



TIMBER TALK

Your Voice for South Carolina Timber Harvesting

2ND QUARTER 2022

TEACHING TEACHERS SUSTAINABLE FORESTRY 2022 TEACHERS TOUR

By Crad Jaynes, SCTPA President

The 2022 SC Sustainable Forestry Teachers Tour or as I like to call it, SC Sustainable Forestry Teachers Experience, was conducted the week of June 20 – 24 and based out of Georgetown.

It was a great week being with the eighteen teachers from all around the Palmetto state to teach, show, demonstrate and

provide the facts about sustainable forestry, the Sustainable Forestry Initiative, private, commercial and public forest management, reforestation, timber harvesting, tree farming, wild-life and wild-

life habitat management and forest products industry for solid wood and pulp and paper products. The teachers got a full dose of how important our \$22 billion industry is to our state.

This tour's group was small as we had several last minute drop outs. Despite being small in numbers, the teachers were a fun bunch and eager to learn about our industry and witness first hand at the various tour stops how

and why sustainable forestry is practiced. As I told them in my tour opening presentation on Monday morning, we are going to treat "y'all" like kings and queens and not a "bunch of dang ole teachers." I was excited about their enthusiasm and willingness to ask questions and desire to understand the different facets of the forestry and forest products industries.

Emily Oakman, Forestry Association of SC, tour coordinator, and I accompa-

TEACHERS TOUR CLASS OF 2022



nied the tour for the full week. Matt Schnabel and Beth Foley, Project Learning Tree (PLT) educators with the SC Forestry Commission were with the tour for two and a half days each. Thanks to Emily for heading the tour and to Matt and Beth for their presence and PLT activities.

The teachers had to do some online work and preparation before the tour to be acquainted with forestry terms and gain a basic understanding of what they would see and hear on the tour. The teachers receive continuing education credit and even graduate credit for attending the week long experience.

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The group gathered early Monday morning at the Hampton Inn Georgetown and loaded onto the charter bus and headed to Horry-Georgetown Technical College (HGTC) for the tour introduction and presentations. Thanks to Leo Lambert Logging, Inc. of Georgetown for sponsoring the lunch at HGTC.

SCTPA provided each teacher a personalized folder with a SCTPA appreciation certificate, SCTPA and American Loggers Council stickers, a SCTPA pen and articles and information on professional timber harvesting.

After lunch the group traveled to John Spearman's Tree Farm in Lane, SC for an afternoon tour of John's Certified Tree Farm to see how his forest is managed. John's son, a forester, and the forester who works with John provided an informative tour. The group

got to relax on the back lawn, talk about the day and enjoy a great meal prepared by John's wife May and their daughter Carolyn. Many questions were asked and answered about



Relaxing at John Spearman's Tree Farm

what they had seen that day. Then it was back to Georgetown and many gathered outside with me to relax and continue to ask questions and listen to my career stories and experiences.

Tuesday morning the tour headed to the Canfor Southern Pine sawmill in Conway where Davis



Canfor Log Deck Control Room

McGowen, wood procurement manager and his team provided a great tour of the sawmill facilities and explanations about the lumber manufacturing process.

Thanks to Canfor for sponsoring the lunch at the sawmill.

The tour headed back to Georgetown and met up with Resource Management Services' (RMS) Joey Fer-

guson and Jay Phillips for a great tour of their KILLSAW property outside of Georgetown. Dan Scheffing, retired Westvaco forester, teamed with Joey to explain reforestation and how RMS intensely manages their forestland for maximum returns.

The group visited Rickey Patterson, Patterson and Son Construction's site preparation operation and Rickey and his son explained their operation for RMS properties for reforestation a tract. Thanks



Rickey Patterson (r) explains site preparation operation

to Rickey, a SCTPA reforestation contractor member, and his team for the demonstration of the specialized bulldozers equipped with V-blades used to shear off stumps for site preparation work for reforestation.

Stops were made to explain the reforestation process in the successional growth and development from newly bedded and planted with enhanced seedlings to mature timber. Joey and Dan did a great job of explaining the intense sustainable process on RMS lands.

The last stops on the RMS property were at the timber harvesting operations of Greg Tompkins, Bay Area Forest Products, LLC, of Georgetown, and Dean



Joey Ferguson explains RMS's reforestation process

Tedder, Dean Tedder Logging, of Andrews. Jay Phillips, RMS Harvesting Manager and Joey Ferguson explained the two operations operating on the two RMS

tracts. Bay Area Forest Products was first thinning a 12 year old stand and Dean Tedder Logging was performing a second thinning operation. The teachers got to see the equipment in action with trees being felled, skidded to the deck, trees being mechanically

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delimbed and bucked and trucks being loaded with roundwood

products to go to various markets. For safety reasons, the teachers were not able to climb aboard the equipment, but did get a great demonstration



RMS managed pine stand

of professional logging. The teachers were amazed at how mechanized and productive the crews were all the while caring for the tract. Thanks to Bay Area Forest Products and Dean Tedder Logging for allowing the group to see professional logging.

Back on the bus the tour headed to the RMS office and shed outside Georgetown for an evening of relaxation and a great low country boil. Thanks to Resource Management Services for sponsoring the supper. After supper it was back to Georgetown for some to take a dip in the pool and gather for our evening conversations.

Another early start on Wednesday morning as the tour headed to Black River Cypress Preserve outside Andrews for a morning of Project Learning Tree activities. Matt and Beth did a great job with the activities



Matt Schnabel, SCFC conducts outside PLT activity

and the teachers had a fun time doing some outdoor learning such as learning how to measure trees and cruise timber with a Biltmore stick.

The tour headed back to Georgetown for the afternoon at Horry-Georgetown Technical College for lunch, afternoon presentations, a tour of the HGTC's facilities and introduction to the programs offered, and a PLT activity.

For the PLT workshop, the teachers were broken into teams and given a four hundred acre tract. Each team had to prepare a management plan for the four

hundred acres to include wildlife management, timber harvesting, water protection, recreation, conservation for historical values and generate revenue. This is a fun exercise for the teachers and each team did a great job with their management plans. Thanks to White Oak Forest Management, Inc. for sponsoring the lunch.

After the PLT activity, the teachers heard from a panel of forestry and forestry related jobs professionals. The panelists were Jayson Sellers, SC Parks, Recreation and Tourism, Kassie Burkett, SC Department of Natural Resources, Traclynne Allison, Domtar Paper Company, Skye Patterson, Patterson & Son Construction, Inc. and Crad Jaynes, SC Timber Producers Association. Jayson is the manager for the Hampton Plantation near McClellanville, Kassie specializes in deer



Forestry panelists (l-r) Emily Oakman, Jayson Sellers, Kassie Burket, Traclynne Alison, Skye Patterson

and other wildlife management, Traclynne is a wood procurement forester, Skye works in his dad's site preparation business and Crad is a forester and association

officer. Each shared their jobs, education and experiences. The teachers asked questions for the panelists so gain a better perspective of how the panelists tied into sustainable forestry.

Thursday morning the tour headed to McClellanville to the Buck Hall Recreation Area on the U. S. Forest Service Francis Marion National Forest. The U.S. Forest Service team provided a driving tour in vans supplied by Horry-Georgetown Technical College with stops along the way to see how public forestlands are managed for multiple uses. They got to see and understand the differences in forest management goals between private, commercial and public lands.

Then it was back to Georgetown to join up with International Paper's (IP) Justin Demiter, Fiber Supply Manger, for the IP paper mill. The group had lunch in the mill office conference room where they heard from IP personnel on the paper making process at the Georgetown mill. The group toured the IP mill and had a riding tour of IP's woodyard to see how the roundwood and wood chip trucks were weighed and

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Explaining IP'S Georgetown Mill's paper making processes

unloaded and learned how the wood moves through the wood-yard process into the paper mill.

Thanks to

IP for sponsoring the lunch.

Then it was back to the Hampton Inn to clean up for the Sponsors' supper at the Hobcaw-Barony Recreation Pavillion. The supper is to allow tour sponsors to come and let the teachers thank them for their tremendous support. Teachers were given the opportunity to talk about what they had seen and learned during the week so the sponsors would have appreciation for the efforts. I was the master of ceremonies and it was a great pleasure to do that. The sponsors and teachers introduced themselves as the evening got started.

George Chastain, Hobcaw-Barony Director and other Hobcaw speakers explained the research purpose for forestry, wildlife, marine and marine biology and so much more.

It was a great pleasure to have Dean Carson, retired SC Forestry Commission forester, and Joe Young, retired logger of Georgetown on hand for the evening. Dean and Joe were the co-founders of the SC Sustainable Forestry Teachers Tour. Both gentlemen received plaques for their leadership with the tour and the industry. Davis McGregor, Canfor Fiber Supply Manager, also received a plaque for his leadership for many years as Chairman of the Teachers Tour Steering Committee. Joe led the group in the singing of God Bless America. It was great to have Joe, Dean and Davis join us.



(l-r) Dean Carson & Joe Young receive Teachers Tour plaques

Friday morning everyone checked out of the motel and headed to Hobcaw-Barony for a tour of the property. George Chastain led the tour and the teachers got to visit the Baruch Historical Home on the property. Hobcaw has a rich and wonderful history.

The final wrap up, final presentations and time to work on



Historic Baruch House on Hobcaw-Barony

their final project was done in one of the meeting rooms in the visitor center. I did a presentation on engineered wood products such as Oriented Strand Board and some experimental products made with wood.

I was glad to make the closing remarks to express to them how much I appreciated them and how much the tour means to me personally and to our entire industry. As I related, this was my 24th tour and it is always a big highlight of my year.

I talked about "we're not cutting all the trees" as many perceive because too many people their perception is their reality and is skewed by receiving misleading information. That perception is based on the simple lack of knowledge and the belief of what they hear and think they see and not the real facts about sustainable forestry. Personal experiences were related where I had encounters with people that didn't know and took the opportunity to explain our industry.

As I told them on Monday, they would witness and feel the passion our industry's professionals have for our industry segments and asked did they see and feel that passion. And the resounding reply was "YES."

The teachers were told, now you are stakeholders in sustainable forestry. You now have the knowledge, facts, science and I challenged them to go forth and preach the gospel and be advocates for sustainable forestry and our industry. As I related, never miss an opportunity to educate someone about our industry.

The teachers began the tour with basic

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Closing the tour

knowledge from their pre-tour work, but now have a deeper appreciation and more knowledge about our industry, its people and the jobs they perform as professionals in a sustainable industry and as stewards of our forest resources and environment.

As usual the one line I heard often during the week was "I had no idea." Now they do have a greater idea and can be advocates as stakeholders in sustainable forestry, timber harvesting and forest products industries.

This group was a fun bunch. I personally thanked them for their engagement each day and getting to know each one and having the opportunity to provide my knowledge and experience, and plenty of fun

stories of my 45 year career. I told them for all the evening hanger outers with me, they were official participants in the Teachers Experience Evening Evaluation Committee. It is a great pleasure to see the teachers begin and end the tour and how they absorbed the information of the tour stops and presenters.

SCTPA is a proud SC Sustainable Forestry Teachers Experience sponsor and participant. Thanks to all the tour site cooperators, the wonderful sponsors and the host of forest products companies for making the teachers experience so meaningful.

Again ... a great week of teacher experiences they will remember forever.

Y'all teachers were awesome!!!

Skyrocketing diesel prices are beginning to shutdown logging and trucking operations and threatens the entire timber supply chain, warns the American Loggers Council

WASHINGTON (PRWEB) June 13, 2022

Skyrocketing, record-breaking diesel fuel prices are forcing some logging and trucking operations to shut down. More shutdowns will follow. Fuel was once 25% of the operational cost of running a truck, now it is up to 60% plus. When it costs \$1,118 to fill up a logging truck, plus the other expenses to operate, there is not a profit at the end of the day.

Unlike most industries, the timber industry cannot pass on increased costs caused by fuel and inflation. Their consumer (mills) simply disregards the request for a fuel adjustment and the information breaking down the additional production and transportation costs. Many have provided partial fuel adjustments but not to the degree necessary to offset the additional expense. It is a take it or leave it business philosophy.

As a result, mills in Michigan and Maine are reportedly nearly out of wood. Companies have "parked" their equipment because they cannot afford to operate under the current price structure. "Got down to three truck drivers out of seven trucks. Was fairly close to the mill, now they want me to move 70 miles from home and haul to two different mills that the truck drivers had to wait 3 hours minimum to get unloaded. So, I just carried my stuff home. I've sold most of it. No need to lose what little money I have." -- Tim Rodrigues, Rodrigues & Sons Logging, Texas "For 22 years it's been the smell and sunrise that has kept me and my boys working 12 – 16 hours a day 6 days a week. The



Bobby Goodson of "Swamp Loggers" announced that after 40+ years are shutting down their logging and trucking businesses due to the fact that it was no longer profitable under the current conditions.

"Until more fuel, literally gets into the pipeline the options to address the fuel crisis are limited. However, the American Loggers Council has identified and shared with Congress and the White House immediate actions that will reduce the cost at the pump and improve transportation efficiency."

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smell and sunrise don't pay the bills anymore. When the mill managers and landowners set the logging and trucking rates, they need to figure out a way to pay the loggers and truckers, it's been too many years figuring a way to pay the logger and trucker the least that they can." -- Michigan Logger, 22 Years

"There are a lot of things hurting the logging industry. Insurance, parts, fuel, and equipment have increased to the point that you can't make any profit. We had logged for over 20 years but can't continue to lose money in this industry. We are no longer logging due to everything going up but our pay." -- Rebecca Pipkin, Mark Pipkin Logging, Arkansas

After a period of major forest products companies posting record profits, it is an insult to injury for loggers and truckers to be losing money while supplying many of these mills. It is like rubbing salt in a wound. Particularly when much of the forest products industry tout's sustainability and business practices based on certifying criteria.

The Sustainable Forestry Initiative (SFI) references responsible fiber sourcing to include economically responsible use and an emphasis on sustainable supply chains. Source: SFI 2022 Standards and Rules

The current procurement practices of many SFI certified mills are neither economically responsible nor sustainable supply chain practices from the loggers and truckers' perspective.

In publicly announcing his decision to shut down his logging business after 40 years, Bobby Goodson asked: "We are the people that hold up a \$300 billion dollar industry. Why are we having to fight tooth and nail for every nickel we get?"

It is a fair question and one that industry and policy-makers better pay attention to before it is too late, if it isn't already. For the most part, the story is the same across the country within the logging and trucking industry.

"This is the worst time I've seen in my 45 years around the industry. It's probably going to get worse

before it begins to look just a little better." -- Crad Jaynes, Executive Director, South Carolina Timber Producers Association

First and foremost, the obvious solution is for the wood consuming facilities to provide a fuel surcharge to off-set the additional production and transportation costs being borne by loggers and truckers.

Until more fuel, literally gets into the pipeline the options to address the fuel crisis are limited. However, the American Loggers Council has identified and shared with Congress and the White House immediate actions that will reduce the cost at the pump and improve transportation efficiency.

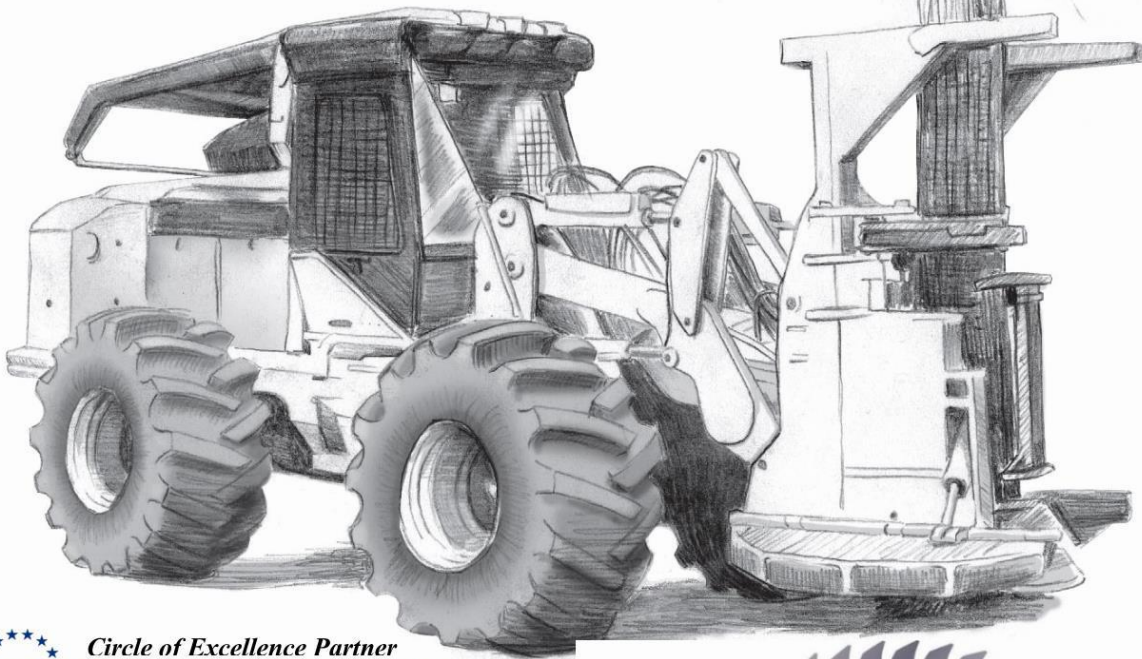
- 1.) Temporary suspension of the federal and state fuel taxes. This will reduce the cost of diesel fuel by 45-75 cents per gallon. Some states have already done this regarding the state portion.
- 2.) Allow for the use of off-road diesel for on-road use. This fuel is not taxed and therefore generally less expensive. This has been done during prior emergency situations.
- 3.) Allow logging trucks access to the federal interstate system at the weights currently operating on local, county and state road systems. This will increase fuel efficiency of logging trucks by 10%-20%, by allowing them to travel the shortest route.

Unfortunately, the response from many forest products mills, Congress, and the White House / Administration have been minimal at best. Without action – any action – the consequences are going to be more logging and trucking companies shutting down, wood products will be more expensive, and scarce, and forest management will not meet best management practice standards required to ensure healthy U.S. forests.

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AS WE SEE IT ... APRIL 2022

NORTHERN LONG-EARED BAT ENDANGERS LOGGERS



Scott Dane

By: Scott Dane – Executive Director, American Loggers Council



The U.S. Fish and Wildlife Service proposal to change the listing from Threatened to Endangered for the Northern Long-Eared

Bat will do nothing to reduce the mortality of the bat, but will contribute to the declining numbers of loggers in the U.S. and threaten the forest products industry. Let's examine the facts: • The Northern Long-Eared Bats are dying from being infected with a fungus that causes the White-Nose Syndrome (WNS), while hibernating in caves during the winter. • The mortality rate for bats infected with the fungus is 97%-100%. There is no known cure. • The range of the bats covers 37 states. • WNS is predicted to be in 100% of its U.S. range by 2025.

***Northern Long-Eared Bat
will be the new
Spotted Owl.***



One of the talking points being promoted by the U.S.

Fish and Wildlife Service in support of their efforts to change the listing from Threatened to Endangered is that the bats contribute \$3 billion annually to the U.S. agricultural economy through pest control and pollination.

The U.S. Forest Products Industry is one of the largest manufacturing industries in American, representing nearly 4% of manufacturing GDP, \$300 billion in products annually and \$109 billion in payroll. Over 100 times the so-called economic contribution of the bat.

If the Northern Long-Eared Bat is listed as Endangered it will result in enhanced habitat (forests) protection restrictions, particularly during the summer (June and July) roosting phase. Since it is impossible to accurately identify roosting trees, this will open up

a Pandora's box of overreaching limits and restrictions that will impede forest management activities. Furthermore, after the bats, including newborn bats, return to the caves to hibernate, they will be infected with the fungus and die anyway. This prescription will be equivalent to treating a terminal illness (literally for the bats) with an ineffective focus on extenuating factors while ignoring the source of the illness. The medical field has a fundamental principle of "Do No Harm". The listing of the Northern Long-Eared Bat as Endangered, and the subsequent actions and restrictions that will result, will do harm, particularly to the timber and forest management sectors. Far more harm than good.

The Endangered Species Act was passed by Congress in 1973. In nearly 50 years over 2,000 species have been listed, with only 54 ever being removed due to recovery, and many (34) removed due to extinction. This constitutes only a 2% recovery rate.

A species must satisfy at least one of five listing criteria in order to qualify for listing as a "threatened" or "endangered" species under the Endangered Species Act:

- The present or threatened destruction, modification, or curtailment of its habitat or range;
- Overutilization for commercial, recreational, scientific, or educational purposes;
- Disease or predation;
- The inadequacy of existing regulatory mechanisms; or
- Other natural or manmade factors affecting its continued existence.



Based on these criteria the American Logger satisfies more than one and should therefore be considered for listing as "threatened" or "endangered" and afforded the same protections.



As We See It ... MAY 2022

A CANARY IN THE WOODS



Scott Dane

By: Scott Dane – Executive Director, American Loggers Council

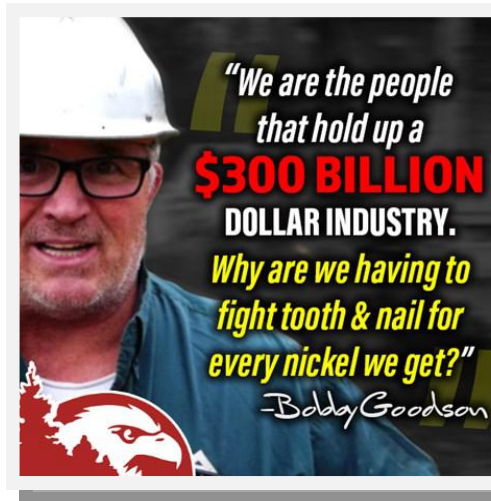
Like the proverbial “canary in the mine” that alerted miners to dangerous conditions and warned them, loggers are the “canary in the woods” regarding the timber and forest products industry. Loggers and truckers are “dropping” like canaries. This should be a warning to the timber and forest products industry.

If a tree falls in the woods and no one is around to hear it, does it make a sound?

Well, a large tree recently fell in the woods, and it made a sound! Bobby and Lori Goodson of the acclaimed series “Swamp Loggers” recently announced that after more than 40 years they have decided to shut down their logging and trucking businesses due to the fact that it was no longer profitable under the current conditions.

<https://www.youtube.com/watch?v=bXWfiMdEP4o&t=178s>

Instead of “not making a sound” the Goodsons took the opportunity to publicly announce their decision via a YouTube video from their kitchen counter. Making this decision was obviously a very difficult personal choice, but like always, Bobby and Lori put the timber industry above their personal privacy and shared this publicly in an effort to bring the current overwhelmingly challenging business environment threat to the attention of those controlling the markets and policies. The Goodsons are the canaries warning the forest products industry that the logging and trucking sector is not sustainable under the current model.



The Forest Products Industry and the Public Policy-makers can heed the warning that the Goodsons have shared or ignore it and live with the consequences.

Fuel costs have proven to be the “Straw that Broke the Camel’s Back”. Some mills have been professional and responsive in providing fuel adjustments, but most have not, and many have only provided a portion of the actual increase in production and transportation costs.

Those who feign that they don’t fully know what the additional costs are, employ a tried and true negotiating strategy of requesting that you provide a breakdown so that they can better understand your costs.

This is merely a delay tactic that usually results in a response that is:

A Day Late and a Dollar Short

In order to provide loggers and truckers with the resource to respond to this ongoing strategy, the Virginia Loggers Association worked with Dr. Joseph Conrad from the University of Georgia to provide an objective analysis of the incremental (per 10 cents per gallon) additional costs for production and trans-

portation. Unfortunately, this information has not resulted in consistent or adequate fuel adjustments for loggers and truckers from many of the mills.

<https://www.amloggers.com/news/how-to-calculate-a-fuel-cost-adjustment-virginia-loggers-association>

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Ironically, the mill inbound supplies and outbound transportation fuel surcharge is not debated by the mills. The vendor tells the mill what the fuel surcharge is going to be and the mills pay it, otherwise the vendors don't provide the service. The mills just incorporate that expense into the end product cost which has resulted in record profits for many mills.

The Timber Industry is the only industry that allows the "buyer" to dictate the price even when it results in the supplier losing money.

That has to change. Timber Unity in the Northwest demonstrated the effectiveness of the timber industry rallying together. If loggers and truckers would practice this unity regarding what they get paid (not in collusion or in violation of anti-trust practices) for their services and products, based on what it costs them, things could change.

Loggers and truckers are not indentured servants (although it may seem so with the amount of debt you carry). It is your business, your logging operation, your truck. Nobody can force you to work.

The timber industry model is the same as it has been for 100 years with loggers and truckers, whether in lumber camps or independent logging / trucking

companies, being told what to do and if they don't they will be replaced by a logger or trucker who will. Those days are over, there aren't enough loggers and truckers to play against one another. If someone wants to work for less than it costs, let them, they won't be around long.

As the old saying goes "don't kill the Goose that lays the golden egg". This refers to killing something that brings one wealth. The loggers and truckers are the "Golden Goose" which has brought record wealth to many in the forest products industry. Those who are benefitting are risking killing the goose that lays the golden egg.

Since there is a proverbial theme to this *As We See It* column – the Goose that Lays the Golden Egg, the Straw that Broke the Camel's Back, the Tree Falling in the Woods, and the Canary in the Mine I want to close with a Biblical Proverb:

"A false balance is an abomination to the Lord, but a just weight is his delight"

Proverbs 11:1

Meaning one should use an honest scale and pay someone a fair amount, because a laborer is worthy of his wages.

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PERSPECTIVE

AMERICAN LOGGERS COUNCIL TO BE NATIONAL SPONSOR OF LOG-A-LOAD FOR KIDS

The American timber industry has not experienced a more challenging and difficult period. The current economic and inflationary period is having a more detrimental impact on American loggers and truckers than the housing collapse, “Great Recession” and the COVID pandemic.



Multi-generational businesses are closing, companies are ceasing operations, liquidating, and going into different occupations. It is aggravating and frustrating when owners have invested blood, sweat and tears into building their business only to do the math and see that the numbers don’t add up to staying in business.

Sometimes we can’t see the forest for the trees. Rightfully, the challenges to the industry need to be focused on, but when we step back and see the “big picture”, our challenges and concerns come into perspective. Nothing guides our attention to what really matters more than seeing the most vulnerable suffering health challenges. When a child is sick or injured a family’s world is turned upside down.

Heaven forbid that anyone has a need for their children to go to the hospital, but we thank God that the Children’s Miracle Network Hospitals are available when there is a need.

That is why in 1988 Larry and Carol Connelly, a logging family from South Carolina played a key role in establishing the Log-A-Load for Kids campaign through the Children’s Miracle Network Hospitals Fundraising Telethon. The basic concept was for loggers and wood-supplying mills to donate the value of a load of logs to a local Children’s Miracle Network Hospital. That has evolved into other fundraising events to support the Log-A-Load program, with 100% of the donations going directly to help children. This ensures that families can receive the needed medical services for their children without any out-of-pocket expense.

Since that time, the Log-A-Load for Kids program has spread to over 30 states and raised more than \$46 million for 70+ member hospitals. Today, Log-A-Load for Kids is a leader in the Children’s Miracle Network Hospitals’ fundraising with more than \$2 million annually through golf tournaments, fishing events, clay shoots, dinners, auctions, truckloads of log donations, and other events.

- Florida - Donated over \$2 million
- Mississippi - Nearly \$2 million
- Arkansas Over \$9 million
- Maine - Nearly \$2 million
- Mountain Loggers Group - \$2 million to Log-A-Load for Kids



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Many of the state logging association members of the American Loggers Council sponsor Log-A-Load for Kids events. That is why the American Loggers Council has accepted the opportunity to support the Log-A-Load for Kids program nationally by promoting it and supporting the state efforts. As a demonstration of support, the American Loggers Council has donated six Loggers Limited Edition Henry Rifles to state association auctions and raffles. **These donations have contributed \$35,000 to the state efforts.**



For the American Loggers Council our purpose is to facilitate, encourage and enable the members – the state logging associations in all their endeavors. The American Loggers Council’s role in the Log-A-Load for Kids program nationally is focused on supporting the leaders of the program, the state logging associations, and contributing to their efforts as they provide for the children in need.

***Business and life are about more than the bottom line, it’s about helping
when help is needed, it’s about giving back.***

Because needs don’t only occur when it is convenient or when we are prosperous, we are called upon to support one another in good times and in bad times. Even during these economically challenging times, loggers have not lost perspective and have continued to donate generously and increasingly to the Log-A-Load for Kids program.

For more info visit: <https://www.amloggers.com/log-a-load-for-kids>





SCTPA Voices Concerns for Professional Loggers



By Crad Jaynes, President
SC Timber Producers Association
June 24, 2022

Prelude: *This article is an edited version of an article written April 18, 2005 and published in the April/May Timber Talk newsletter entitled SCTPA Voices Concerns: An Open Letter to Wood Receiving Companies. The original article voiced concerns about the logging and wood supply segments due to economic pressures and challenges being witnessed seventeen years ago which are very similar to the same challenges and pressures here in 2022. Much of this article remains the same as it was published in 2005 with some revisions to match the times.*

As the association dedicated to representing and servicing South Carolina's professional timber harvesters, this editorial is for the purpose of expressing concerns regarding the current economic conditions of South Carolina's timber harvesting businesses.

Professional loggers today are facing difficult economic and operational challenges. Many of these challenges as well as their impacts have probably been seen before and then perhaps never been seen before in the magnitude our industry is facing.

Many outside forces are causing the pressures, issues and challenges to today's timber harvesting and wood supply segments. Economic factors affecting loggers are mounting daily. Escalating operational costs, higher machine costs, drastically increasing fuel costs, trucking liability insurance costs increasing, driver and in woods labor shortages, costs associated with regulatory compliance, and costs being absorbed by loggers to meet the Sustainable Forestry Initiative, are only a few to mention regarding economics.

Professional loggers are the vital link in the wood supply chain. And that supply chain of landowners, loggers, wood suppliers and the wood receiving companies producing the product sold to their markets is only as strong as the weakest link. Unfortunately today, it still appears the link being stretched to a near breaking point is the harvesting link.

Professional loggers, those conducting profes-

sional businesses in the occupation of harvesting timber, have great investments in time, machinery, people and tangible assets to sustain their livelihoods. Like wood receiving companies manufacturing forest products, loggers too desire to make a reasonable profit and a return on their investments. Yet the reality is the logger is now caught between the landowner desiring a more competitive stumpage rate and the receiving mills wanting to force down their wood costs. At whose expense is this happening to? The timber harvesting segment.

Professional loggers are aware wood receiving companies are also feeling the economic pinch of increased costs in fuel, wood deliveries, and product manufacturing. Increasing economic and market pressures often limit what wood receiving companies can do economically for the harvesting segment. But somewhere in this vicious cycle, loggers must be looked upon as respected partners in the wood supply chain rather than an expendable commodity.

Logging capacity can be debated. Is it shrinking? Is it the same? Is it growing? All valid points for debate. While the population of logging businesses has reduced, the capacity to produce is still there due to mechanization. But the reduction in the logger population numbers currently can be attributed to economic attrition.

And why is that? It is basic Economics 101. Our

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harvesting businesses are not for the most part seeing much economic growth. Loggers are being squeezed to produce more for less, living off equity and simply trying to survive. Paying “high” on-road and off-road fuel prices and being hit with double digit inflation are driving factors. Is this healthy for the industry in the long term?

Economically healthy loggers help make the wood flow dependable. Financially stable loggers with the ability to pay their bills, improve efficiencies through machinery upgrades, even reduce costs due to improved efficiencies, pay competitive wages, provide employee benefits, and participate as respected professionals in the business community are all long term benefits for the wood supply chain.

Yet it seems as though wood receiving companies’ philosophy toward the harvesting segment takes a position of as long as the wood comes through the gate at my (mill’s) price, despite the need for more reasonable service rates in view of current economics, then why should the mill pay more. If a good business logger goes out, that’s fine because there’s another available to deliver the wood. Perhaps this might be an overstatement, but sometimes on the surface it appears a reasonable assumption.

Wood receiving companies are charged to purchase raw material at the most economic rate possible. That’s good business and nothing wrong with that. However, when the purchase of the raw material is at the expense of the supply side, what long and even short-term effects occur? The supply side, the timber harvesters, wood suppliers and truckers slide further into economic adversity.

Everyone knows fuel prices are a major problem. Over the last six months, on-road and off-road fuel costs have hit prices never before witnessed in this state. Yet professional loggers are asked to continue moving the products without the benefit of being able to implement fuel surcharges like the regular trucking industry is afforded.

Sure some mills have provided a fuel adjustment to assist, but is that enough. And when a wood receiving company provides a fuel adjustment and then reduces the delivery rate, who is that helping? The service rates to cut and haul are given on what seems to be a “take it or leave it basis.” Perhaps there are

more opportunities for negotiations now than ever before if a logger has the business information of accurate costs to support the request for rate increases. Yet still, “perhaps” might be the operative term.

Is your company providing a fuel adjustment? If yes, then your company is to be commended for at least making an effort to assist. If not, then why? Is it company philosophy to stretch the supply side to the brink of economic collapse before something is considered, or is it just a matter of as long as the wood is delivered, they, the loggers, must be fine.

Fuel is an enormous expense today. Why should-

n’t there be a compromise considered to adjust fuel for the delivery of a needed raw material? How about a fuel adjustment for off road fuel for logging equipment in the woods? Has that ever

been considered? The answer may be too simple. Pay no more than necessary as long as the deliveries continue. But who suffers in the process?

A speculative concern arises from the mere structure of our wood supply chain. When loggers are delivering through a middle entity, the dealer, wood receiving companies may provide a fuel adjustment to the dealer. And this begs the question... Is that adjustment being passed to the loggers?

There are probably cases such adjustments, or perhaps partial adjustments, are being passed accordingly. But there are probably others where such adjustments are used for other activities. And again, this is merely speculative concern.

Can wood receiving companies monitor such adjustments to ensure the passage to the harvesting segment? That’s a very good question. On the surface, it would appear they cannot. Because that is the middle man’s business and not the mill’s. It is their business. The low person on the totem pole, the logger, appears to be carrying the weight of financial uncertainty as a result.

However, over time many loggers have become “logger/dealer” operations which appears to be a more efficient strategy to reasonably assure the business remains stable. Having the ability to purchase

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standing timber, do the harvesting and market the products by the business is a good model. But not every logger can or wants to use this model. Some just want to harvest timber and not have to worry about buying standing timber, or hiring a forester to do so and having to market their harvested products. There's absolutely nothing wrong with that.

Loggers have been asked over many years to be more efficient. And yes today in the woods, operations are more efficient. Many loggers have cut and absorbed as many costs as they can stand while continuing to operate in the best interests of the landowner, their business, their wood suppliers and the mills. Being caught in the wood supply chain middle silo, loggers have little to no ability to pass increased costs on to another party. Sure, the comeback to that is the cut and haul rate may be negotiable. Perhaps, but are the negotiations in the best interests of all parties?

Over the recent years, operational costs have escalated and couple that with the inflation rate, the last inflation rate I saw for logging is between 38% and 42%. Can a logger pass that up or down to anyone? Most likely not, but perhaps there are avenues to at least pass some costs. Maybe?

Therefore the result is another increased cost absorbed. There is the possibility if the logger purchases timber there may be the opportunity to negotiate on stumpage. But it appears landowners seem less willing to give any relief. Everybody wants the best price for their timber. Okay, that's understandable, but at the same time loggers cannot continue to be squeezed between high stumpage and the mills' lower wood costs. Therefore, the good harvesting operations are strapped to do the job at perhaps less than desirable economics, or the landowner opts to allow another harvester to do the job in order to obtain the highest return while possibly taking the risk of an outcome not meeting expectations.

Overall timber harvesting efficiency is a function of the entire process. Increasing productivity efficiencies in the woods are only as good as the ability to truck the wood to markets in a timely fashion. And Lord knows the problem with trucking these days. Driver shortages abound. Not only in the timber transportation segment, but in the entire trucking industry.

Wood receiving companies have done a good job

over the years of improving wood yard functions to lessen the unloading turn times. And I commend the wood receiving side for that. When trucks are held in mill lines for lengthy periods of time, how can there be increased efficiencies in the entire harvesting system? Trucks waiting to be unloaded are costs being absorbed by loggers and truckers. And the old adage says nothing pays until it crosses the scale. If loggers are victims, or drivers are being held hostage in line, because of the "on-time delivery" philosophy or even mill yard inefficiencies, then how can loggers manage their processes more efficiently?

The Sustainable Forestry Initiative is 28 years old now. SFI is the major component of our forest products and timber harvesting business culture. Yes, SFI is a credible certification program and the way business is done. Go back to the initial standard, paraphrasing now, the standard stated incentives would be provided. Have there been incentives? That answer depends on what side of the fence you stand.

The logging industry faces a Catch 22. Are there incentives for the best loggers, those performing as professional businessmen and women, running jobs meeting and exceeding expectations with increasing costs and costs being absorbed due to SFI, regulations, economics and inflation and such, to stay the best or get better? Are there incentives for others to want to get better?

The system itself seems to penalize the best while allowing others to get by at comparable compensation rates. Sure, life isn't fair and neither is business. But the wood supply system sometimes encourages

mediocrity rather than promoting improvement.

Sure, improvement depends on who it is and their individual desires. But professional loggers maintaining their woods and road equipment to meet and exceed standards, performing on the ground above standards, working to promote a positive business image should be offered the opportunity to improve their economic position as well as a similar opportunity provided to others desiring to do the same. If a \$175,000 truck and trailer, maintained at standards



(Continued on page 16)

to pass a SC State Transport Police inspection, is sitting in line to be unloaded behind a truck not likely to pass, where is the incentive when both loads might be receiving comparable compensation? Speculation of course.

Has anybody ever thought about a compensation system considering the quality of service provided? Not likely because such a new way of thinking goes against the system's philosophy. Plus, how would you do it? As professional loggers continue to do what is right on the ground, maintain their businesses, absorb costs and improve efficiencies, there should be a reward method to provide incentives for operational and economic improvements.

Another concern issue is the operator flying below the radar screen when it comes to carrying proper insurance. Are there loggers and truckers entering mill facilities with less than adequate insurance coverage? Are there monitoring systems in place to see if those operators delivering wood are insured properly? These are pertinent questions for thought.

It's a matter of costs. If proper insurance is carried by professional businesses as required by the receiving companies, but others are not, then it appears there is adverse competition in the system. Should not all parties on the supply side be responsible to carry insurance meeting the receiving company's requirements? The probable answer there is only the party signing the contract is required to meet the wood receiving company's requirements. That's understandable, but what about those not meeting the requirements. Again, the playing field tilts a little more.

So where does this put us? "Us" includes all the wood supply chain's players. Not any one solution will ease the concerns. There must be reasonable steps taken by all segments to improve relationships, economics, efficiencies and markets.

Yes, reasonable increases in service rates would be a first step. And to those companies having done so, kudos to you. However, throwing money at the overall problem is not the entire answer. Mills will continue their quest to lower wood costs. Loggers

must continue to improve efficiencies. Landowners must realize stumpage needs adjustment. Our market reactions must be compatible to product demands.

Loggers must be able to provide quality services whereby they too can see a return on investment and have a reasonable profit margin as a result. The logging industry must be able to meet productivity demands yet be competitive in the process without compromising their own livelihoods and businesses to the extent of progressing and not regressing.

There needs to be improved relationships and improved understandings of what it takes to produce a ton of wood and what it takes to buy a ton of wood and what it takes to manufacture that ton into a product. There needs to be greater respect for what professional loggers do and how they do it. Sure, there will always be the upper, middle and lower segments of any industry. But the wood receiving industry needs to develop an improved philosophy of desiring to do business with those in business for the long term that are economically stable because of being paid a fair price for their services and who will deliver the raw material via a quality business.

Our wood supply chain is in trouble. As loggers struggle economically to make ends meet because of higher fuel costs, higher equipment costs and so on, the chain will continue to be pulled to a breaking point at the harvesting link. Can the wood supply chain stand this? No, because there is the need to harvest the raw material, deliver it to a mill and manufacture products. All the links of the chain must stay strong together and not stretched at the expense of another.

Professional loggers need economic relief. Can such relief be provided? Presumably, but only if there are philosophical changes in a system predicated on squeezing the very segment supplying the raw material. Will it occur? Perhaps, but current indications are it may be later than sooner. Economic relief may be too late for some loggers. There are many loggers now who have gotten out of the business because of economics, age or other reasons. Most notably is the economic attrition.

Our industry faces many challenges such as competing globally, controlling costs, seeking additional

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markets, increasing economies of scale, providing economic growth opportunities and meeting current market demands. One challenge is to work toward increased economic opportunities for the harvesting segment. Without an economically stable professional logging force, what good is standing timber waiting for a harvest? Another challenge is to offer loggers an opportunity to conference on what is needed for fair compensation for services provided. Improving relationships so the wood supply chain works as a cooperative and mutually beneficial partnership for all parties involved is certainly a challenge to be mentioned.

Can the wood supply chain step up and meet the challenges? Will loggers continue to be given the opportunities deserved? Will the chain continue to be stretched at the expense of the logging force and remain "status quo?" All good questions for thought and debate. The solutions truly lie in the realization and understanding professional loggers are not expendable...not a commodity. They are a vital link in the wood supply chain just as the landowner, wood supplier and the wood receiving mills. Logging businesses cannot continue to operate at yesteryear compensation rates. Not only in terms of dollars and cents, but also in terms of long-term health of the wood supply chain. The costs are just too high.

This article has attempted to present concerns and thoughts from the harvesting segment. It also offers an open invitation to any part of the wood supply chain to conference on these concerns and any other issues.

Some of these thoughts and concerns may be taken as offensive, unreasonable or even unjust. But that's okay. Entering my 46th year around this industry, I've seen many challenges over the years of my career. But one thing stands out to me, loggers are resilient. I think the timber harvesting segment will survive, but at what costs.

Loggers need to tell their story and not be afraid to speak up. The wood supply chain needs and must have a healthy, sustainable logging force to meet the needs of all the chain's links.

It is this association's responsibly to speak for the timber harvesting segment. Likewise it is our desire to assist in processes leading to improvements in our link's relationships with the entire wood supply chain.

Log On & Truck Safe!



FINAL GAS TAX INCREASE TO TAKE EFFECT IN JULY

By Melinda Waldrop, Columbia Regional Business Report
June 07, 2022

South Carolinians will see the final increase in gas taxes of a phased, six-year plan starting July 1, 2022.

The Motor Fuel User Fee increase will raise gas prices by two cents per gallon for the final time as part of the South Carolina Infrastructure and Economic Development Reform Act passed by the General Assembly in 2017. The total 28-cent increase will be permanent.

The fee helps support road, bridge and infrastructure construction in the state. From July 1, 2017 through March 2022, nearly \$890 million has been deposited into the state Infrastructure Maintenance Trust Fund to support more than \$2 million in road and bridge work, according to numbers from the S.C. Department of Transportation.

A tax credit is available to help offset the fee increase. The credit equals the lesser of the vehicle maintenance fees paid during the year or what was paid in the increased fees.

According to S.C. Department of Revenue data, the credit has been claimed on 68,052 S.C. tax returns, totaling \$5,592,065 in credits issued so far this year. To claim the credit next year, save receipts from gas purchases and vehicle maintenance work.

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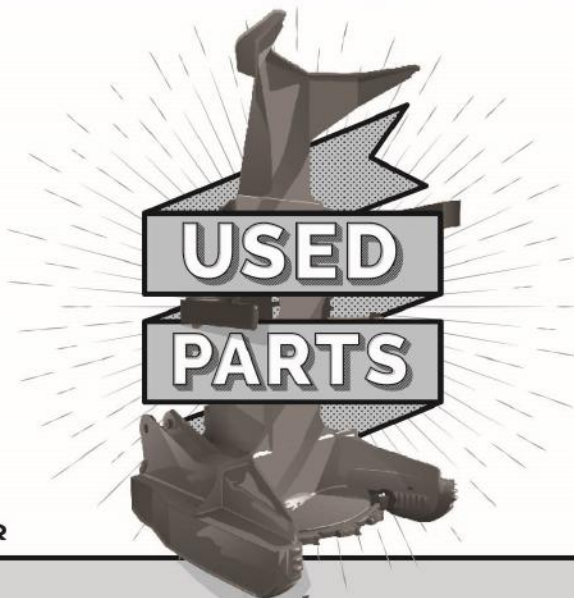
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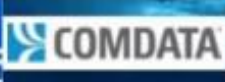
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CAROLE KING CALLS ON CONGRESS TO CRACK DOWN ON LOGGING INDUSTRY

By Julia Mueller 03/16/22

Carole King, songwriter and singer, called on Congress on March 16, 2022 to crack down on the logging industry during a House Oversight and Reform subcommittee hearing centered on forest management and reducing wildfires.

"They continue to facilitate felling mature trees under the guise of Orwellian euphemisms: thinning, fuel reduction, salvage, management, and the ever-popular restoration," the singer-songwriter said told the panel.

Commercial logging is one of the ways the U.S. Forest Service prevents wildfires — along with prescribed burns and thinning — but advocates say that these methods are more harmful than helpful.

King warned that the industry's rhetoric persuades the public into thinking that logging is a safe and effective form of forest management that helps in part to prevent wildfires, when it actually puts forests at risk and strips back protections against carbon emissions and climate change.

"Clear cuts are tinderboxes," King said. "Coal, oil and gas get a lot of attention, but logging is also a huge emitter of carbon, and taxpayers have been subsidizing clear-cutting in our

national forests under multiple presidents from both parties for decades. It's institutional."

King urged lawmakers to pass the Northern Rockies Ecosystem Protection Act, a measure she has expressed support for in the past, which she called "bold and visionary."

She also urged lawmakers to pass a law requiring the forest service to incentivize preservation and repeal logging provisions in the recent Bipartisan infrastructure law, a notion she has expressed support for in an op-ed for The Hill.

Those logging funds should then be re-allocated to home hardening, or the process of making homes more fire resistant, King said.

Rep. Carolyn Maloney (D-N.Y.) voiced support for the Biden administration's goal of protecting 30 percent of federal lands by 2030. Without action, "all seasons will be fire seasons," she warned amid global spikes of more frequent and intense fires raging.

SCTPA Comments: Miss King's comments are somewhat unfounded in our opinion. I guess she is an educated expert on sustainable forestry management. "Really"... don't think she is by any stretch of the imagination. Probably just a bleeding heart liberal environmentalist. Hey Carole... do you like toilet paper, lumber and all the products used daily that contain wood?

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Christian Houston-Floyd is the Samsara Account Executive. His direct contact is 470-502-6900 extension 3 or online at christian.houston@samsara.com.

Christian spoke at the American Loggers Council 2022 Annual Meeting in Couer d'Alene, Idaho. The Mississippi Loggers Association has had great success with their partnership with Samsara. SCTPA is proud to provide this Samsara program as a member benefit and service.

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By Shawn Baker, Forisk Consulting, May 17, 2022

This post is the fifth in a series related to the Q2 2022 Forisk Research Quarterly (FRQ), which includes forest industry analysis, timber price forecasts, and featured research on regional pulpwood price dynamics.

Logging is largely a high-volume, low-margin business. Production is critical to profit. Where costs are fixed, like payments on half-million dollar machines, squeezing extra production per hour, day, or week can offset those costs with increased revenue. However, more production means more consumption, and variable costs such as fuel and equipment repairs increase commensurately. Thus, the role of inflation on logging businesses depends on where those cost increases occur and how quickly. Fuel costs often get a large focus because prices can be volatile, and loggers cannot offset them with greater production. However, over the past two years, rapid inflation in wages, equipment, and insurance compounded to pressure logging costs at a faster clip than productivity can offset, and fuel and repair costs are pushing to record levels as well, creating a painful (and expensive) operating environment for the logging sector.



Figure 1. Southern Logging Costs, Rates, and Employment Change, 2010-2022. Sources: Bureau of Labor Statistics, Timber Mart South, Forisk

Figure 1 compares annual changes in southern logging employment to logging rates (amount loggers are paid for their work) and an index of logging costs (cost a logger incurs to operate their business) adjusted for average annual growth in productivity. It assumes labor

costs are fixed (that employees are salaried), which is not entirely representative but provides the lowest cost assumption[1] for this example. Logging rates grew from 2010 through 2012 and oscillated +/- \$0.50 per ton since[2]. Logging costs largely varied in the same range through 2020, excepting a diesel price drop in 2015. Since 2020, growth in logging costs far outpaced reported logging rates.

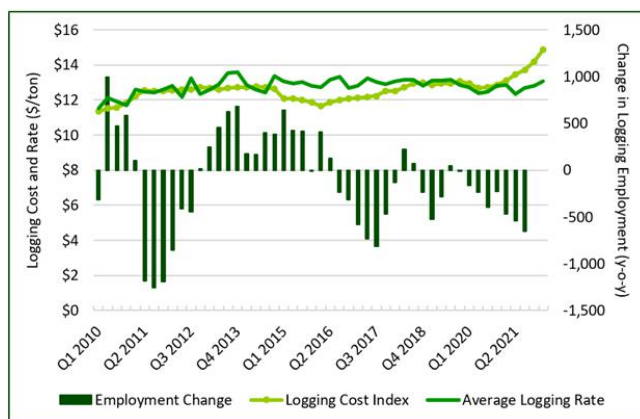


Figure 2. Average Southern Hauling Rates, 2010-2022. Source: Timber Mart South

Year-over-year changes in southern logging employment speak to the volatility in the sector. Lost capacity following the Great Recession began to return in late 2012, and the margin between rates and costs helped fuel growth in the sector. Since 2016, the industry largely lost loggers. In 2021, the spread between increasing costs and logging rates widened and the pace of logging employment losses increased. Rapid inflation fueled cost growth in excess of growing productivity and flat logging rates. In contrast, log hauling, the portion of the supply chain receiving more attention over the past few years, saw rapidly increasing rates over the latter half of 2021 as fuel costs and labor shortages pushed costs higher (Figure 2).

[1] If labor were treated as entirely variable, total logging cost would be nearly \$1 per ton higher in 2022. By adjusting costs for assumed productivity gains and using fixed labor costs, the pace of logging cost growth is extremely conservative.

[2] Reported logging rates are an average of clearcut and plantation thinning rates for the Piedmont from Timber Mart South.

FORISK's Lang Paints Southern Forests Picture

Amanda Hamsley Lang, COO & VP of Client Services with FORISK Consulting, addressed timber supply and outlook during the Wood Bioenergy Conference & Expo Held March 29-30 at the Omni Hotel at CNN Center in Atlanta.

Lang, who was one of the event keynoters, said that FORISK forecasts pine sawtimber inventories to increase through 2027 before declining through 2035 in the South. Deferred harvest during the Great Recession (2007-2009) along with improved genetics and silvicultural practices, which have increased timber growth rates by an average of 1% per acre per year for the past 10 years, lead pine sawtimber inventories to peak in 2027 at a level nearly 75% higher than in 2007 for the region. Lang added that the supply story varies across the region, with some states projecting continued increases in inventory while other states begin to see contraction much sooner depending on local market dynamics.

She added that decreased harvesting activity during the Great Recession resulted in fewer replanted forest acres, leading to a dip in the forest inventory for pulpwood-sized trees.

Lang, who was one of the event keynoters, said



that FORISK forecasts pine sawtimber inventories to increase through 2027 before declining through 2035 in the South. Deferred harvest during the Great Recession (2007-2009) along with improved genetics and silvicultural practices, which have increased timber growth rates by an average of 1% per acre per year for the past 10 years, lead pine sawtimber inventories to peak in 2027 at a level nearly 75% higher than in 2007 for the region. Lang added that the supply story varies across the region, with some states

projecting continued increases in inventory while other states begin to see contraction much sooner depending on local market dynamics.

Lang said the average pine growth-to-drain ratio for the South in 2020 was 1.31, indicating a general oversupply of timber, though with tight markets in north Florida and south Georgia, and areas of coastal South Carolina and North Carolina, central Texas and Louisiana with relatively balanced timber supply and demand. She said northern Mississippi, Alabama and northeast Georgia show an oversupply of pine growth relative to demand.

But fast-forwarding five years to 2025, the timber supply becomes more balanced across the region, with an average pine growth-to-drain of 1.04, a period during which 10 sawmills and 11 pellet mills come on-line in the region.

Research explores safer routes for logging trucks

By Kristen Morales

Insert Log Truck Being Loaded Photo

A knuckleboom loader places pulpwood on a log truck in central Georgia. New research by a University of Georgia professor identifies safer routes for log trucks by incorporating federal highways—an option currently prohibited due to weight restrictions. (Photo by Joseph Conrad)

Logging trucks crisscross roads across the southeastern United States every day, bringing more than 200 million tons of timber from forests to mills every year.



Every mile they travel adds to the overall cost of the timber—and current federal weight laws prevent log trucks from using interstate highways. Now, University of Georgia research is measuring the benefits of shifting log trucks from back roads to interstate highways: safer routes that take logging trucks off local roads, minimize wear and tear on these roads, and cost savings for timber producers.

"The federal government sets weight limit laws for the interstates, which have been in place since 1974," said Joe Conrad, assistant professor of forest operations at the UGA Warnell School of Forestry and Natural Resources. "So, the goal of the research was, if you made the weight limit the same on interstate and state highways, would it improve the efficiency of our timber transportation industry?

The results were a resounding yes."

(Continued on page 28)

(Continued from page 27)

In Georgia, the weight limit on state and U.S. highways is 84,000 pounds total, including 48,300 pounds per two axles (including state weight tolerances)—limits that allow logging trucks to haul their loads to mills that are often located in metro areas. But on interstate highways, log trucks are limited to 80,000 total pounds, including 34,000 pounds per set of axles.

This means logging trucks have to stay off the interstate highways. And, this poses an issue when timber is delivered to mills.

“Many of Georgia’s large mills are located in Macon, Augusta, Savannah, Brunswick—relatively large areas,” Conrad said. “So, they have to drive through downtown Macon, for example, to get to the paper mill there. Plus, you have pedestrian movement. “It’s needlessly unsafe for them.”

Conrad’s research, which was supported by the Georgia Forestry Foundation Center for Forest Competitiveness and the Forest Resources Association, examined timber transportation in four areas in Georgia: Macon, Brunswick, Augusta and Savannah; he also looked at Brewton and Prattville, Alabama; Eastover, South Carolina; and Roanoke Rapids, North Carolina.

He compared routes traveled by logging trucks and how their route might change if they were allowed on the interstate. His research found that, on average, nearly half of the trucks’ routes could be over the interstate instead of on local roads. When you take into consideration that 25% of the delivered cost of pulpwood is in its transportation to the mill, the cost savings begin to add up.

But cost is only part of the equation. Traveling on interstates is inherently safer than driving on local roads, where stoplights and turning cars create constant crash potential. Nationwide, interstate highways average around one fatal crash per 100 million miles driven. The fatal crash rate on interstate highways is one-third to one-quarter of what it is on state and U.S. highways.

Conrad and his team compared the routes by counting intersections, school zones and other potential hazards between the forest and the mill. Across the eight areas, he said, when log trucks used the interstates, they could reduce the number of stoplights they encounter by 33% and avoid one school zone per trip.

Empty log trucks are allowed to travel on interstates, and Conrad’s research found that fewer than 5% of log truck accidents took place there. But at the

same time, 40% of truck wrecks took place within 5 miles of an interstate. The data suggests, said Conrad, that if these trucks were moved to the interstate, some of these crashes could be avoided.

“As you know from traveling the interstate, it’s usually faster than traveling the back roads. So, I found the interstate was quicker by about eight minutes per trip, from the routes we looked at. If you think about all the loads of timber that are moved every year, that adds up real quick,” said Conrad. “Trying to drive a log truck through Augusta is pretty slow and hazardous, so in addition to it being a lot safer, bypassing the city on the interstate would reduce fuel consumption, lower CO2 emissions, and cause less damage to the pavement, because interstate highways are engineered to a higher standard than state and U.S. highways.”

This is something log truck owners have been saying for years, he added, but until now there hasn’t been any data to back it up.

Applying state weight limits to interstate highways requires federal legislation, but it’s difficult to make changes without data to support it. Now, though, this research has the potential to inform proposed legislation such as the Safe Routes Act, co-sponsored by Rep. Sanford Bishop (D-GA). Introduced into Congress last year, it would allow logging trucks that meet state-determined requirements to travel up to 150 miles on interstates.

“I’m glad to have a role in research that has the potential to inform public policy,” added Conrad. “This is an important issue that affects public safety and the efficiency and competitiveness of one of Georgia’s most important industries.”

SCTPA Comments: *Dr. Conrad’s research was published a while back, but needed to be re-visited now due to the high fuel prices severely impacting the timber harvesting and transportation sectors of the wood supply chain. The American Loggers Council and SCTPA have been pushing legislation for over ten years in Washington, DC to make a minor change in federal law. This would allow log trucks to access and use the interstate system within the state to haul roundwood and in-woods produced wood chips at the state legal gross weight on state roads, SC is 84,272 pounds, not on the interstate system. SC has a very good interstate system north, south, east and west throughout the state. Not only would the safety for the motoring public and our drivers be enhanced, the logistical efficiencies would be enhanced as well.*

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NEW Michelin & B. F. Goodrich Tire Discount Program

SCTPA has partnered with Michelin and B. F. Goodrich (BFG) to offer ACTIVE dues paid members the opportunity to save money on tires through this program.

SCTPA President Crad Jaynes said, "SCTPA is pleased and proud to partner with Michelin North America to offer this valuable and cost saving opportunity for our members. Our members are always our first priority and when our association can provide a cost saving program like this, it is a "win" for everyone. I appreciate Michelin partnering with us in this program."

This program is available to ALL active dues paid members in all SCTPA member categories. This program has been effective since June 1, 2019. Members are able to visit any local Michelin dealer. Program requires an application be completed and the use of a credit or debit card.

Member Process for SCTPA Michelin & BFG Tire Program

- 1) Contact SCTPA to receive active member number, membership period and member status (logger, wood dealer, etc.).
- 2) Must be an Active Dues Paid SCTPA Member.
- 3) Interested SCTPA members should reach out to your local Michelin Tire Dealer.
- 4) Complete the application and forward it to Jalisa Byas (Jalisa.byas@michelin.com) or Steve Wilt (Steve.wilt@michelin.com) Jalisa is the SC Representative and Steve is the Territory Manager. Application available from SCTPA. Write your SCTPA member number and member period on the application at the top left under Michelin logo. *Example: SCTPA ##### / 01-01-19/20*. Sign and send both the Application and Conditions of Sale pages.
- 5) Either Jalisa and/or Steve will verify active membership with SCTPA's Crad Jaynes.
- 6) Once application is verified, it will be sent to Michelin for approval.
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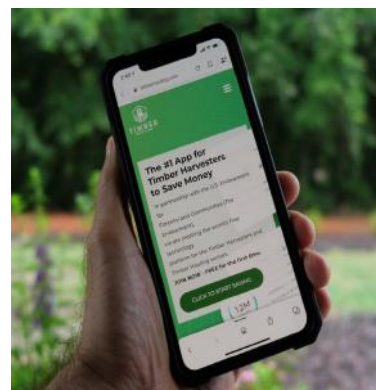
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PULPWOOD COSTS ARE HIGHER ACROSS THE UNITED STATES

Forisk Consulting, Forisk Wood Fiber Review
July 8, 2022

WATKINSVILLE, GEORGIA – July 8, 2022 – Higher fuel prices and constrained labor markets for loggers and truck drivers pushed pulp-quality fiber prices higher through Q2 2022 across much of the United States. “In almost every U.S. market, we are seeing prices for at least one fiber product at or above five-year highs,” according to Forisk VP of Research Shawn Baker. “Last year at this time, we saw a number of products testing five-year lows.” Regionally, the Pacific Northwest exemplifies the trend. Softwood pulp-log and chip prices are both up nearly 50% year-over-year. Forisk Wood Fiber Review Editor Tim Gammell noted “The supply surplus of chips we saw during the lumber price surge is dwindling as overseas demand for chips from the West increases. Paired with high fuel costs, prices are back near their 2018 peak.”

On the East Coast, hardwood fiber prices were consistently across markets. In the Northeast, substantial logging capacity shortages forced hardwood chip and roundwood prices up over 10% for the quarter. In the Southeast and South Central, hardwood

chip and roundwood prices were up nearly 10% year-over-year. A dry spring mitigated further increases. Forisk Wood Fiber Review (FWFR) Associate Editor Stephen Wright commented, “We are seeing a number of fuel surcharges paid to loggers across the South, but the dry weather improved supply conditions and loggers were seeing quotas to start the summer.” As diesel prices hovered near \$5 per gallon, fiber buyers struggled to control costs in spite of the favorable supply.

Wood fiber costs account for over half of total pulp manufacturing cost worldwide. The Forisk Wood Fiber Review includes prices and market commentary for all major North American regions, providing essential data for anyone that needs to track pulpwood, wood chips, and biomass prices in the world’s largest and most dynamic wood fiber markets. The FWFR provides updates of softwood and hardwood prices for all major markets in North America. Prices are reported for wood delivered to consuming plants as a range and average price. Each report also updates U.S. and Canada trade statistics for lumber, logs, wood pellets, wood chips and pulp.



Weyco Purchases More Acreage in Carolinas

Weyerhaeuser Co. is purchasing 80,800 acres of timberland in North Carolina and South Carolina from a fund managed by Campbell Global for \$265 million. The acquisition is composed of highly productive timberlands situated in strong coastal markets and strategically located to deliver immediate synergies with existing Weyerhaeuser timber and mill operations.

Key components include:

- ◇ Fee ownership with 89% planted pine acreage and strong site productivity delivering attractive long-term timber returns
- ◇ Well-stocked timber inventory with a mature age class producing attractive sawlog mix and average harvest of 6.5 tons per acre (or 520,000 tons) annually over the first 10 years
- ◇ Expected average Adjusted EBITDA of approximately \$160 per acre (or \$13 million) annually from timber operations over the first 10 years

With this acquisition, Weyerhaeuser will own or manage more than 900,000 acres of timberland in the Carolinas, and the company also operates four mills, a distribution center and tree nursery and hosts multiple mitigation banks and real estate development projects, while employing more than 700 between the two states.



Weyerhaeuser

How to Calculate a Fuel Cost Adjustment by Dr. Joseph Conrad

The Virginia Loggers Association commissioned Dr. Joseph Conrad, Assistant Professor of Forest Operations, Warnell School of Forestry & Natural Resources, University of Georgia to conduct a fuel cost analysis, its impact on production and transportation costs, and a fuel adjustment formula. This is a comprehensive third-party objective analysis that producers can apply to their particular operations (report modeled southern logging operations and may need to be adjusted for northern logging operation factors) and use as a resource when addressing fuel adjustments needs.



INTRODUCTION

I have received several urgent emails recently from loggers, suppliers, and procurement foresters trying to calculate fuel cost adjustments. This is a good sign in that mills and suppliers want to work with loggers to address skyrocketing fuel costs. On the other hand, it suggests that the previous cut-and-haul rates may have been negotiated without careful consideration of the underlying costs involved in harvesting and transportation. Forgive me if I am too cynical. Fortunately, calculating a reasonable fuel cost adjustment is simple math. However, it does require data, or without solid data, reasonable estimates. Loggers should have data while foresters may have to rely on estimates.

MEASURING FUEL CONSUMPTION

To calculate a fuel cost adjustment, a logger will need to know how much fuel is consumed per ton of wood harvested. Fuel consumption data should include in-woods equipment, support vehicles (i.e., company pickups, fuel trucks, parts trucks, etc.), and log trucks. Fuel consumption by in-woods equipment can be collected easily. Many machines collect fuel consumption data using onboard computers. If machines do not measure fuel consumption, a fuel meter can be purchased for less than \$100. Every time a machine is refueled, the operator should record the date, number of gallons pumped, and machine engine hours.

Finally, fuel consumed by log trucks should be measured. It is important to determine the fuel economy of the log trucks. Record miles driven from odometers and gallons of fuel consumed. Log truck fuel consumption per ton will obviously vary by haul distance and so it should be calculated on a tract-by-tract basis. Fuel consumption per ton can be calculated using the formula below. Accurate values for tons per load, miles per gallon, and percent-loaded miles are obviously important. Do not assume 50% loaded miles unless there is data to support this value. Log trucks often average 40–45% loaded miles once trips home and moves between sites are counted.

Divide gallons of fuel consumed by the number of tons produced to calculate gallons per ton. Make sure that fuel consumption data and production data cover the same period. Estimates based on a week or a month's data will be more accurate than estimates based on daily records.

Several studies have measured fuel consumption by logging equipment (Greene et al. 2014, Kenney et al. 2014). While this data is several years old, it can get a company in the ballpark if they do not have their own data. These studies estimated that logging equipment consumed between 0.4 and 1.0 gallon per ton to cut, skid, and load. Loggers have shared log truck fuel economy data with me in the past several years and they

(Continued on page 36)

(Continued from page 35)

averaged 4.5–5.5 miles per gallon. This included a mix of loaded miles, unloaded miles, and idling (i.e., real-world conditions).

CALCULATING PER-TON FUEL COSTS

Let's look at an example using data from one month's production. During this month the logging crew produced 8,500 tons of timber and consumed 9,909 gallons of diesel (Table 1). Logging equipment consumed 0.38 gal/ton, support vehicles burned 0.05 gal/ton, and log trucks consumed 0.74 gal/ton. All these values will vary from one harvest to another. I would expect in-woods fuel consumption to be most consistent, although it would vary based on skidding distance and site conditions. Log truck fuel consumption per ton will vary considerably based on haul distance.

At \$2.60/gal for off-road diesel and \$3.00/gal for on-highway diesel, fuel costs accounted for \$3.35/ton of delivered wood (Table 2). When fuel prices increase to \$4.60/gal for off-road diesel and \$5.00/gal for on-road diesel, fuel costs increased to \$5.69/ton of delivered wood. For this logger, a \$1.00 per gallon increase in fuel prices increased onboard truck costs by approximately \$0.43 per ton. A \$1.00 per gallon increase in fuel prices would raise cut-and-haul costs by approximately \$1.15 per ton. Cut-and-haul costs would increase even more if haul distances exceeded the 50 miles used in this example.

For this logger, a fuel cost adjustment should add at least \$0.43 per ton to the base cut-and-load rate for every \$1.00 per gallon increase in the fuel price, or approximately 4 cents per ton for every 10-cent per gallon increase in the fuel price. The cut-and-haul rate should be increased by approximately \$1.17 per ton for every \$1.00 per gallon increase in the fuel price, or 12 cents per ton for every 10-cent per gallon increase in the fuel price.

The impact of rising fuel prices on hauling costs varies substantially by haul distance. At a 30-mile haul distance, a \$1.00 per gallon increase in the fuel price increased hauling costs by approximately \$0.45 per ton, whereas at a haul distance of 70 miles the same increase in the fuel price increased hauling costs by approximately \$1.04 per ton (Table 3). If haul distances are highly variable, the fuel cost adjustment should be structured accordingly. A one-size-fits-all fuel cost adjustment may be lucrative at short haul distances and insufficient at long haul distances.

CONCLUSION

The first step to negotiating a fuel cost adjustment is to prepare for the negotiation. Having accurate and up-to-date data is essential to calculating a fair fuel cost adjustment. As my father used to tell me, the devil is in the details. Measuring the fuel consumption of each machine and truck is worth the trouble to make sure that the business owner understands his costs. Tracking fuel consumption can also help a business owner detect mechanical issues or even theft.

Table 1: Fuel consumption by equipment, support vehicles, and log trucks during one month while harvesting 8,500 tons of timber. Average one-way haul distance was 50 miles and log trucks averaged 45% loaded miles.

Machine	Fuel Consumption (gal)	Fuel economy
Feller-buncher	1,275	0.15 gal/ton
Skidder	1,190	0.14 gal/ton
Loader	765	0.09 gal/ton
Support vehicles	383	0.05 gal/ton
Onboard truck fuel consumption	3,613	0.43 gal/ton
Log trucks	6,296	5.0 mpg & 0.74 gal/ton
Total	9,909	1.17 gal/ton

(Continued on page 37)

(Continued from page 36)

Table 2: Fuel cost per ton for in-woods equipment, support vehicles, and log trucks at three fuel prices. This analysis assumes a \$0.40/gal difference between off-road diesel and on-highway diesel. This will vary by state – be sure to use local values.

Machine	Fuel Cost @ \$2.60/gal off-road & \$3.00/gal on- highway	Fuel Cost @ \$3.60/gal off-road & \$4.00/gal on- highway	Fuel Cost @ \$4.60/gal off-road & \$5.00/gal on- highway
Feller-buncher	\$0.39/ton	\$0.54/ton	\$0.69/ton
Skidder	\$0.36/ton	\$0.50/ton	\$0.64/ton
Loader	\$0.23/ton	\$0.32/ton	\$0.41/ton
Support vehicles	\$0.15/ton	\$0.20/ton	\$0.25/ton
Onboard truck total	\$1.13/ton	\$1.56/ton	\$1.99/ton
Log trucks	\$2.22/ton	\$2.96/ton	\$3.70/ton
Cut-and-haul total	\$3.35/ton	\$4.52/ton	\$5.69/ton

Table 3: Fuel costs per ton at one-way haul distances from 10–100 miles, assuming 45% loaded miles, 5.0 miles per gallon, and 30 tons per load.

Distance (one-way, miles)	Roundtrip miles (45% loaded)	Fuel consumed (gal)	Fuel cost per ton @ \$3.00 /gal	Fuel cost per ton @ \$4.00 /gal	Fuel cost per ton @ \$5.00 /gal
10	22	4.4	\$0.44	\$0.59	\$0.73
20	44	8.8	\$0.88	\$1.17	\$1.47
30	67	13.4	\$1.34	\$1.79	\$2.23
40	89	17.8	\$1.78	\$2.37	\$2.97
50	111	22.2	\$2.22	\$2.96	\$3.70
60	133	26.6	\$2.66	\$3.55	\$4.43
70	156	31.2	\$3.12	\$4.16	\$5.20
80	178	35.6	\$3.56	\$4.75	\$5.93
90	200	40.0	\$4.00	\$5.33	\$6.67
100	222	44.4	\$4.44	\$5.92	\$7.40

FORMULAS

Cut-and-Load Fuel Consumption Per Ton =	$\frac{\text{Gal. fuel used by equipment \& support (per week or month)}}{\text{Tons produced (per week or month)}}$
Log Truck Miles Per Gallon =	$\frac{\text{Miles Driven}}{\text{Fuel Consumed (gal.)}}$
Trucking Fuel Consumption Per Ton =	$\frac{\text{One-way haul distance (miles)}}{\text{Tons per load x miles per gallon x \% loaded miles}}$



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- 4 – 6 SC Young Forestry Professionals Summit, Hilton Columbia Center, Columbia. Contact Emily Oakman, Forestry Association of SC, Office 803-798-4170, Cell 985-768-7951, Email eoakman@scforestry.org
- 17 SC Sustainable Forestry Teachers Tour Steering Committee Meeting, 10:30 a.m., Harbison State Forest Environmental Education Center, Columbia.
- 25 SCTPA Board of Directors Meeting, 10:00 a.m., Hampton Inn Harbison, Columbia

September 2022

- 22 – 24 American Loggers Council 2022 Annual Meeting, Branson, Missouri. Check ALC Website for Information - amloggers.com
- 28 SC Timber Operations Professional (TOP), SFI Initial Training, Saluda Shoals Park, Irmo. Contact Guy Sabin, Forestry Association of SC, Office 803-798-4170.

SCTPA is available to those that need to view the 2021 SFI Timber Operations Professional (TOP) Update video to continue to be SC SFI Trained. June 30, 2022 is the deadline for viewing the 2022 TOP Update. Contact SCTPA and a group live class or individual class can be arranged.

Spring district meetings will be considered for scheduling and dependent on the continued COVID situation. District Meeting dates are subject to change. Meeting notices will be mailed, posted on SCTPA Facebook page and listed on the website www.scloggers.com prior to scheduled meeting.

Members & Non-Members are encouraged to attend our district meetings to know what the issues are affecting the industry.

Need SFI Trained DVD Class or other training?

SCTPA can provide the New DVD Training Module for SFI Trained status. SCTPA is an approved DVD training class facilitator and will be scheduling classes during the year. Other training programs are available for safety, driver training, equipment lockout & tagout, hazardous materials spill control on logging sites and forestry aesthetics.

Truck Driver Training Workshops will be scheduled. Watch the Mark Your Calendar section of this newsletter for dates. Notices for SCTPA workshops & events will be forwarded.

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*"Serving the Forestry Industry
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Our Mission

The Mission of the South Carolina Timber Producers Association is to serve as the voice for timber harvesting and allied timber businesses to advance the ability of its members to professionally, ethically, efficiently, safely, environmentally and profitably harvest, produce and transport timber to meet the timber supply demands of our state by providing continuing educational and training opportunities, distributing timber harvesting, hauling, manufacturing and selling information, representing our members in national and statewide legislative activities, and aggressively promoting, supporting and conducting programs of state, regional and national advocacy.