad Jaynes, President & CEO

South Carolina had a very wet period for over five months from October until March. First in October, Hurricane Florence flooded eastern SC in the Pee Dee areas and into NC. Record rainfall and devastating flooding washed roads and bridges out and caused the closings of many roads. Loggers were forced to move westward to find drier tracks. In many instances tracts were inaccessible due to flooding, road closures and bridge closures. For many days some loggers could not get to their equipment on tracts where harvesting had stopped due to the weather. Wood receiving mills shut operations for a few days because of the hurricane. Second event was Hurricane Michael hitting and crossing the state along the middle of the state as it advanced from Georgia to North Carolina bringing more rain to already flooded areas. At least Uncle Michael was fast moving versus Aunt Florence that lingered for several days.

So SC's loggers really took a beating over the late Fall, Winter and early Spring months. After Florence and Michael SCTPA did a survey of many Pee Dee area loggers and the average production days lost ranged anywhere from 4 to as much as 10 days. Simply put... it was wet, wet, and more wet.

After the hurricanes markets have remained good with sawmills operating at a little less than full capacities, but wood has been moving. Quotas kicked in when it dried up, but still markets were taking wood. Pulpwood receiving markets have remained steady to strong over the course of the year.

There were mill acquisition announcements in the state. WestRock purchased the KapStone Charleston Kraft paper mill in Charleston, SC. Canfor entered into a purchase agreement with Elliott Sawmill in Estill, SC. Canfor now has a four sawmill presence and WestRock has a two paper mill presence in the state.

SCTPA entered its 20th year with our "Log On Truck Safe" Annual Meeting in Myrtle Beach, SC, February 2019. Trucking was the driving issue as Auto Liability insurance premiums have skyrocketed for most log truck owners. Finding and maintaining safe, qualified drivers has been a "real" issue for the unmanufactured forest products trucking segment in SC. The attendance was outstanding as over 400 attended with twenty-nine inside exhibitors and trucks, trailers logging equipment displayed in the parking lot areas.

SCTPA proudly welcomed several outstanding speakers. Retired SC State Transport Police Captain Rick Shell, Pre-Trip, LLC, Laurens, SC, presented his Trucking Audit 101 and explained the federal and state trucking regulations plus what to expect and how to be prepared for a trucking audit. Robert Crenshaw, Area Director with ReadySC and Apprenticeship Carolina discussed the new Logger Apprenticeship program for high school juniors and seniors and adults to enter to learn about the timber harvesting industry. Participants can learn about logging and operations by being an apprentice with a logging business. They can go to a jobsite and learn, but are restricted from operating logging equipment. But the apprentices can learn all the other facets of the business. Robert talked about how SCTPA Vice-Chairman Josh Key and his company was instrumental in developing the program and how it was working for Josh's company Beech Island Timber & Construction, Inc., Jackson, SC. Josh has four apprentices and the apprentices get paid during their apprenticeship and the logging company receives state tax credits.

Carlton Owen, President of the U.S. Endowment for Forests & Rural Communities was the featured Saturday luncheon speaker. He discussed the work of the Endowment in many phases of the forestry industry for product development and innovation. He talked about the Real Time Turn Time application being piloted in SC with the assistance of the U.S. Endowment and The Worthwhile Company. The computer and/or cell phone "app" allows loggers and drivers to see what the actual real time turn time is at mills across the state by tracking the trucks registered in the system. The "app" has been successful in helping loggers pick up a few more loads during the week. The "app" improves trucking efficiencies with over 344 trucks in the pilot project.

Rudy Ritter and R. A. Ritter Logging Company, Inc., Moncks Corner, SC, was presented the SCTPA 2018 Gene Collins Logger Activist Award for their outstanding timber harvesting business, their sincere commitment to community involvement, sustainable forestry education and support of SCTPA. Forestry Mutual Insurance Company awarded their Logger of the Year to Jack Gaston, Gaston Logging, LLC, Lockhart, SC, for their outstanding business and outstanding safety program as a policy holder. Swamp Fox Agency, LLC awarded their Timber Industry Leadership Award to Ryan Walker, Walker & Walker Logging, LLC, Laurens, SC, for his work in promotion, outreach and education for professional logging and sustainable forestry. An association founding father and twenty year board member, Joe Young was presented the SCTPA Board of Directors Service Award as he stepped down from the board. Joe's presence in the industry is widely known and he has been a tremendous spokesman for our industry. Joe also received the award naming him Board of Directors Emeritus as he will be an honorary lifetime board member.

South Carolina's legislative session was active for forestry and trucking issues. SCTPA supported the SC Trucking Association (SCTA) and the Forestry Association of South Carolina (FASC) in efforts for legislative issues such as tort reform, finding ways the state can assist in attracting and training more truck drivers for all trucking segments. SCTPA, SCTA and FASC testified at SC House of Representatives hearings to encourage the General Assembly's help by providing more funding to technical schools for CDL driver training, funding for the Associated Industries of SC Coalition Be Pro Be Proud SC campaign and pass legislation to curtail or at least reign in the overzealous attorneys' media advertisements. Board member Tommy Barnes, Ideal logging, Inc.,

Edgemoor, SC, testified at one hearing and told the sub-committee he and his company were just one truck wreck from being homeless due to the plaintiff's attorneys feeding on the trucking industry. He ended his testimony by saying "when those hyenas finish with us, they're coming after you." SCTPA supported SCSA's legislation that passed providing protections to CDL drivers and CDL driver employers against liabilities because a CDL driver is deemed to be a qualified driver. The sales tax exemptions issue came to a head and the sales tax exemption for off-road diesel fuel and agricultural equipment replacement parts, including logging equipment, was upheld and not impacted. SCTPA and FASC continue work to change the law for the transportation of logging equipment on a lowboy to be exempt up to sixteen feet wide just like the exemption for agricultural equipment transportation. Tort reform discussions will be a major issue in the 2020 legislative session. SCTPA is supporting the SC Civil Justice Coalition to work on tort reform. FASC and SCTPA have begun work to increase trucking GVW for transporting unmanufactured forest products from timber harvesting sites to wood receiving mills from the current 84,272 pounds to 90,000 pounds on state roads. SCTPA supported the SC Forestry Commission's annual budget request with attendance at House and Senate budget hearings and provided support letters.

Local issues continue such as counties attempting to restrict log truck traffic on county roads, both paved and dirt. SCTPA partners with FASC to work with local governments to resolve the issues and educating the counties about the SC Right to Forestry Law that provides protections against counties and municipalities passing ordinances that restrict or prohibit sustainable forestry practices. Several municipalities and counties have posted roads to no truck traffic without SCDOT's approval. More counties are attempting to pass ordinances to restrict log trucks and basically all heavy trucks from using county maintained roads. Counties are trying to recoup road repair costs by incorporating in their ordinances surety bonds, penalties and pre and post site notifications and inspections. SCTPA continues to partner with the SC Forestry Commission and the Forestry Association of SC to make good things happen for South Carolina forestry, logging and forest products sectors.

SCTPA continued its activities with the SC Biomass Council as SCTPA president ended serving as chairman. The Biomass Council continued its work on improving the use of woody biomass and other biomass products in SC manufacturing and energy generation. Activities continued with the Statewide Trucking Task Force, SFI State Implementation Committee, SFI Timber Operations Professional Training Program, Team Safe Trucking and organizations such as the Forestry Association and the SC Trucking Association and SC State Transport Police. SCTPA continues to work with SC State Transport Police on issues for unmanufactured forest product trucking regarding size, weight, inspections, accidents and regulatory enforcement. Issues of State Transport Police's focus have been safety and driver behavior have been 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 along with the Forestry Association of SC are founding members of Associated Industries of South Carolina Foundation and continued supporting efforts for Be Pro Be Proud SC. The program is modeled after the successful Arkansas Be Pro Be Proud program. This effort is aimed at middle and high school students, at-risk students

and adults to enter the skilled-trades careers, blue collar sector, for training and job facilitation. The project did receive some state funding passed by the 2019 General Assembly to build and deploy a mobile skilled professional jobs promotion tractor trailer unit with the trailer equipped with work stations for displaying job careers in forestry, construction, agribusiness, trucking, heavy equipment and others. SCTPA attended a meeting of Coalition members at the SC Chamber of Commerce to discuss the logistics of the efforts.

SCTPA and Southern Loggers Cooperative (SLC) continue to work to establish fuel depots in the state. The Allendale, Georgetown and Orangeburg depots have been operating with continued interests from WestRock to locate a SLC fuel depot at the Florence paper mill. Further efforts are being made to locate a SLC fuel depot at the Carolina Chips wood chipping facility in Holly Hill, SC. This mill operated by Price Industries supplies chips to the WestRock paper mill in Charleston. SCTPA acts as the SC on-the-ground representative for the program.

SCTPA participated in the 2019 SC Sustainable Forestry Teachers Tour, a five-day sustainable forestry education program. This year's June tour was "hot" as usual and was based in the Pee Dee area. Teacher participation was down as only eighteen teachers participated. Even though down on quantity the quality was high. Statewide teachers toured a private tree farm, industrial and state forest timberland management sites as well as visiting a sawmill, paper mill, particle board mill and seeing active logging sites.

SCTPA board members Danny McKittrick, Josh Key, Bob Lussier, BoBo Seckinger, president Crad Jaynes and Josh's brother John visited our South Carolina U.S. House and Senate delegation during the American Loggers Council Spring Fly In and board meeting in Washington, DC to promote the ALC issues and state issues related to sustainable forestry, professional logging and trucking and garner support for the Safe Routes Act and Future Logging Careers Act. SCTPA's president attended the American Loggers Council's summer board meeting in Portland, Oregon sponsored by Daimler Trucks North America.

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.

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