



“Outlook for growing and marketing trees in northwest Oregon.”

A public lands management perspective

Presented by:



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Presentation Topics



- State Forests Overview
- Outlook for Growing Trees in Northwest Oregon
- Outlook for Marketing State Forests Timber
- Discuss State Forests Contribution to Communities, Jobs, and Wood Supply



Oregon Department of Forestry

Mission.... To serve the people of Oregon by protecting, managing, and promoting stewardship of Oregon's forests to enhance environmental, economic, and community sustainability



Overview of State Forests



Board of
Forestry
Lands



"STEWARDSHIP IN FORESTRY"

Common
School
Lands

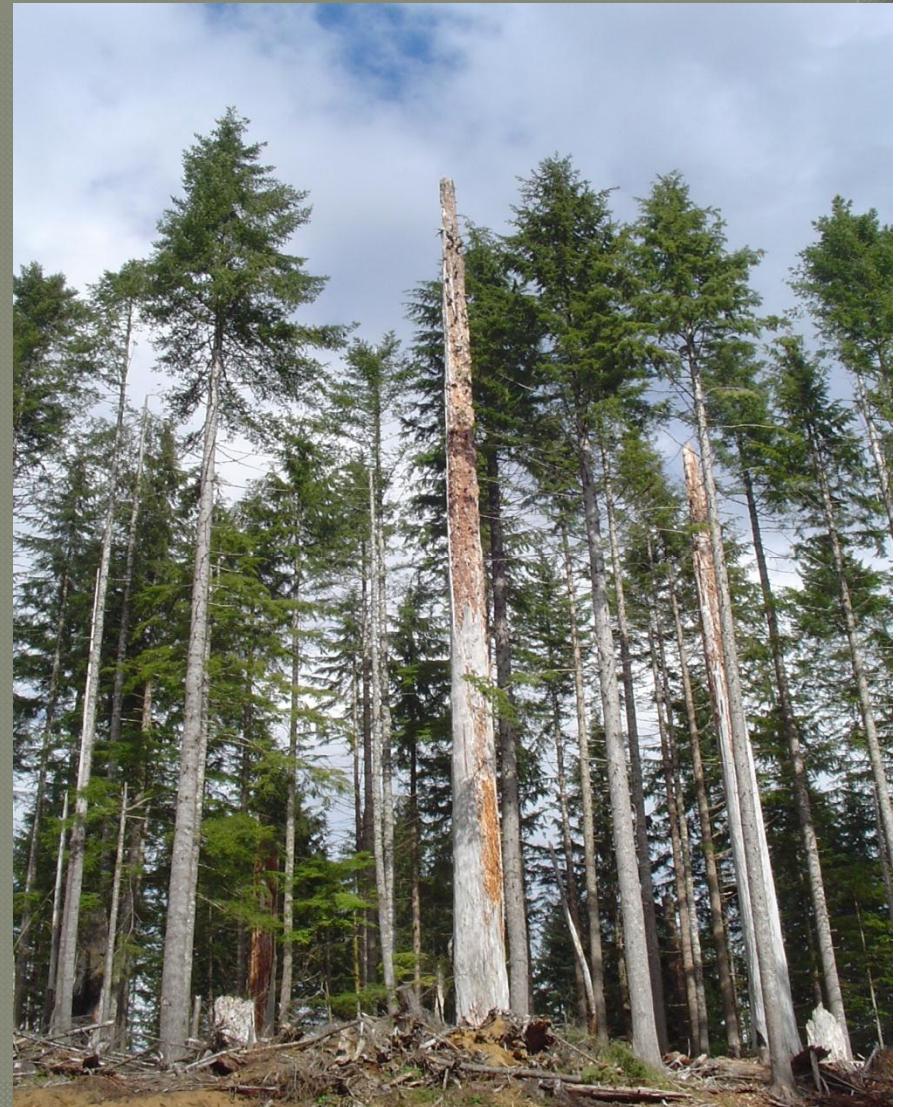


Common School Lands

120,000 Acres



- Revenue generated from these lands goes to the Common School Fund, which helps fund public education in Oregon.
- Lands predominantly located near Coos Bay in the Elliott State Forest.

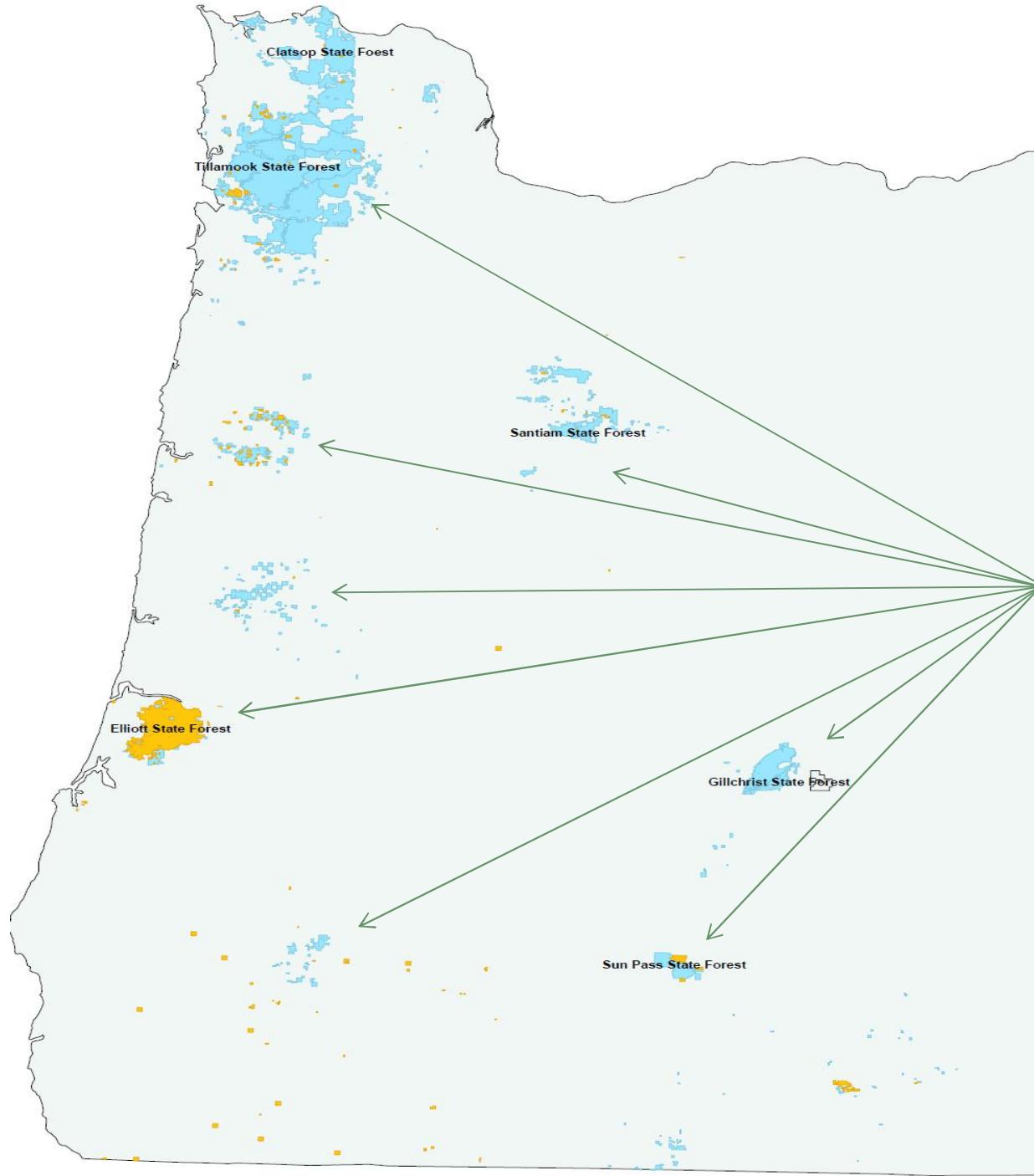




Board of Forestry lands

700,000 Acres

- Lands mostly acquired in the 1940s from counties that had received the cut-over or burned lands from private owners in lieu of back taxes.
- Counties transferred deeds to the state to manage, rehabilitate and reforest the lands.
- In return, counties and local taxing districts receive a significant share of the revenues (67%) from the harvest of forest products.



Where
are State
Forests
Located?

Actively Managing for Greatest Permanent Value



Defined as:

“Greatest permanent value means healthy, productive, and sustainable forest ecosystems that over time and across the landscape provide a full range of social, economic, and environmental benefits to the people of Oregon.”



Greatest Permanent Value



Plans that stress:

- Active Management
- Integrated Management
- Compatibility of Uses
over Time



Greatest Permanent Value



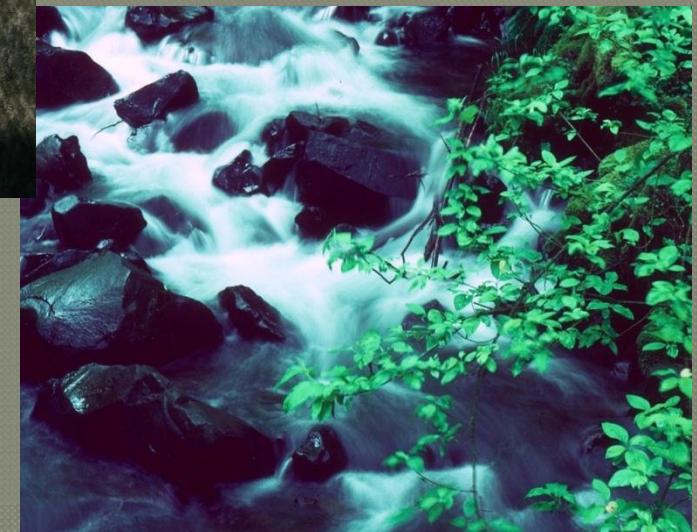
Sustainable and predictable production of forest products that generate revenues



Greatest Permanent Value



Productive
soil, and
clean air
and water



Greatest Permanent Value



- Properly functioning aquatic habitats



Greatest Permanent Value



- Habitats for native wildlife



Greatest Permanent Value



Provides for High Quality Outdoor Recreation

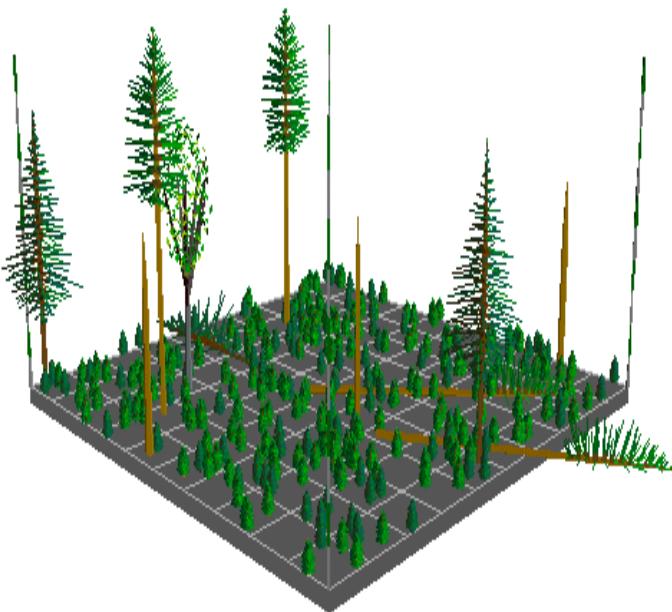


Northwest Oregon State Forests

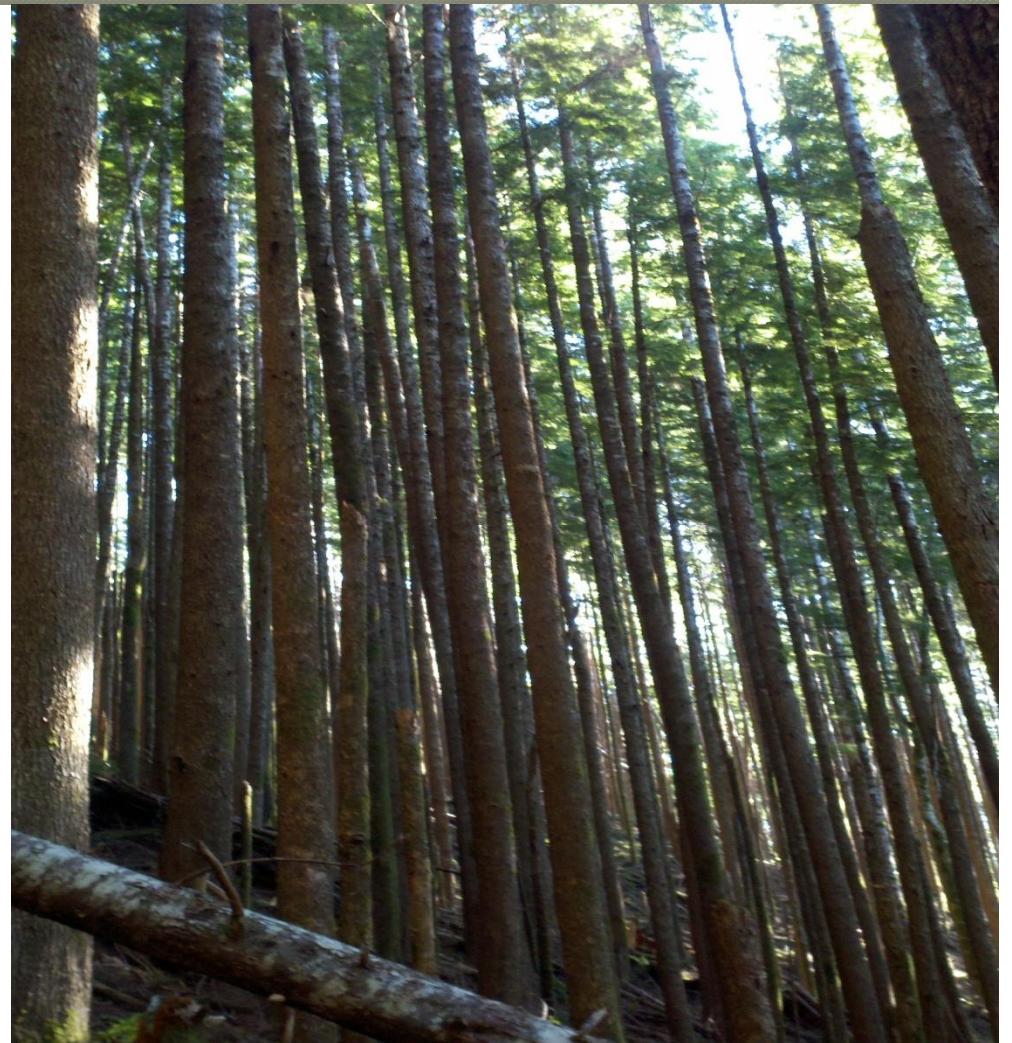
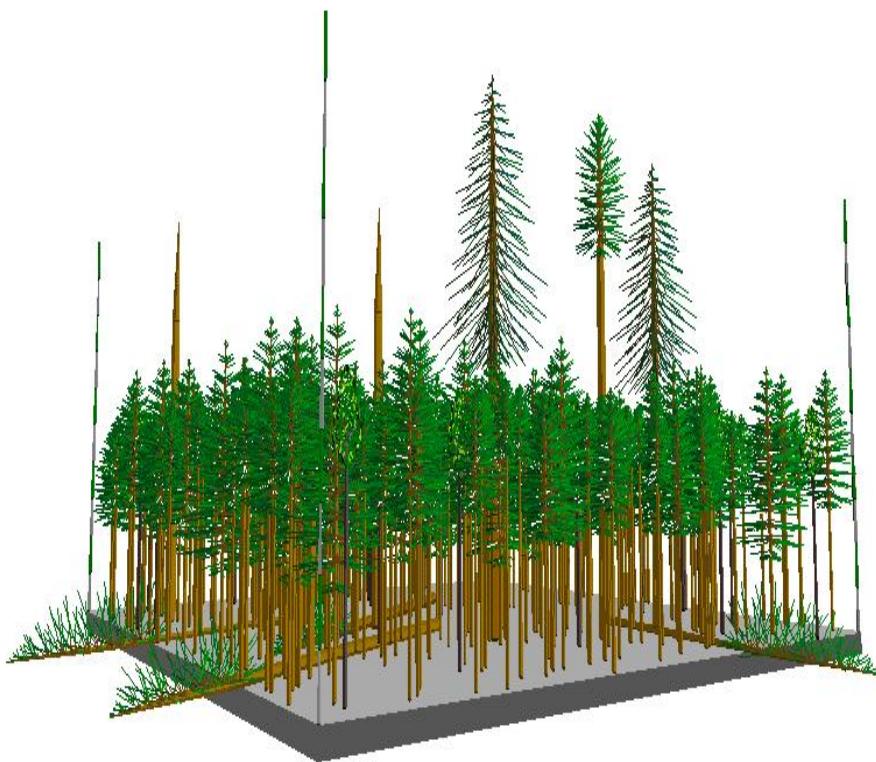
- Active management to produce a diversity of stand types
- Managing for a variety of forest conditions creates a diverse portfolio of logs for the market



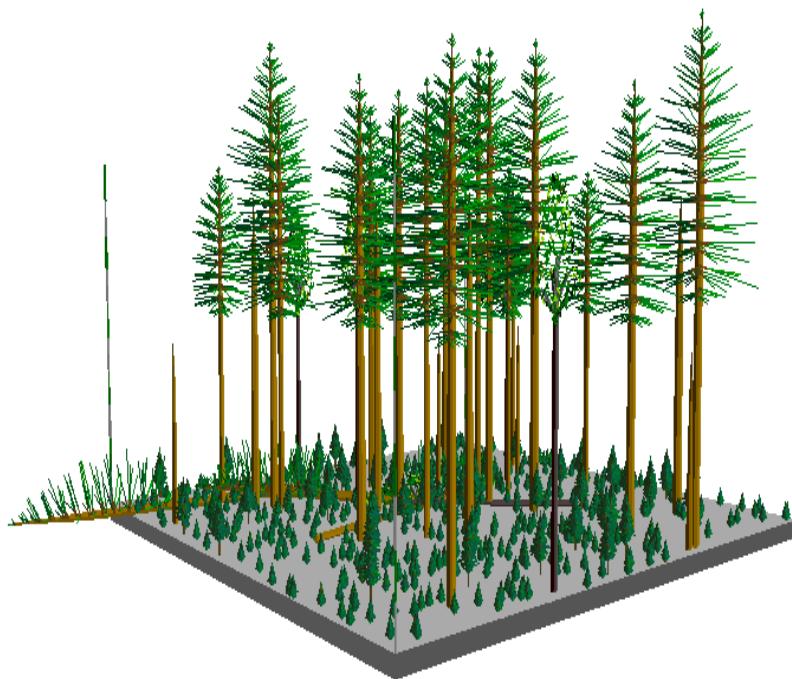
Regeneration Stands



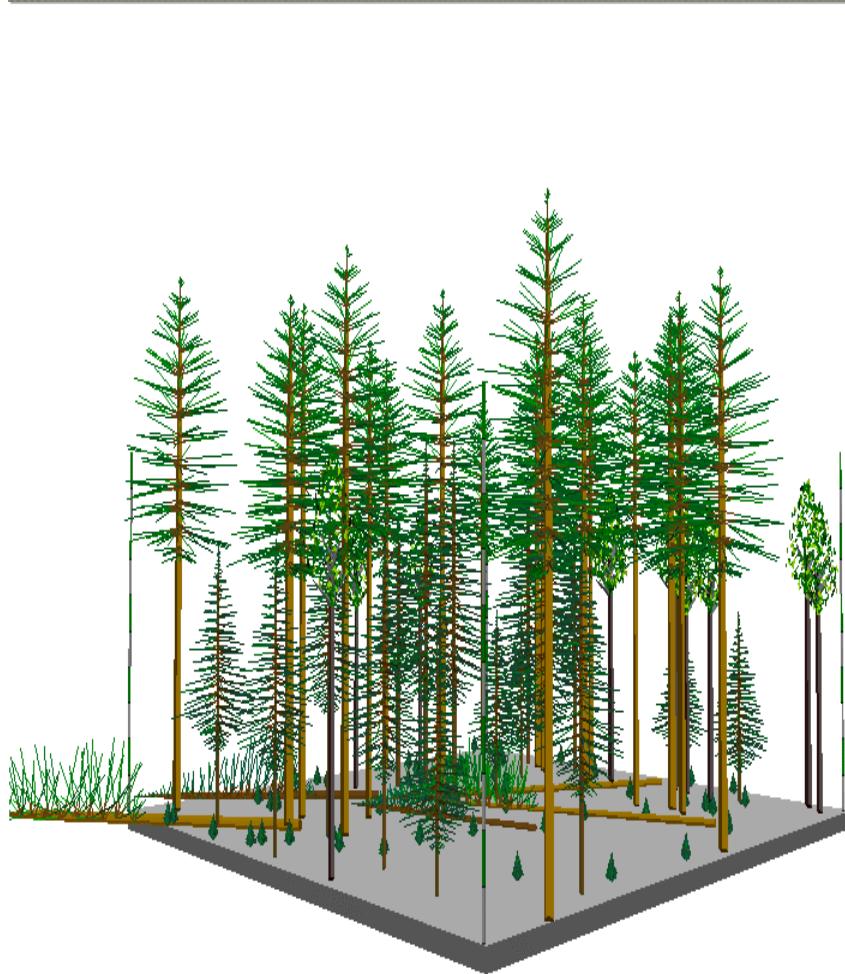
Closed Single Canopy



Understory Stands



Layered Stands



Older Forest Structure



State Forests Contribution to Communities, Jobs, and Wood Supply



- Actively Manages about 820,000 acres
- Just over 3% of Oregon's total forest lands
- Produces 10% of statewide timber volume
- Contrast this with Federal Forests at 59% of statewide forest lands that produce 12% of the Timber



Outlook for Growing Trees in Northwest Oregon



- The outlook for growing trees is great!
- The entire Pacific Coast Forest and each of its distinctive component communities are some of the most magnificent, productive, and economically valuable forests on Earth
- The vast majority of forest land is being maintained as forest land and is mostly actively managed

Outlook for Marketing Trees in Northwest Oregon



Near term 2012 into 2013: Cautiously Optimistic!

- " Sales are selling
- " logging is getting completed on time
- " Reasonable bidder pool



Who is purchasing ODF timber in Northwest Oregon?



HAMPTON TREE FARMS INC	NORTHWEST HARDWOODS INC
STIMSON LUMBER CO	BOISE CASCADE WOOD PRODUCTS
CASCADE HARDWOOD LLC	STELLA-JONES CORP
BANKS TIMBER LLC	INTERFOR PACIFIC INC
JC TIMBER LLC	FRANK LUMBER CO
MURPHY COMPANY	PACIFIC WOOD PRESERVING OF OREGON
SWANSON BROS LUMBER CO	OLYMPIC FOREST PRODUCTS

China's Twelfth five-year plan (2011-15)

- ◎ **Drastically improve infrastructure in China**
- ◎ **Increase population urbanization to 51%**
- ◎ **Construction and renovation of 36 million low income apartment units**
- ◎ **Grow GDP 7% annually**
- ◎ **Increase forested lands to 21.66%**

Outlook for Marketing Trees in Northwest Oregon



A look out into 2014 is very encouraging!

- Strong global demand
- Improving domestic demand
- Local log processing facilities are very dependent on State timber
- the looming “Super Cycle” could put the market into “timber supply shock.”
- All will result in better prices for ODF!



Actively Seeking Niche Markets



Utility poles:

Nationwide, there are about 165 million wood utility poles in service. Of those, 2 to 5 million are replaced annually.

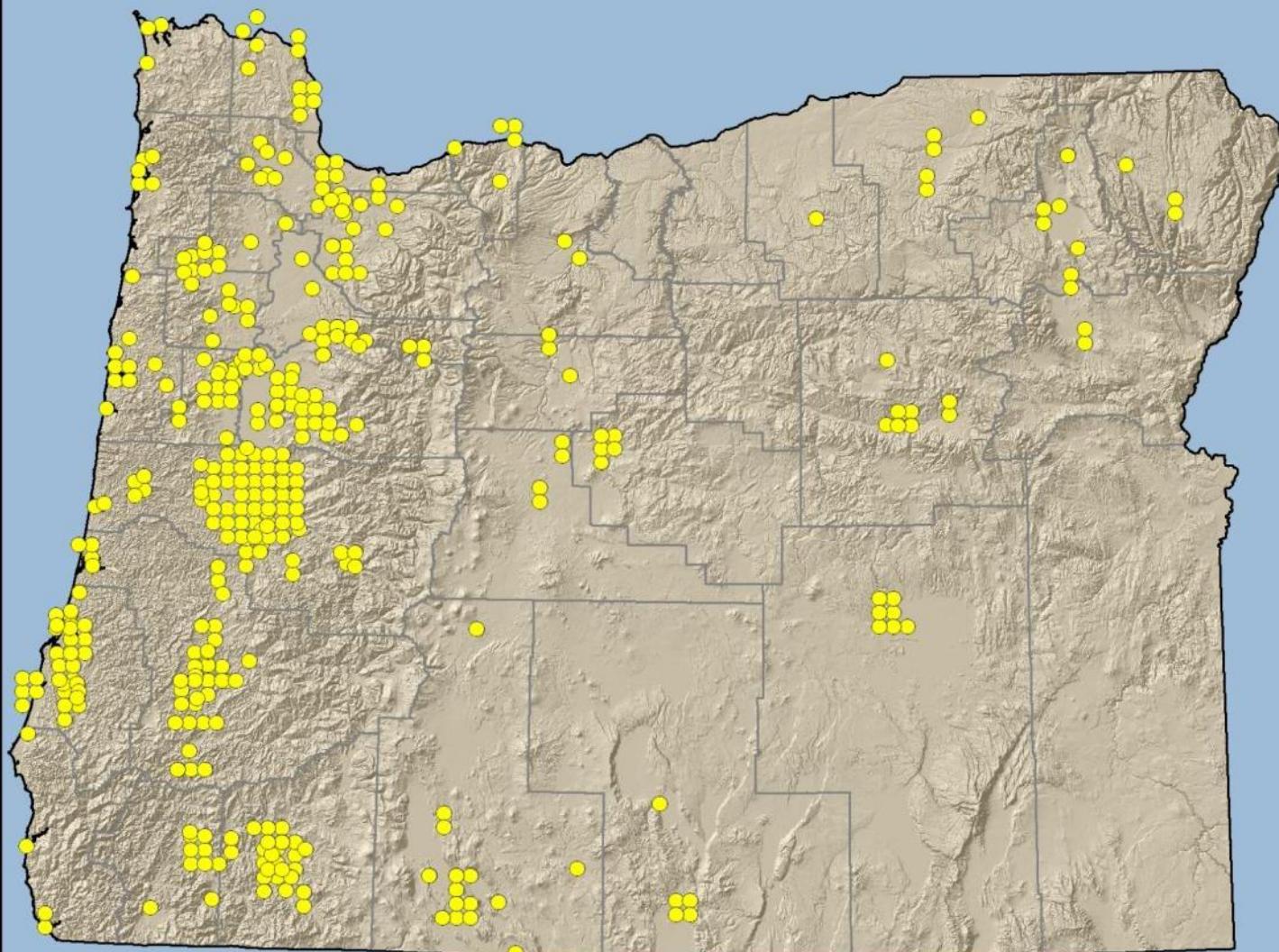
Today, one of the highest-value use of a tree is as a utility pole. Still, not too many trees are suitable for utility poles

What about “Big Logs”



- State Forests have longer rotation ages than private industrial forestland owners, and will be producing some “Big Logs” >30 inches on the large end.
- ODF has had no issues Selling these logs (except gnarly old spruce)



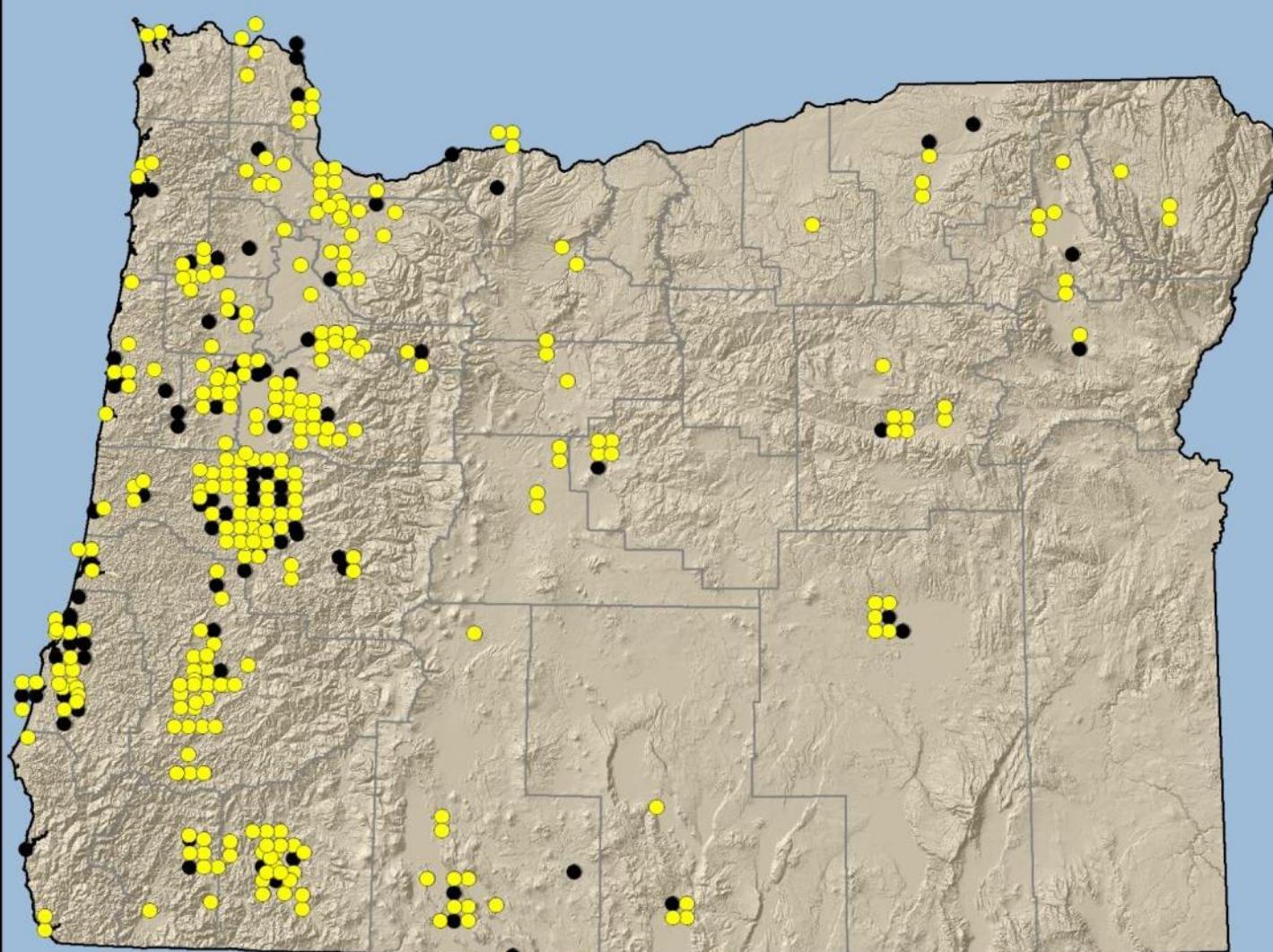


Open Mills 1980

● 405 Open Mills

Total Mill Employment 1980
45,778

Data Source:
Paul F. Ehinger and Associates



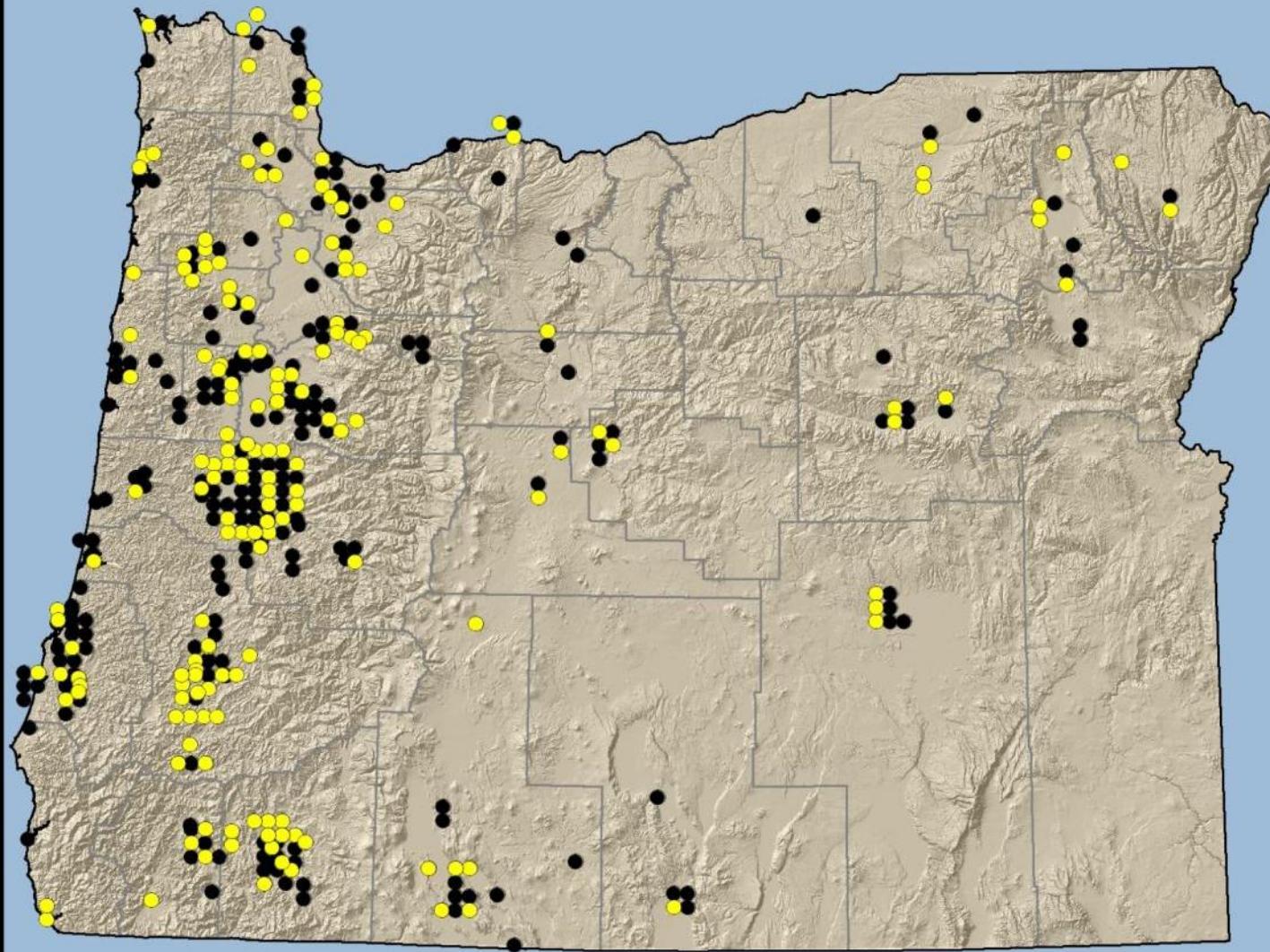
Open Mills 1990

- 313 Open Mills
- 28 Closed in 1990

Total Mill Employment 1980
45,778

Total Mill Employment 1990
36,693

Data Source:
Paul F. Ehinger and Associates



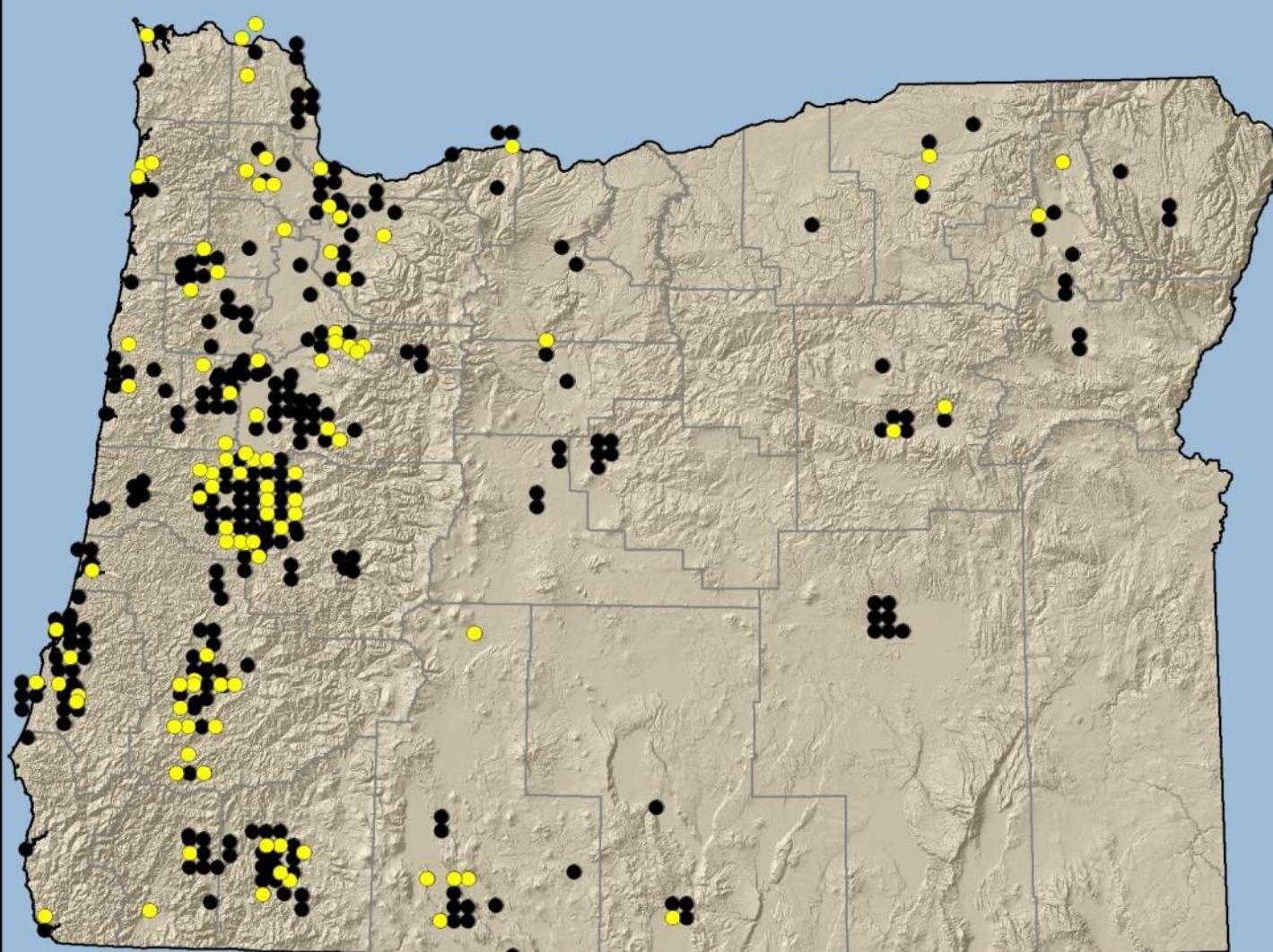
Open Mills 2000

- 175 Open Mills
- 9 Closed in 2000

Total Mill Employment 1980
45,778

Total Mill Employment 2000
23,715

Data Source:
Paul F. Ehinger and Associates



Open Mills 2010

106 Open Mills

Closed Mill

Total mills closed:
1980 - 2009 = 299

Total Mill Employment 1980
45,778

Total Mill Employment 2010
15,708

Data Source:
Paul F. Ehinger and Associates

Open Mills Today

106



Mills Closed 1980–2010

299

↓ **74**
%

Mill
Employment

45,778

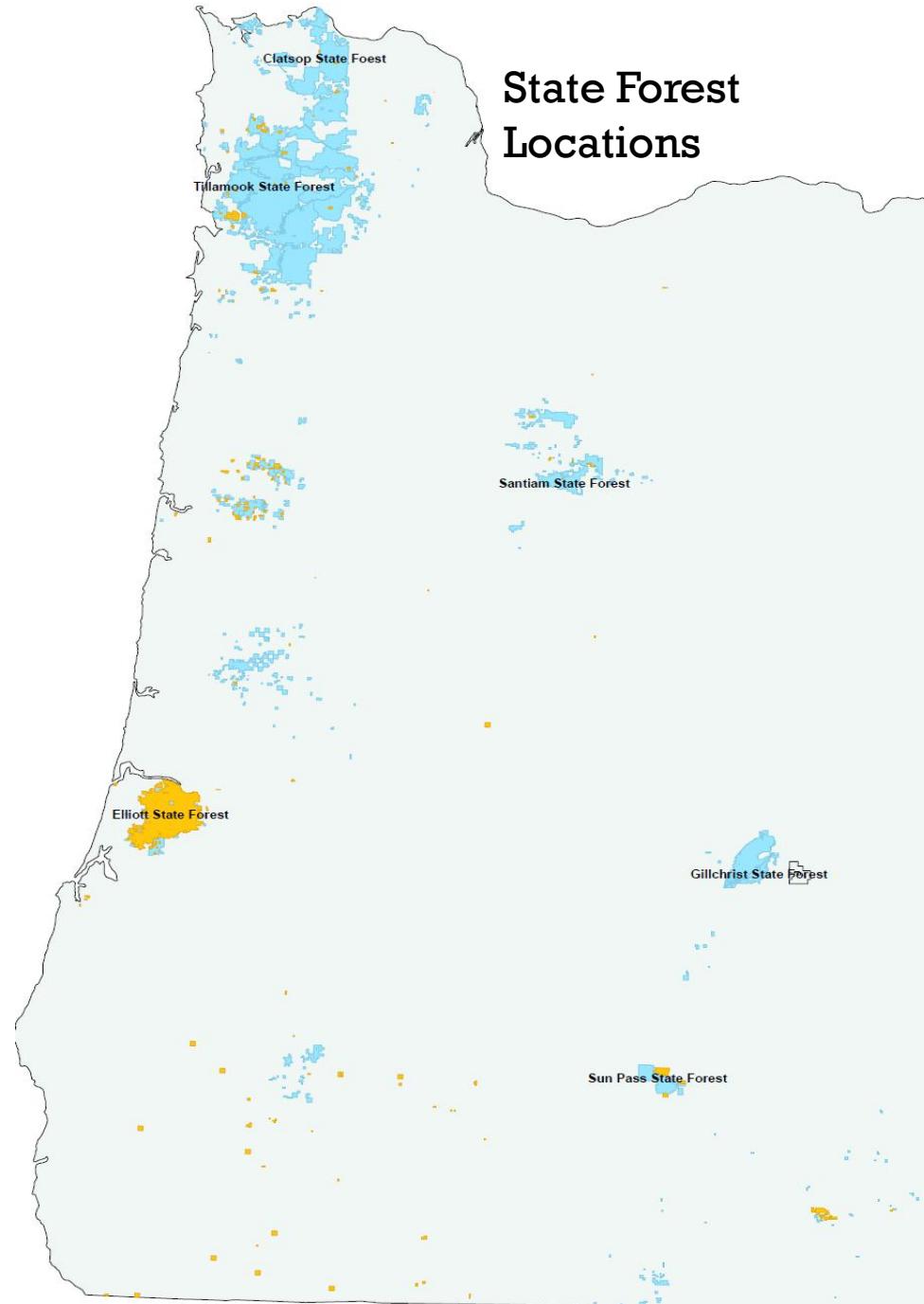
in 1980



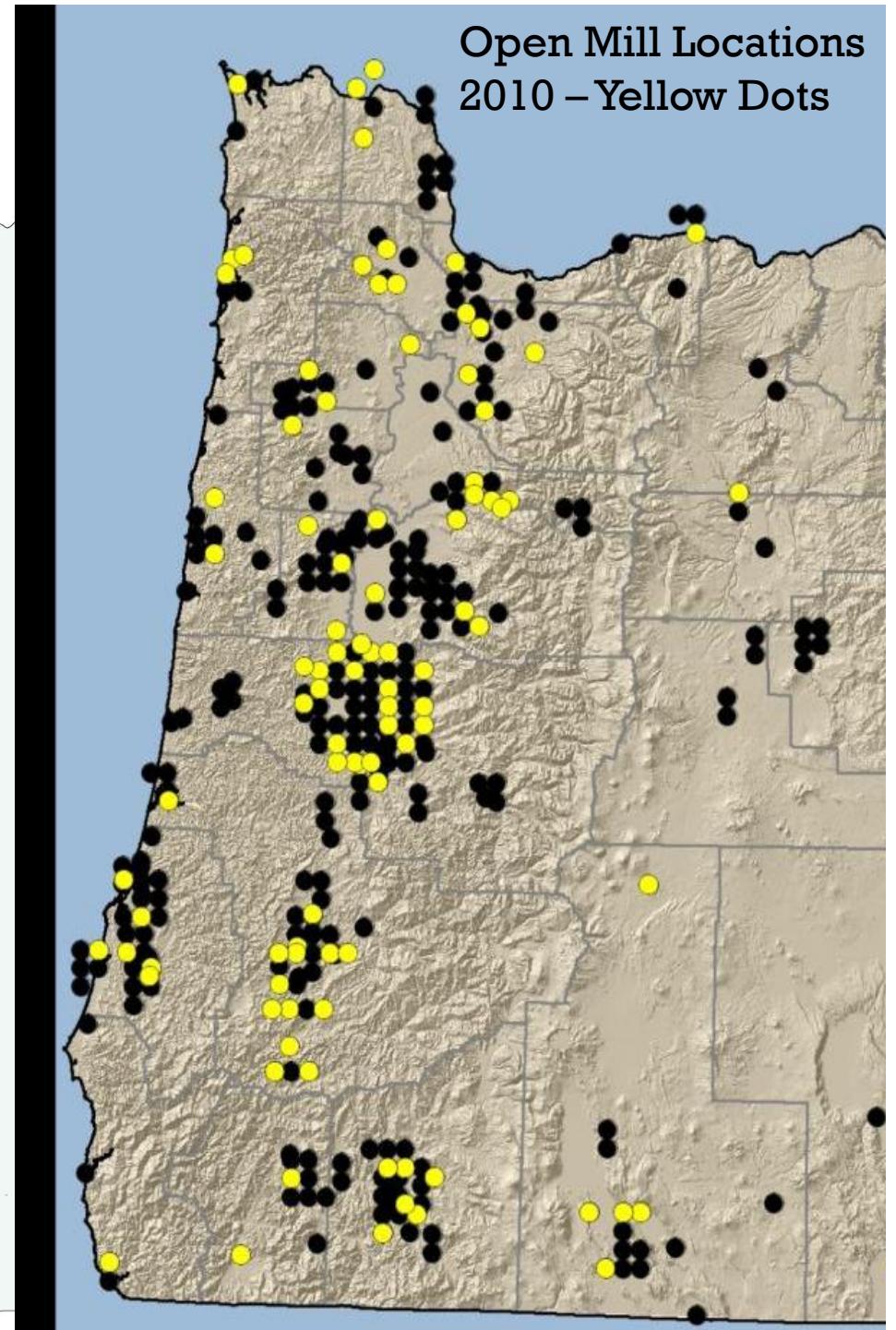
15,706

in 2010

↓ **66%**



State Forest
Locations



State Forests Contribution to Communities, Jobs, and Wood Supply

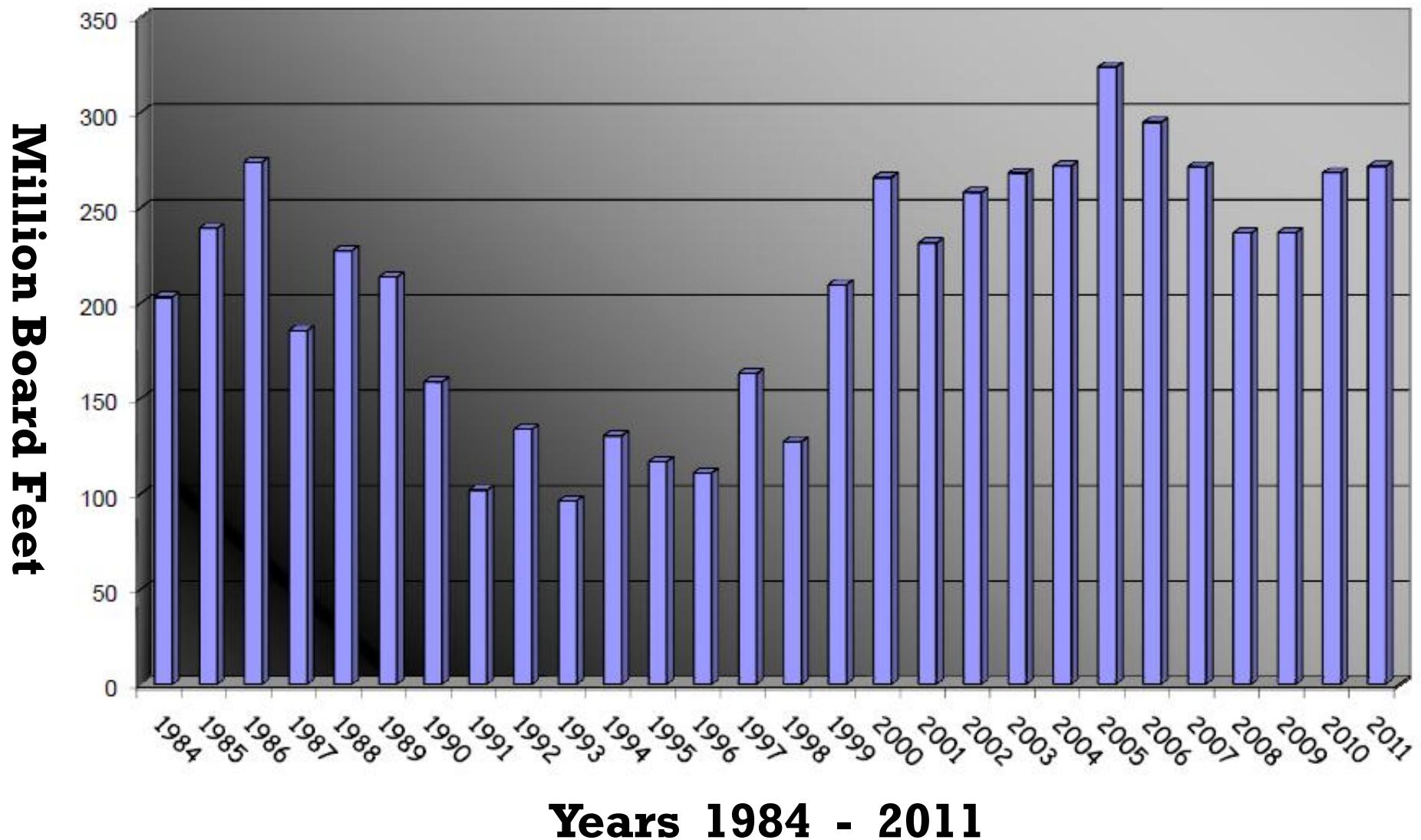


Timber Harvest Volume and Value Summary – All State Forests

	<i>BOF (Millions of Board Feet)</i>	<i>CSL (Millions of Board Feet)</i>	<i>TOTAL VOLUME (Millions of Board Feet)</i>	<i>BOF VALUE (Millions of Dollars)</i>	<i>CSL VALUE (Millions of Dollars)</i>	<i>TOTAL VALUE (Millions of Dollars)</i>
3 Year AVG	248	29	277	\$66.2	\$10.7	\$76.9
5 Year AVG	245	28	273	\$76.3	\$11.4	\$87.6

Over the last 10 years \$169 million dollars has been distributed to Clatsop County and local taxing districts from state forest timber sales.

BOF & CSL Harvest Volume



Clatsop State Forest Direct Employment



Jobs in the Clatsop State Forest Today

Nine Active Harvest Operations

Logging	58
Truck Drivers	36
Road Maintenance Work	6
Timber Cutters	11



Actively Managing Our State Forests....



...A Story of Success for Oregon!



A dramatic landscape painting featuring a dark, stormy sky filled with heavy, grey clouds. In the lower-left foreground, there's a stone wall and some bare trees. A bright, golden-yellow beam of light cuts through the clouds from the upper left, illuminating a path or clearing in the trees. This beam creates a strong diagonal line across the scene. The overall mood is mysterious and atmospheric.

Questions ?