Montana Forest Products Marketing News

MSU Extension Forestry

March 2006

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US West Coast sawmills most profitable in the industry

A study, which benchmarked operational and financial data among 250 sawmills in 24 world regions, revealed that in 2004 sawmills on the US West Coast are the most profitable in the world—earning nearly 3 times more than the study's 'average mill' which earned $45 per thousand board feet of sawn lumber.

Another interesting finding emerged when the authors compared delivered log cost (which is the largest expense in a sawmill's cost structure) among mills in the study. The average delivered log cost among all sawmills was $300/MBF Scribner scale. Delivered log costs on the US West Coast were nearly 50 percent higher than that average. Despite enduring the relatively higher raw material cost, the US West Coast mills were still the most profitable.

While these are encouraging findings for the US West Coast sawmills, the authors suggest that mills in that region must focus on continual process improvements. This is because Russia enjoys delivered log costs which are about 1/2 the global average and China enjoys the lowest sawmilling costs.

If sawmills in those countries are able to gain efficiencies and ramp up production, then mills producing commodity lumber in other parts of the world (including the US West Coast) will not be able to compete on price.

SmallWood 2006

A current issue in forest management is how to efficiently deal with the enormous quantity of woody biomass that is generated from thinning operations, land clearing, and (this past summer) from hurricane disasters. To encourage communication and learning on possible solutions, the Smallwood 2006 Conference is being held May 16-18th in Richmond, VA.

The conference will include an international slate of speakers, including researchers, material and equipment suppliers, manufacturers, and end-users.

Presenters with Montana connections include David Atkins, USDA Forest Service Fuels for Schools Coordinator, Missoula, MT, Peter Stark and Michael Wood partners in Northslope Sustainable Wood, Missoula, MT, Craig Rawlings, Director of the MCDC smallwood utilization program, Karen Kovatch, Intermountain Roundwood Association Executive Administrator, Seeley Lake, MT, and finally Brad Miller, Bridge Project Manager for HDR One Company, Missoula, MT.

In addition to presentations, there will be ample opportunity for one-on-one interaction during poster presentation sessions. Finally, the conference will include tours of local mill sites, biomass energy facilities, and small forest products businesses. Click here to see the full conference agenda.

Check it Out:

Sweden plans to be world's first oil-free economy

Canadian Forest Industry's vision for Transformation

Timber giant backs innovative fuel technology

All Weyerhaeuser U.S. Mills Now Produce Certified Products

Land for schools

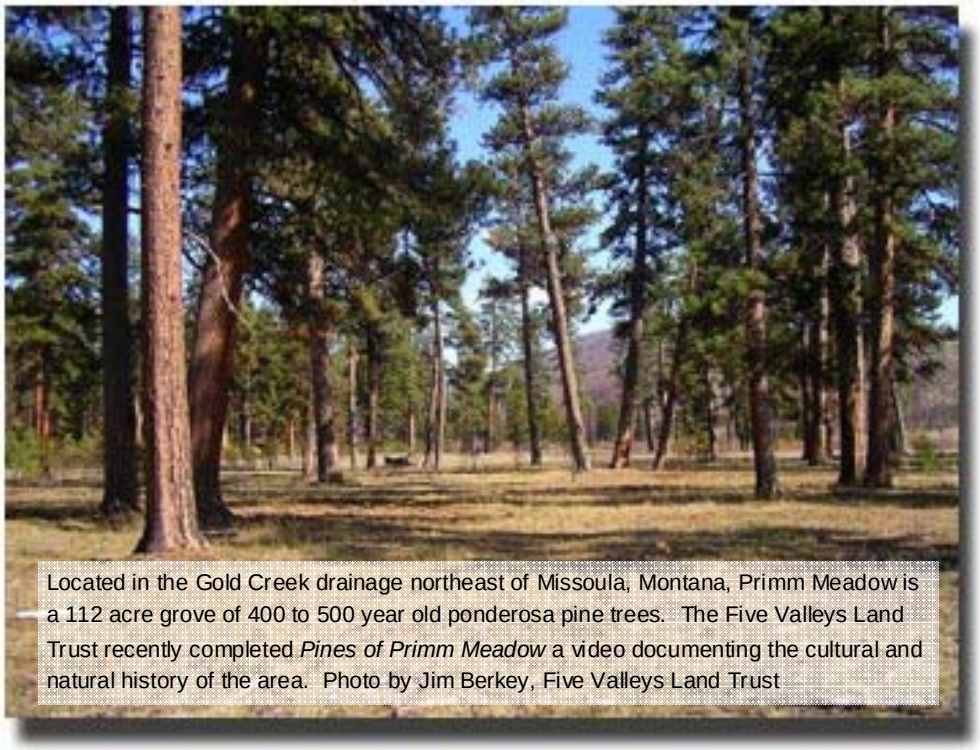
Forestry Mini College 2006

April 29, 2006
Missoula, Montana

Forestry mini college is an opportunity for forest landowners, loggers, foresters, and natural resource professionals to take classes on a variety of forest related topics. Click here to see this year's course offerings and registration form.

Pines of Primm Meadow

The Missoula, Montana based Five Valleys Land Trust (FVLT) recently completed *Pines of Primm Meadow* - a video documenting the natural and cultural history of a magnificent 112 acre ponderosa pine grove in the Gold Creek drainage northeast of Missoula. The video explains how Native Americans first used the area, followed by early pioneers including the Parker and Primm families, and finally how today, a conservation easement will preserve the area for generations to come. Arching over all users is the impact of fire on the landscape. Contact Wendy Ninteman, FVLT executive director, at (406) 549-0755 for information about obtaining copies of the video.



Located in the Gold Creek drainage northeast of Missoula, Montana, Primm Meadow is a 112 acre grove of 400 to 500 year old ponderosa pine trees. The Five Valleys Land Trust recently completed *Pines of Primm Meadow* a video documenting the cultural and natural history of the area. Photo by Jim Berkey, Five Valleys Land Trust

POSTSAVER® a new concept in preserving wood

According to a 2002 report, an issue confronting the Western US post and pole industry is lost market share to substitute materials. The reason cited for the market decline is that many posts enter the marketplace without being treated in accordance American Wood Preservers' Association Standard C-5. Improperly treated posts are susceptible to decay and insect damage. As a result consumers have been switching to substitutes made of steel and plastic.

Historically there have been two methods for making posts resistant to decay and insects: *Dip treating*—dipping wooden posts in to a bath of chemical preservatives. *Pressure treating*—placing posts in a cylinder and alternating cycles of high pressure and vacuums to move preservative chemicals into the wood.

Those traditional preservative treatment practices may be changing with the development POSTSAVER® a new product that promises decay and insect resistance for wooden posts in contact with the ground.

According to the POSTSAVER® website the portion of a wooden post in contact with the ground is shrink wrapped with a heavy duty polyethylene boot. The inside of the boot is coated with bitumen. Heat applied during the shrink wrapping process liquefies the bitumen and drives it into the wood. The result is a post with 2 moisture barriers—the polyethylene outer layer and the bituminous inner layer.

The polyethylene boots are not sold separately. Instead they are applied to posts by independently owned and operated application facilities.

POSTSAVER® is a new product that provides insect and decay resistance for wooden posts. It is an alternative to chemical treatment. Photo from POSTSAVER®

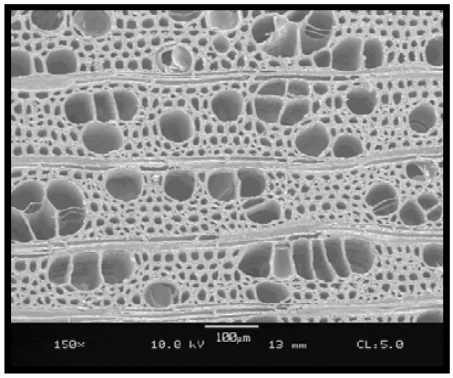
Viscoelastic Thermal Compression

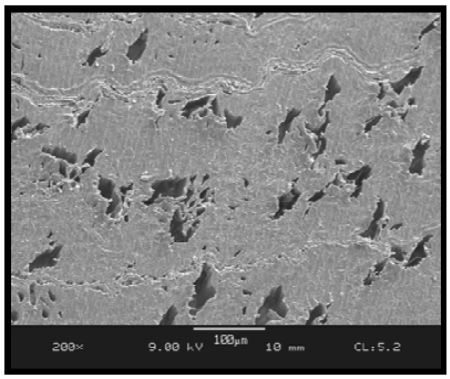
In the 'good old days' big, slowly grown trees from virgin forests provided our society with strong, high quality lumber. Today, in contrast, an increasing percentage of the wood comes from plantations where foresters manipulate growing conditions so that trees grow big quickly. Unfortunately, the fast grown wood often lacks the density needed to make strong, high quality lumber.

Researchers have developed a way to modify Mother Nature's work. The patented process is called Viscoelastic Thermal Compression (VTC) and by applying heat, steam, and pressure to a piece of wood, it is compressed to a density up to 3 times greater than its original density. That may sound like a simplistic concept, but the trick is being able to compress the wood without damaging the wood's micro-cellular structure.

The benefit of the process is that weak, porous wood can be compressed to achieve desired strength properties. The VTC wood can then be used in a variety of applications. For example, it could be part of composite beams, columns, headers, I-beams, sheathing, flooring, and other products where high strength and stiffness are required.

Contact Dr. Fred Kamke at 541-737-8422 for more information.





The photos above show untreated yellow-poplar (on the left). The right photo, shows the same species after undergoing VTC treatment. The VTC treated wood is about 3 times as dense and much stiffer and stronger than untreated wood. The treatment does not destroy the wood's microcellular structure and can be applied to any species.

Montana's Tight Timber Supply Felt Across Industry Sectors

Last fall, the Bureau of Business and Economic Research released a report detailing Montana's timber and forest products industry situation. One highlight of the report was that the industry operated at only 77 percent capacity in 2004. This was due in large part to a limited supply of timber.

Given the dominance of sawmills in Montana's forest products industry, an often overlooked issue is that other sectors of the state's forest products industry are also struggling to secure adequate supplies of raw material.

For example, Pat Connell, vice president of resource operations at Rocky Mountain Log Homes in Hamilton, Montana says the tight timber supply is a double whammy. First, there is little timber available for purchase directly from public or private landowners. Second, sawmills are less willing to sell house logs from their log inventories because doing so jeopardizes the sawmill's ability to run at full capacity. In times of abundant log supplies, sawmills generate marginal revenues by selling house logs to log home manufacturers. Rocky's solution to this problem has been to move a portion of its manufacturing operations to British Columbia where raw material supply is not a limiting factor.

Tight timber supplies are affecting different sectors of Montana's forest products industry including log home manufacturers.

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EXTENSION

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Montana State University Extension Forestry is a branch of the MSU Extension Service and is housed cooperatively with College of Forestry and Conservation at the University of Montana in Missoula, Montana.

The mission of Extension Forestry is to provide education and outreach to non-industrial private forest landowners, forestry industry, and other forestry-related organizations in Montana.

Extension Forestry carries out its mission by providing its stakeholders with educational workshops, publications, news-releases, brochures, and videos. Common topics include forest stewardship planning, forest insect and disease, windbreaks/living snow fences, alternative forest management practices, wildfire hazard reduction, forest products marketing, and tree pruning & care.

We're on the Web:

http://www.forestry.umt.edu/hosting/forestproducts/index.htm

Did a friend send this newsletter to you?

If so, sign up and we can send the newsletter directly to your email address.

Do you have comments, story ideas, or other suggestions?

If so, send them to Roy Anderson, newsletter editor

Forestry Educational Calendar

Intermountain Roundwood Association Annual Conference
March 17th
Missoula, MT
click here for info and registration

Intermountain Logging Conference
April 5-7
Spokane, WA
click here for info and registration

Society of American Foresters Annual Meeting
March 30-April 1
Missoula, MT
click here for info and registration

Forestry Mini College
April 29th
Missoula, MT
click here for info and registration

Splendid Was The Trail
A public exhibition of the Photographs of the National Forests by K. D. Swan
March 14—April 28
Rocky Mountain Elk Foundation
Missoula, MT

Montana State University Extension Service is an ADA/EO/AA/Veteran's Preference Employer and education outreach provider.