

Appendix B: Survey Comments

Question:

9) What would be your company's preferred contract life for a timber sale? (Depends on Market Conditions)

If it is worth sitting on vs. paying interest.

Operating seasons play a big part in when & what sales to purchase.

We don't buy sales; we buy logs from sale producers.

Variety of terms best meets our needs.

I would like to see more "scale or tonnage" sales to reduce risk to logger from market conditions.

Depends on sale size. We would not be able to use more than 4 to 5 million per year from one contract.

We will back a DNR bidder with a support price for cedar logs. The shorter the term the less risk of exposure to cyclical and falling markets.

10) What type of timber sale do you prefer? (Other)

Ton wood is best for small sort logs.

We would prefer any of above as long as the cash requirement is not too high.

Gatewood.

Each method has its place – scale sales seem the most useful due to increase in leave trees & wildlife clumps & large RMZ. Which make it hard to determine total volume & acreage. I do feel DNR needs to use both mbf on bid species & ton scale on minor species in a sale contract.

21) If the state forestlands were to become certified would state logs become more valuable to your company than logs from uncertified forests? (No)

Not sure.

A percentage of our customers prefer certified wood.

For years it's been shown consumer would not pay more so money would have to come out of sale profits.

That's not what we should do for the trustees.

If the mills that we sell to will pay a premium we will pay more for certified timber.

No value to finished product at this time.

No \$ premium for Green logs or lumber, but certification increases markets.

Too expensive to keep track of and keep separate. Our markets do not care or require certification. Really is a paperwork nuisance and nightmare.

No added value in market place.

No one pays a premium for certified wood. It probably would cost more to operate a certified timber sale so bids would reflect that.

Depends on the requirement from our buyers.

Currently our company does not sell certified lumber therefore we are indifferent to certified logs.

We have yet to see a market premium for certified lumber in the markets we sell into.

Not important for the markets we sell into.

Just because the forest is "certified", does not increase the value of the log or the value of what is produced from that log.

Guy Bennett Lumber Co is SFI certified and we believe it is important. However there is no increase in the value of our lumber because we're certified.

The lumber market does not reflect a premium from certified forests.

There is no demand for it. We do not get asked for certified wood.

We do not see more money from certification, just more markets in down times.

The market place provides no extra value for certified products.

We are SFI certified and as a company feel strongly about sustainability. However, there is not premium for certified products.

No market verification for claims of certified origin of lumber at this time.

The mills we sell logs to are not segregating yet—they may—they all ask if the logs come from cert. forest land.

As we talk with our customer base most do not care and are unwilling to support it financially. Needs more education at consumer level.

Certified logs are of equal value at current time.

Currently we have not seen an increase value of timber labeled as certified.

There's very little demand for certified lumber.

We are not certified but use certified contractors.

Just another layer of bureaucracy that wouldn't really increase demand in the long run - just cost.

There is no premium associated with certified lumber, the Washington FFR is sound; certification would be a waste of money for the DNR.

SFI certified logs are important to our lumber & paper buyers.

Typically, the lumber market forces and dictates log prices. We generally do not raise log prices from certified, non certified sources.

Our main customer "Home Depot" seems to want wood from certified forests but its not a condition of purchase of our lumber.

We do not find buyers asking or requiring certified lumber therefore we feel no advantage would be gained in price with certification.

Not yet - labeling is just around the corner – maybe then.

While some customers prefer or require certified logs – most do not and none pay a premium for them. This however could change.

We are not a conversion facility.

Lumber values remain the same whether Green certified or not. This should only be considered as an added cost to the seller at this point in time.

Supply and demand set values. The consumer has & will always seek the best \$.

Are you crazy?

It would eliminate a step, but we would not pay a premium for SFI or FSC certified logs. We can cover that with state FPA & certified loggers.

We've already conducted market/customer surveys on this issue and they're not going to pay more for certified lumber if there is a cheaper alternative.

We purchase logs based on current & projected lumber markets.

We are SFI certified have been for 4 years.

Saw mills are not willing to pay 10 cents more for certified logs. Consumers are not willing to pay more for certified logs – this is an advertising gimmick by the likes of "Lowe's & Home Depot". This would be a travesty.

Our customers will not pay the extra cost of tracking chain of ownership of products.

- 23) For the next few years the WADNR has made reduction of fire risk through thinning a management priority on state-owned east-side forests. This could mean an increase in availability of small diameter timber. Would your company be interested in expanding its use of logs from 3 to 6 inches in diameter if long-term supplies could be made available? (No)**

Logs too small.

We work on the west side.

Too small for our lathes.

(Yes) We would build a new barking system to handle this material.

Can not produce a marketable product from 3" & 4" logs and are very costly to run.

Mill that is in Tacoma uses large 12"+ logs. Mill in Beaver has adequate log supply.

No an end product user.

We might use 5" & 6" logs during good market periods.

5" limit.

The market will not support that action.

It would depend on the haul, but if lumber markets drop to the levels of last year, even with 0 stumpage, the handling costs are more than the product value for logs less than 4.5".

In addition to small log sawmill, we currently have to whole log chip lines which are used only 50% of the time due to limited chip markets.

Veneer values start at 7" & lumber values start at 6".

Because you're harvesting your future growth/supply.

We get enough.

We currently can use 5" & larger. But could not go down to 3" with making different products. Are any profitable at that size?

Logs less than 5" in diameter suitable only for fiber.

We are not a mill.

We would be very interested in a sort 5"+, this is our mainstay log.

The small log has little saw log value.

That size does not fit our mill.

(Yes) The minimum top should be no smaller than 5". With required removal at 5", rather than 3" we would utilize the additional resource in our Randle sawmill. (additional volume is need, but required utilization should be 5")

We would be interested in pulp. Our sawmills are too far away.

Our mill is set up based on an 8"+ small end log.

Our company uses a percentage of small cedar logs that we are currently getting from Canada.

Prefer 6"+.

We are not a conversion facility.

Manufacturing costs too high for value of end product.

Too small for our use.

4-6" is marginal. Most is chips and with low chip values, large investments in more are not likely. We get enough from fee lands anyway.

We're too far from these stands to economically transport these small logs to our plant. Also, currently not geared up for 5" & less diameter logs.

Does not fit our product line.

Not at this time.

3" - 4" too small for our mills.

We are not manufacturers. Right now the value of the logs does not justify the costs for thinning.

Material will not make poles.

24) What would you think could be the most likely use for these small diameter logs (check one or more)? (Other)

Whatever is the best use for the particular species and grade will dictate the use.

Lumber - 4" diameter log = 2 2x4.

Dimensional 2x4, 2x6, ships, poles.

In our experience pulp chips are the best use of this material, however to process the amount of biomass needed to restore our forests over a 10-20 year time frame, local biomass cogen facilities would be needed.

To grow into merchantable saw logs.

5" x 6" become 2x4s.

There will be a variety of qualities in this type of log. It won't be one size fits all.

The log under 5" has very little value to sawmill but can be utilized in various wood products. One of the main problems is how to remove bark on small logs and still be profitable.

Saw log value is minimal in 3-6 inch logs. Value is in chips & biomass.

These type of small diameter logs have virtually no lumber value.

Engineered glue lams.

Logs processed for chips must have bark removed. Equipment to do this on logs less than 3.5" is very expensive. Biomass is an option for very small trees but must be subsidized due to low market power prices in our area.

4" - 8" curve saw logs.

Would most likely chip all of the logs but some would probably end up using some for Biomass.

Very specialized harvest & very \$ - DNRs contractor send sawlogs to sawmill & pulp to chippers - this sale will probably result in cost to DNR. But what is cost of fire?

2x4s and 2x6s

Chips & EWP could be the same.

25) Has your company considered expanding capacity within the next five years? (Yes, explain factors important to company decision for investment in expansion)

(No) Due to uncertainty in timber supply.

Log supply of the quality we need to make FTR and MDD. Can't make clear faces out of small, rough logs.

New large log stud mill under construction.

Log supply and mill location.

A steady supply of wood so financing would be easier.

We are presently considering building a cogen plant w/partners.

We would consider taking our small log mill to 2 full shifts if adequate supplies of 6"-11" logs were available. Adequate for us means 25-30 MMBF.

Current upgrade under way.

Ongoing timber supply from the public trust.

Better layout less seasonal restrictions, scale sales.

Affordable raw material.

Dependable supply.

Market opportunities, resources availability, costs.

Log supply.

Resource availability.

Species diversification.

Timber supply!!!

Adequate log supply.

Washington has a timber base that is used for forest product production on both public and private lands.

- 1) offering more sales that are 250-300 MBF thinning sales.
- 2) Offering those sales on a scale or tonnage type.
- 3) Returning bid & performance bonds in a more timely manner.
- 4) Having contractors have points/ranking for their performance on previous timber sales.
- 5) Improving DNRs paperwork/change order time.

Availability of all species of logs.

Investment in debarking technology requires a more certain supply to be viable.

Log availability.

As always log supply and markets for our products are the primary considerations.

Adequate log supply.

Availability of adequate log supply.

Log supply, market conditions.

The market will dictate the values. Start small, see how it goes and expand with where the market is strongest.

Labor force, raw material, economic climate.

Timber supply not available.

Adequate log supply.

Large logs available.

Environmental issues at plant sites.

29) If you have other suggestions to improve the WADNR timber sale program for either the east or west side please offer them here:

More timber sales with winter time operating seasons on E & W side would be great.

More uniformity in the contract interpretation by region. More latitude in harvest timing and equipment. Use experienced not “green” administrators. Sell sales year round.

Forget about the “delivered log” sales. DNR is not capable of managing this type of sale and will lose valuable revenue even while their own number crunchers will show more revenue through bogus accounting & lack of understanding of the variables involved.

Pre-routed and short term scale sales.

Doing the best job on the west coast. Dept is well managed with thorough research and analysis of management options.

DNR has too many people producing too little, private sector does much more w/much less, doing the same thing. Big problem now is lack of expertise particularly in timber sales layout & admin.

In my opinion lump sum sales maximize revenue to the trust. Too many games can be played with scale sales (MBF & tons) and log sort sales.

Distance from our plants limits our interest to purchasing a delivered log. Contract administration and unfamiliarity with contractors are problems with distant sales.

Longer range timber sale programs, 2 yr planned volumes and areas to be harvested.

Scribner scale or weight scale only.

Have some of the smaller sales by oral auction.

The purchase of DNR sales are far too loaded with fees and taxes to ever know what price you actually are buying at. This needs to be addressed by DNR.

Timber sale cost and easements should be a one line figure.

Put up more, larger sales, more timber on the market.

Lump sum bidding is costly and therefore reduces our companies willingness to invest in the bid process. MBF or ton bids take less time and effort on purchaser’s part and are more attractive to us.

We are most likely to be able to bid on State timber when delivered, diameter/species sorted logs are offered.

Western Red Cedar needs to be made more available. Many do not wish to purchase the whole sale but want certain species like cedar which may only be 1% of the entire sale.

All thinning is a good investment but payback varies.

Consistent flow from Columbia/Garfield county. Not a large sale over 5 years.

Scale sales need to use ton value to sell minor species – example “hardwood species” in a D-fir stand – this would reduce need to scale MBF logs that aren’t saw material but fit contract required removal.

Hire foresters!!

Survey seems directed at west side, eh?

This is a good start. Keep the program as even flow as possible. Market timing rarely works over the long haul. Provide a wide array that best meets customer needs. Keep good cost data internally, then sell based on best returns to taxpayers, not how the bureaucrats think it should work!

Stop the contract ops, DNR marketing sales.

Audit of HCP. Make sure more timber than required is not being left for buffers.

Logging prices have not changed in 15 years. Prices for contract loggers would have to increase dramatically. To purchase more DNR timber there would have to be a small business program. We can not compete against the sawmill purchasers.

Offer more sales in spring and fall and less sales in winter.

ADDITIONAL COMMENTS

It seems most of the sales I preview have most if not all of the best timber set aside. For our plywood products we need quality, sizeable logs both cottonwood & fir.

FSC is an environmental organization disguising itself as an entity to help conservation, when it really only wants money to lock up more lands. I've told Doug Sutherland for years to forget certification and the state should just certify itself "Evergreen Certified". Forget certification – but if it is to be considered Sustainable Forestry Initiative should be looked at.

Too much alder is being buffered when the HCP should release, and account for, put up more alder sales also – they are there.

Changing the contract so title passes when logs are scaled reduces the risk to the purchaser. Oregon Dept of Forestry sells this way without problem. WA needs to do this. The convoluted and unclear amounts of deposits and WA taxes are a deterrent to purchasing WA state timber. Also the need for payment on the date of sale makes it tight to comply.

The DNR is slowly turning into an unyielding bureaucracy like the USFS. In order to remain profitable the DNR needs to avoid the pitfalls of the USFS and keep the chain of command short with managers that are empowered with authority to make decisions on the spot.

Make Specific Species available for sale. It should be easier for buyers to purchase "what they want" from the state forests. The state should bid out logging, hire contractors, and deliver logs to various mills. These logs could be bid on a monthly basis or by quarter. Many mills do not want to extend their log pricing for long periods of time. This way the state gets top dollar during periods of high prices and allows prices to drop and not put small mills in position of large losses as markets drop. Large sales are too speculative since it may take too long to remove entire sale.

Market conditions & operating losses have changed our ability to bid on state timber sales due to cash requirements. If markets continue the current trend we will once more be able to finance the sales. Small Timber can best be utilized by smaller mills closer to the harvest sites. This is not the current situation. We need to survive in spite of increased unit costs to be here for the thinning sales in the future.

I encourage DNR to use the reduced ton \$ in their scale contracts to allow pulp wood to move off sale area. Not a big money maker for trust but utilizes resources & helps TBR dependent communities & mills like ours.

Why would DNR have to ask for certifications? Doesn't the sustained Harvest Calculations give all data needed to Cert. Also operating under HCP should be cause enough to give DNR a stamp of certification. I feel it would be waste to travel down the road to get 3rd part Cert. For those that think DNR needs certified I say "Good God go look at what DNR is doing".

We have some interest but we may be too far inland to be competitive (Clearwater Forest Industries, Kooskia, ID)

Add appraisal sheet to timber sale packet. Includes –logging, -hauling, -roads, -projects, etc.

Kudos to RTI!! You guys have done some great work and your research and statistics have helped me on several projects! Good presentation at the Olympic Logging Conference.