THE VOICE OF THE TIMBER INDUSTRY

# TINBER BULLETIN

DULUTH, MINNESOTA

SEPTEMBER/OCTOBER 2007

**VOLUME 63** 



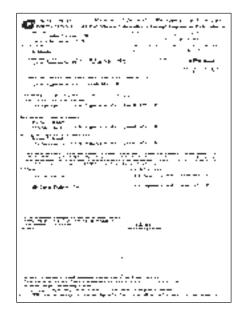
#### THE VOICE OF THE TIMBER INDUSTRY

## TIMBER BULLETIN

Volume 63 September/October 2007 Duluth, Minnesota

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#### ON THE COVER

The next generation is shown what the logging industry is all about at the 2007 North Star Expo.

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hope you were all able to attend the North Star Expo. Bemidji is a great location. After several years of poor participation it was good to see a large number of trucks for the Best Load Contest. Thanks to the Expo Committee, TPA staff and vendors for putting on another successful

President's

show.
Once
again,
weather is
the topic.
couple of



After a couple of months of drought it seems like we have a never ending monsoon season which is keeping

many of us from working. But remember, the trees need this water. Dry swamps also need the moisture if we want them to freeze this winter.

Hopefully, markets will be strong as the winter season approaches. Remember to put safety first as you work longer hours.

Stay active in our association. Committees can always use fresh faces and ideas.

Tom McCabe TPA President 218-726-1042

TPA Executive Committee Dale Erickson 218-556-1868 Mike Rieger 218-244-8572 Mike Warren 218-244-5722 Kit Hasbargen 218-634-1628

Flomas CMEte

#### 11th Annual Log A Load For Kids Golf Tournament Raises \$6700

innesota Power's team consisting of (L-R) Tom Houghtaling, Greg Chandler, Joe Newlander and Steve Betzler examine a clear jar filled with golf tees at the 11th Annual Log a Load For Kids Golf Tournament at Pokegama Country Club in Grand Rapids. The golfer who guessed most accurately the number of tees in the jar won a smoker. Tom Dooley won the contest guessing 376, within 12 tees of the actual 364 tees in the jar.

The September tournament netted \$6700 to benefit Gillette Children's Specialty Healthcare. Log A Load For Kids, a national Children's Miracle Network sponsor, has raised \$59,300 from

this annual golf tournament throughout the past eleven years.

The winning foursome was led by TPA member Ted Kromy, joined by Spud Adams, Ken Erickson Sr. and Derek Rolle.

Gillette, the Log A Load For Kids' beneficiary hospital, is an independent, not-for-profit hospital and clinic, internationally recognized for its work in the diagnosis and treatment of children and young adults who have disabilities or complex medical needs. In 2006, Gillette's Mobile Outreach program held 171 clinics in communities throughout Minnesota, providing assistive technology, orthotic services and care to more than 1,300 patients.



#### **Contact Information for MnDOT Permit Office**

Because MnDOT's Permit Office has changed locations over the years, TPA transportation committee chair Jerry Demenge wants to circulate the contact information for the office for those wishing to contact them regarding overweight permits, as well as other issues:

Phone: 651-296-6000 FAX: 651-215-9677

Dial 511 for State Highway Information

Website: http://www.dot.state.mn.us/cvo/oversize/oversize.html

Saginaw Scale: 218-729-9773

very North Star Expo brings its own set of memories. This year's return of the show to Bemidji after a 25-year absence is no different. The support from the community was outstanding. The Bemidji Pioneer had no fewer than three front page stories over two days with additional color photographs. The local public TV station also covered the show on its evening

Executive Vice President's



I think that all who attended the show on Friday will recall the temperature.

newscast.

It was a bit chilly but then we're a hardy bunch so it didn't really slow anyone down, so long as the vendor you were looking

for had a tent and hot coffee. All of the vendors who were inside seemed happy to be there this year. Saturday was a warmer, sunnier day with strong attendance from loggers and mills as well as the local community.

We had the most best load trucks that we've had in many years. I'll remember Kevin Knaeble for having three loads in the show this year. I'll also remember the load of tree-length aspen from Brad Lovdahl and sons that won the top prize. It reminded me of the load of tree-length jack pine that Ike Olson and his sons Greg and Tim brought to Duluth one year.

Thank you to all of the vendors who exhibited, to the TPA Expo Committee that did a great job organizing the show at this year's "new" location and to everyone who attended the show. A special thanks also goes to Ray Higgins, Jane Abel and Bev Culver of the TPA staff for all of their extra work that helped make this year's North Star Expo another success.



Many of our members have worked with Mike Phillips through the years. Mike is a longtime staffer for the DNR and the Minn. Forest Resources Council. He has helped lead the development of first BMP's and now Guidelines here in our state. Mike suffered severe health problems in May and has been hospitalized and in rehabilitation since. While he still has a long ways to go, he has been outside a couple of times in recent weeks and has been able to stand again recently. Our thoughts, prayers and support go out to Mike and his family. You can check on his progress and send him a note at www.caringbridge.org/visit/mike phillips



Speaking of good guys, we're losing one as U.S. Forest Service Region 9 Forester Randy Moore is moving to California to assume the regional forester position there. Randy has done an excellent job in our region and on national issues. He has always been open to us and held his forest supervisors accountable for getting their jobs done, including putting timber up for sale. At a time when the national timber program was stuck in neutral at best, Randy and the forest supervisors in the Lake States committed to increasing their outputs, and the needed treatment of many acres, by nearly 50 percent over three years. While California is the beneficiary of our loss, I think that we will be hearing more of Randy in the future and we wish him the best.



Speaking of the U.S. Forest Service, we are pleased with what we are seeing on the Chippewa National Forest. Rob Harper has been supervisor for a little more than a year and has the forest heading in the right direction. He has sorted through the issues, continues to refine his team and is getting real work done. They sold around 40 mmbf in the just completed fiscal year. This is up from less than 20 mmbf a few short years ago. Congratulations and keep up the good work.



As I write this column I'm staring out the window at another rainstorm. After a very severe drought it has now been raining pretty steady for more than a month. When we have wet falls like these everyone gets worried about production and inventories. Inventories that looked great to the accountants start looking scary to mill operations people. And production that seemed too easy in dry weather becomes a struggle. Don't let that struggle compromise safety. Because of the outstanding safety record in our TPA/LUA workers compensation program it looks like rates will go down again next year. The reason the rates keep going down is because of safety. Fewer injuries mean lower rates. And, it's not just the lower rates that count; it's knowing that everyone's life is better because they didn't get hurt.



## Bemidji Embraces 54th Annual North Star Expo

by Ray Higgins

Bemidji – For the first time in 25 years, Minnesota's logging industry descended on Bemidji for the 54th Annual North Star Expo, held at the Beltrami County Fairgrounds. Over two days, more than 2000 folks visited over 100 exhibitors, who displayed more than \$20 million in equipment. It was the best opportunity of the year to see the latest in logging, trucking, and sawmill equipment and technology.

Even though Mother Nature didn't exactly roll out the red carpet in terms of friendly weather, the gusty, gloomy conditions did not prevent the Bemidji community from embracing the Expo. Local TV and radio stations gave the event extensive coverage, and the Bemidji Pioneer featured the Expo on its front page for three straight days. That's on top of strong attendance from loggers and community at large.

Of course, no Expo would be complete without the various contests held throughout the two days, including the Loader, Best Outdoor Display, and Best Indoor Booth competitions.



TPA Secretary/Treasurer Kit Hasbargen presents Dale Gessel and the Nortrax staff with **Best Outdoor Display** award. Receiving second place honors was Magneto Power. Pomp's tire was awarded third place.



TPA Secretary/Treasurer Kit Hasbargen presents Catco with the blue ribbon in the **Best Indoor Booth** competition. Accepting the award are (L-R) Catco Vendor Rich Van Bergen of Grote Lighting, and Tony Boelman and Bill Brimer of Catco's Bemidji location. Hahn Machinery received the second place award, and A.M. Ludwig Saw Shop placed third.



Tony Kowitz (C) of McGregor had the fastest time in the **Loader Contest** with a two-day overall time of 7:32.12. Placing second was Mark Bowman (R) of Solway with an overall time of 7:51.06. Kory Michalicek (L) of Blackduck finished third with a time of 8:15.14. Winner of the **Master Loader** competition was Ramon Killmer of Big Falls with a two-day time of 9:22.23.



Participants in the 2007 **Celebrity Loader** competition were (L-R) John Parsons of Lakeland Public TV in Bemidji, Tom Burford of Farmers Independent, Bemidji Mayor Richard Lehman, Clearwater County Land Commissioner Bruce Cox, DNR Assistant Commissioner Larry Kramka, and MPCA Commissioner Brad Moore. Winning the competition was Potlatch Bemidji mill manager Pete Aube (not pictured) with a time of 1:49.95.



This year's **Best Load** competition featured 10 trucks, the most in recent memory! The winning load was provided by Lovdahl and Sons of Effie, sponsored by Boise. Pictured are (L-R) Corey Lovdahl, Chad Lovdahl, and driver Mike Francisco. The truck weighed 88,440, making Philip Hendrickson of Grand Rapids the winner of the Guess the Weight contest. His estimate of 88,400 pounds missed the mark by only 40 pounds! Thanks go to Allstate Peterbilt, Nortrax, Pomp's Tire, AgStar Financial, Skubic Brothers, Maney International, Charter Media, WP&RS Mars, Hancock Fabrication, and Rihm Kenworth for donating prizes for this year's Best Load.



Again this year, the flapjacks were flying, thanks to Nortrax, who again sponsored the Saturday morning breakfast at the Expo. More than 200 folks enjoyed the meal free of charge, a great way to start day two of the North Star Expo!



The Fire Tower at the Beltrami County Fairgrounds provided a bird's eye view of the 2007 North Star Expo.



Once again this year, the Kid's Mini Loader was wildly popular. The kids loved working the controls of the mini-loader, supplied by LM Products of Cold Spring. Above, Boise forester Nathan Heibel gives a future loader operator an early lesson in how it's done. Dave Amundson of Lumbermen's Underwriting Alliance also helped with the mini-loader. Each kid received a child-sized hard hat for taking part, making their 2007 Expo all the more memorable.



Expo Youngsters get in touch with their artistic sides in this year's TPA Coloring Contest. The picture to color was included in the last issue of the Timber *Bulletin*, but many kids took the opportunity to submit last minute entries. We ended up with several masterpieces that displayed the talent and hard work of our youngsters. In the Age 6 and under division, Jake Gilhausen of Bovey received the first place ribbon and an art kit. Second place went to Dayne Savich of Blackduck, while Molly Goutermont of Silver Bay received third prize. For kids aged 7-9, Amanda Nelson of Big Falls claimed top honors, followed by Katrina Goutermont of Silver Bay and Avery Goeddertz of Bemidji. In the category for kids aged 10 to 12, Larissa Moe of Bemidji was the winner, with Emma Goutermont of Silver Bay close behind. Congratulations to all of the winners, and to everyone who showed off their skills by entering the coloring contest!



Wendell Knutson of Bemidji's Go & Whoa Harness Club helped add a sense of tradition to this year's Expo. The club provided wagon rides and performed skidding demonstrations on both days. The group also paid tribute to Earle Dickenson, founder of Bemidji's Buena Vista Logging Days, who died last year.



The Bemidji area media gave extensive coverage to this year's North Star Expo. The Bemidji Pioneer gave the event front page coverage for three straight days. In addition, Lakeland Public TV News covered the Expo, as did local radio stations KB101 Country and Classic Rock KLLZ-FM.

In other competitions, the Wood Identification Contest was won on Friday by Katie Kueber of Park Rapids, and by Gheen's Lisa Towner on Saturday.

Folks at the Expo again enjoyed watching the talents of Mike Hanson of Cook who displayed his chainsaw carving abilities this year. Mike provided a carving, for this year's vendor drawing. The winner was Jerry Rockensock of Hines, now the proud owner of Mike's carving of a bear.

#### Next Year – Save the Date!

The TPA Expo committee is already working on next year's Expo. It will again be held at the Beltrami Fairgrounds on September 12 and 13, 2008. We look forward to seeing you there!

(continued on page 12)

## **Friday Night BBQ**



As is Expo tradition, Friday was capped off with a delicious dinner, catered again this year by former logger Big Ed Hamilton of McGregor. Over 250 enjoyed the barbecued pulled pork and all the fixins'. The Bemidji JCs manned the Beer Garden, making it an evening of great food, cold beverages, and lively conversation: The fitting end to day one of the North Star Expo.

The Minnesota Timber Producers Association would like to thank the following companies and organizations for their donations toward making the 54th Annual *North Star Expo a huge success:* 

**North Star Expo Sponsors** 

Ainsworth Engineered (USA) LLC Boise White Paper LLC

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Potlatch Corporation

Sappi Fine Paper

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UPM Blandin

Verso Paper

Minnesota Forest Industries.

#### **Barbecue Door Prizes** were provided by:

Two Harbors Machine Shop

**CATCO** 

Prairie Trailer

Don Dens Sales

Air Hydraulic Systems

Industrial Lubricant Company

Log A Load for Kids

Skubic Brothers

Mid-States Equipment

AgStar Financial Services

Boise

Charter Media

Magneto Power

Minnesota Forest Industries

Otis Magie Insurance

Potlatch

Rihm Kenworth

TPA would also like to thank Dave Chura for taking the Expo photos you see in this issue of the Bulletin and throughout the event again this year.

#### **LaFavor Leaving** LogSafe

■d LaFavor, director of the state's LogSafe program, is taking a different position within the Minnta Department of Labor and Industry. LaFavor becomes OSHA training officer for public agencies such as cities, school districts, state agencies, townships, fire deartments, etc. He will continue as director of the LogSafe program until a replacement can be found while also beginning his new duties.

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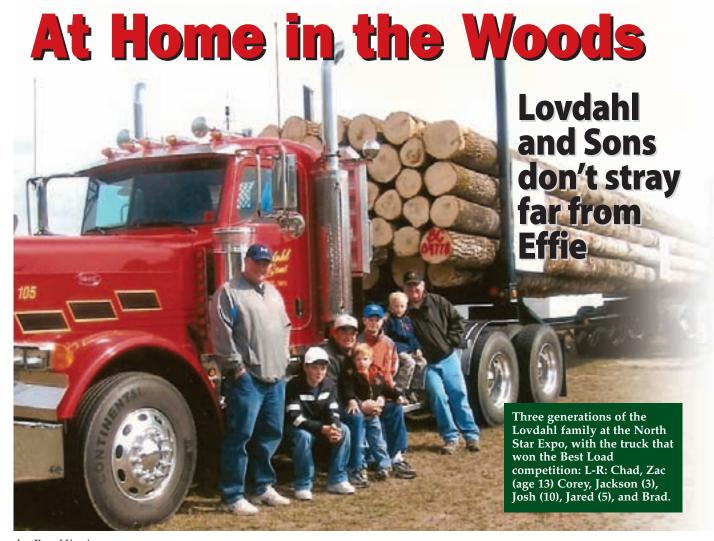
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## Member Feature...



by Ray Higgins

Chad Lovdahl had the chance to do something different. After graduating from Bigfork High, he went off to play basketball at Vermilion Community College in Ely and then to the college of St. Scholastica in Duluth. The plan was to become a teacher.

But after four years of college, Lovdahl changed his mind.

"I just figured," he says," I don't want to do that. I want to do this."

By "this," he means logging. That was 14 years ago.

"I'd grown up here," he says.
"I'd grown up in the woods,
around my dad and my family.
I love to fish and hunt and trap.
This is where I wanted to be."

"The woods," adds TPA Director



Carl Moses operates the Lovdahl and Sons' John Deere 648 skidder on a 2000 cord sale east of Effie.



Left to right: Chad Lovdahl, Brad Lovdahl, and Corey Lovdahl of Lovdahl and Sons.

Corey Lovdahl, Chad's brother, "is a great place to work. It's so peaceful."

That's how Lovdahl and Sons Logging was born. Chad, age 36, joined his father Brad, 57. Corey, 33, came a few years after that. The three all live in Effie, just north of Bigfork, and all three have their own houses on the same land that's been in the Lovdahl family since 1946. Brad grew up here, as did Chad and Corey. In fact, Brad Lovdahl's grandfather first moved to Effie from Norway in 1902.

More than a century later, the Lovdahls remain, as contract loggers for Boise. They also have a right-of-way clearing business, and Brad runs a pheasant hunting game farm, and raises some beef cattle, too.

"I've been in the woods as long as I can remember," Brad says. "My earliest memory of logging is with horses. My dad was a logger and I'd walk with him in the woods behind those horses when I was five years old. Then he used Cats, and then he had probably one of the first rubber-tired skidders that ever came out."

Brad's father, Ted Sr., had been a contract logger for Boise and Brad joined him when he finished school. He married Connie, his schoolmate at Bigfork High, settled in Effie and went about starting a family and a career.

Over that time, he's seen a ton of changes in the industry, from the

use of horses to today's highly mechanized operations.

"Just trucks alone," Brad says. "The transportation of wood to the mill. That's a drastic change.

"But I don't think any industry you're in today doesn't change,' he says. "There's constant change and you have to roll with the punches and try to figure out what to do, and sometimes that gets hard."

It got very difficult for Lovdahl back in 1984. That's when Boise decided to close its Insulite plant in International Falls, and Lovdahl lost his contract. Staying in the logging business was a struggle.

As a result, Brad did some custom skidding and felling, and he started the right-of-way clearing operation, which was his bread and butter for several years. In 1986, he started the pheasant hunting business on the side.

Then Chad wanted to move back home. That was in 1993. The rightof-clearing business was going OK, especially in the summertime, but there was time to log in the winter. By 1994, Boise was again interested in a contract with the Lovdahls. Corey, who had initially gone to work for Rieger Logging, decided to come back home. Lovdahl and Sons was in business.

The right-of-way clearing operation remains, run by Brad's son-in-law Curt Youngkin. He's married to Chad and Corey's sister,

"In the wintertime," Brad says,

"the right-of-way crew comes to the woods when it's slow for them and then if we get slow in the woods, we go to the right-of-way crew, and the woods crew helps them."

Corey Lovdahl runs the buncher, a Timbco 425EXL. Chad operates the Link-Belt Pro Pac limber. Carl Moses, who's been with the Lovdahls for 10 years or so, drives the John Deere 648 skidder. Brad slashes in the winter time. Mike Francisco and Rod Lovdahl, Brad's brother, drive truck. Cousin Travis Lovdahl and Justin Root work mostly on the right-of-way crew, but they, along with Youngkin, help out when needed. And Connie is back home handling the bookkeeping.

"All our guys are very dependable," Chad says. "If you didn't have good employees, you couldn't stay in business.

"There are lots of people who say they couldn't be in business with their family," Chad continues. "I mean, you have your rocky times, but as a rule, it's pretty darn good."

"Every once in a while," Corey adds, "you have to fight and argue with each other a little bit to make things right, but that doesn't hurt anything.

The Lovdahls are never too far from Effie. The tract they're on this day is on a Boise sale, on land owned by Forest Capital Partners, 12 miles from home. They're rarely more than 20 miles away



Corey Lovdahl runs the company's Timbco 425 EXL buncher. This sale is predominantly aspen, with some balsam, spruce and a little birch.



Lovdahl's limber is a Link-Belt Pro Pac, operated by Chad Lovdahl.

from Effie.

"That's nice," Corey says, "because we're always close."

It especially comes in handy during basketball season. Chad coaches the Bigfork High School varsity, meaning practice every day after school – on the days there aren't games, that is. Today's another example. Chad's 13-yearold son Zac is on the 8th grade football team at Bigfork, and they have a game. The whole crew will finish up early to go watch, Grandfather Brad and Uncle Corey included.

"When something like that comes up," Chad says, "like when the kids have a game or I'm coaching, I just try to work early in the mornings. And we have guys on the crew that are interchangeable, so it works out well."

"He loves to coach," Brad says, "and we're able to work it into our company that he can do it. It doesn't hurt to give back something to the community."

Eventually, Lovdahl and Sons could add another generation. Chad and his wife Heather have two boys, Zac and Josh, 10; Corey and his wife, Lynette, also have two sons, Jared, 5, and Jackson, 3; and Curt and Amy have Alicia, 11, and son Cole, 8. It's too early to know whether any will be interested in joining the family business, but there's no question,

they love the woods.

"They do like to go out there," Chad says. "I'll tell you that."

"My little boy woke up at 3 in the morning a couple of weeks ago and asked if it was time to go to the Expo," Corey says, smiling.

"As for whether they want to be loggers," Corey adds, "whatever they want to do. I'm not going to push them either way. If they want to go to school and become a doctor, more power to them. We'll see what the industry brings in another 15 years."

For the time being, business is pretty good, and so is life. The Lovdahls are close to home and close to family, just the way they like it.

"We're happy to be here," Brad says. "Our kids are here, our grandkids are here.

"I think that's why these guys are here," he says, motioning to Chad and Corey. "They like to log and they like living here.

"They're the future," Brad says. "It's about the future."

## New Biomass Harvesting Guidelines Created

by Keith Iacobson and Dick Rossman, MN DNR

#### ow Much Biomass Can be **Used While Still Maintaining** Wildlife Habitat, Soil **Productivity and Water Quality?**

Concerns over maintenance of soil productivity, some forms of wildlife habitat, and riparian area function have resulted in the recent development in Minnesota of new Minnesota Forest Resources Council (MFRC) guidelines for harvest of woody biomass. These guidelines supplement current timber harvesting guidelines.

New MFRC guidelines to direct the harvest of biomass from forest harvest sites and brushlands were developed over the past year. The new guidelines have been approved by MFRC, but are undergoing a process to incorporate them into the current guidelines. Fully integrated versions of the guidelines are scheduled for distribution this fall.

#### **Current Harvesting Guidelines Relevant to Woody Biomass**

Current guidelines relevant to biomass harvest include those that deal largely with three issues: 1) wildlife habitat, 2) soil productivity, and 3) riparian areas and water quality. The following are very brief guideline summaries. Managers need to review actual guidelines in order to see the full text, rationale and context. Current guidelines are available online at: http://www.frc.state.mn.us/FMgdl ine/Guidebook.html

#### 1) With regard to wildlife habitat:

 Guidelines require retention of some down woody debris, snags and leave trees.

#### 2) With regard to maintenance of soil productivity:

 Guidelines suggest that two types of sites are of greatest concern for removal of tops and logging residue: A)

Lowland conifer sites on organic soils. These types of sites are largely occupied by black spruce. B) Aspen and other hardwoods on very sandy, or very shallow, soils.

#### 3) With regard to riparian areas and water quality:

 Guidelines recommend retaining significant amounts of live vegetative cover.

#### New Biomass Harvesting Guidelines

On most harvested sites, there are volumes of logging residue in excess of that needed to address guideline recommendations. The newly developed biomass harvesting guidelines allow for the removal of some of this "excess" biomass, while still maintaining wildlife habitat, soils, and water quality. The newly developed biomass guidelines supplement current guidelines. A few highlights follow.

These are brief summaries of a few highlighted portions of the biomass guidelines for forest management sites. Managers need to review actual guidelines in order to see the full text, rationale and context.

Draft copies of the new biomass harvesting guidelines are available

http://www.frc.state.mn.us/.

## 1) Biomass Harvest on Sensitive

 Avoid biomass harvest in native plant communities that are listed in Appendix J of the guideline book, and within specific sites where Endangered or Threatened Species are known to exist. Biomass harvesting may be appropriate in these areas if used as a tool to improve management of potentially impacted communities or species. For assistance with locations and management of sensitive native plant

communities or endangered or threatened species, consult the local DNR Office.

#### 2) Managing Water Quality and **Riparian Management Zones** (RMZs)

 Avoid harvest of additional biomass from within RMZs, and within 25 feet of a dry wash bank when managing near a dry wash in southeast Minnesota, over and above the tops and limbs of trees normally removed in a roundwood harvest under existing timber harvesting guidelines.

#### 3) Managing Soil Productivity

- Do not remove the forest floor, litter layer and/or root systems for utilization as biomass (Some silvicultural prescriptions may call for disturbance of forest floor, but removal of this material or piling should be avoided).
- Plan roads, landings, and stockpiles to occupy no more than 1-3% of the site.
- Avoid additional biomass harvest from erosion prone sites (i.e., those sites on steep slopes of 35% or more) over and above the tops and limbs of trees normally removed in a roundwood harvest under existing timber harvesting guidelines.
- Ensure that landings or on-site areas used to store biomass are in a condition that favors regeneration and growth of native vegetation and trees after use.

#### 4) Re-entry into Previously Harvested Sites to Remove **Biomass**

- Residue from timber harvests and other forest management activities often remain on-site either scattered or piled, after management activities are completed. The preference is to remove biomass at the time of harvest. If re-entry is necessary, caution should be used so that future forest

regeneration is not reduced and infrastructure rehabilitation efforts are not compromised.

Additional Consideration: Piles left on site for an extended period may be inhabited by species such as Canada lynx, black bears, and other wildlife known to den in slash piles. Retain the slash piles showing evidence of use and consider retaining those that are difficult to access.

#### 5) Managing / Retaining Wildlife Habitat and **Structural Diversity**

- Retain stumps and uprooted stumps.
- Retain snags and pre-existing coarse woody debris.
- Retain and scatter tops and branches from 20% of trees harvested in the general harvest area (one "average-sized" tree out of every five trees harvested).
- Avoid removing tops and limbs resulting from incidental breakage left in the general harvest area.
- If harvesting brush and small trees for biomass associated with a timber harvest, leave 20% of this material on the site (this material can be run over or cut, but should remain on the site).
- The overall goal for Fine Woody Debris (FWD) retention is to retain about 1/3 of the FWD on a site. This is achieved by intentionally retaining 20% of the FWD (tops and limbs from one "average sized" tree out of every five trees harvested), with an additional 10-15% achieved by incidental breakage during skidding. Usually more breakage occurs in winter than in summer.

## On the Markets

The *Timber Bulletin* publishes information regarding results of recent timber sales and other market indicators, as well as other market-related news items.

#### **Recent Timber Sales**

### verage prices, as reported by each agency

Please note that the DNR does not calculate price per cord on individual auctions. Price per cord information on these sales is calculated by TPA staff. The average price per cord is for "trembling aspen" and "aspen species" combined, across all products listed on that sale (woodsrun cordwood, woodsrun mixed products, etc.)

#### St. Louis County

August 16 - Oral Auction

<u>Species</u>	<b>Bid Price</b>
Aspen pulpwood	\$31.89
Black Spruce	
pulpwood	\$24.23
Birch pulpwood	\$ 8.25
Balsam pulpwood	\$15.97

#### **Aitkin County**

August 23 – Sealed Bids

<u>Species</u>	Avg. Price
Aspen P&B	\$32.59
Red Pine P&B	\$28.33
Balsam Fir P&B	\$32.66

#### Cass County

August 30 – Sealed Bids

<u>Species</u>	Avg. Price
Aspen	\$35.29
Birch	\$23.30
Red Oak	\$33.97

#### **Crow Wing County**

August 29 – Oral Auction

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<u>Species</u>	Avg. Price
Aspen	\$30.77
Oak	\$14.32
Birch	\$14.19

#### DNR - Little Falls Area

September 6 - Sealed Bid

<u>Species</u>	Avg. Price
Åspen	\$40.27

This was a regular auction only, with 2,529 cords available in five tracts.

#### DNR – Baudette Area

September 12 – Oral Auction Avg. Price <u>Species</u> \$18.22 Aspen

#### DNR – Bemidji Area

September 13 – Sealed Bid Avg. Price Species \$32.49 Aspen

#### DNR - Park Rapids Area

September 18 – Oral Auction Avg. Price <u>Species</u> \$37.33 Aspen

The base price for aspen was \$16.00.

#### DNR – Little Falls Area

September 20 – Oral Auction Avg. Price <u>Species</u> \$25.43 Aspen

This was both a regular and intermediate auction. The regular auction contained six tracts: Five went for the appraised price (\$21.00) and the sixth tract received no bids.

#### **Hubbard County**

September 25 – Oral Auction <u>Species</u> Avg. Price Aspen mixed \$37.64 Tamarack mixed \$14.87 Jack Pine mixed \$44.92

#### Cass County

September 27 – Sealed bids

<u>Species</u>	Avg. Price
Âspen	\$34.78
Birch	\$22.93
Red Oak	\$26.57

#### St. Louis County

September 27 – Oral Auction & Sealed Bids

<u>Species</u>	Avg. Price
Aspen pulpwood	\$30.90
Black Spruce	
pulpwood	\$29.51
Birch pulpwood	\$11.72
Balsam pulpwood	\$19.45

All 25 tracts on this sale were re-offers of turned back sales. The average price of aspen from the original sales for the above species were:

Aspen pulpwood	\$84.55
Black Spruce	
pulpwood	\$77.24
Birch pulpwood	\$26.65
Balsam pulpwood	\$48.76

The total sold value of the original tracts was \$3,679,272.11. The re-sold value of the tracts was \$1,389,320.82, resulting in a total reduction of \$2,289,951.29.

#### DNR – Warroad Area

September 27 – Oral Auction <u>Species</u> Avg. Price \$21.73 Aspen

#### **U.S. Housing Market Continues Slide**

everal indicators of the health of the US housing market continued their slide in August.

In figures released by the Census Bureau, U.S. housing starts reached a 12-year low in August, to a seasonally adjusted annual rate of 1.331 million units. That's down from July's figure and also down 19.1% from August 2006.

Building permits in August were also at their lowest rate since 1995, to a seasonally adjusted annual rate of 1.307 million units, 5.9% below the revised July rate and off 24.5% from the year-ago pace. In addition, single-family housing starts were at a seasonally adjusted annual rate of 988,000, 7.1% below the July figure.

Sales for both new and existing homes also fell in August. New home sales were down 8.3% from July and 21.2% from a year ago, the slowest pace of sales since December 1997. Sales of existing homes hit a five year low, falling 4.3% from July and 12.8% from August 2006.

In contrast to the situation in the U.S., the residential sector remained healthy in Canada. The value of Canadian building permits passed the \$6 billion (Canadian) mark for a fourth consecutive month in August. According to Statistics Canada, municipalities issued permits worth \$C6.3 billion, up 1.4% from July.

#### **Loonie Surpasses** Greenback

anada's dollar reached a 31-year high in early October, to nearly \$1.02 (U.S.). That's the highest value since November 1976. the Loonie reached parity with the U.S. dollar on Sept. 20. Economists say the reason is a boom in demand for commodities in Canada.

Canada has added about 410,100 jobs in the past year, as consumer spending and energy investments in the western province of Alberta spur hiring across the country, the

(continued on page 22)

(continued from page 20)

agency said.

The Canadian dollar has gained almost 19 percent against the U.S. dollar this year, the biggest increase among the 16 major currencies. Canada, the world's eighth-biggest economy, has benefited from rising demand for copper, gold, wheat and oil from the U.S. as well as emerging economies such as India and China.

Minnesota is not a "registration state" but is a "participating state," meaning that if you cross state lines, it is mandatory to register with a "registration state." To avoid delays, it is highly recommended that you file and submit your payment online at: <a href="https://www.ucr.in.gov">www.ucr.in.gov</a>. To register by mail, you need to complete the

UCR application form and send your application and payment to the base state you have chosen from the list provided in the registration form.

After Nov. 15, interstate and foreign carriers not registered will be fined for non-registration.

Copies of the form are available online at: <a href="http://www.dot.state.">http://www.dot.state.</a> mn.us/cvo/property/UCRinfo.pdf.

#### Uniform Carrier Registration Changed

O you cross state or federal borders in a commercial motor vehicle?

It is mandatory for all carriers operating in interstate and foreign commerce to register with a registration state before 11/15/2007.

The Single State Registration System (SSRS) and Minnesota Interstate Exempt Commodity Bingo Stamp (commonly know as a D-1 Bingo Stamp) was terminated by section 4305A of Uniform Carrier Registration Act of 2005, enacted as Subtitle C of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) as of January 1, 2007.

As replacement for this program, the Uniform Carrier Registration (UCR) program was announced in Minnesota on October 5, 2007. The UCR program includes all interstate and foreign motor carriers of property and passengers. This includes private motor carriers that were not previously regulated by the now retired registration programs.

## **Governor Receives Task Force Report**

innesota Governor Tim Pawlenty received the report from the Governor's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry during a September meeting in Grand Rapids.

The task force report, outlined in the last edition of the *Timber* Bulletin, includes recommendations in five key categories. In response to the recommendations, Gov. Pawlenty told the task force that he generally supports all of the recommendations, including establishing a forest economy subcabinet, increasing timber harvest across all ownerships to 5.5 million cords per year by 2012, and facilitating the consolidation of public and private ownerships.

Pawlenty told the task force that increasing the timber harvest "should be a goal that gets done." Included in the task force's recommendation is that the DNR



Minnesota Governor Tim Pawlenty (C) listens as Iron Range Resources Commissioner Sandy Layman (R) outlines the recommendations of the Governor's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry. Layman co-chaired the task force. At left is task force member Pete Aube, mill manager at Potlatch's Bemidji mill.

increase its annual harvest from 850,000 to 1 million cords.

The governor also said the forest economy sub-cabinet is, "a good

way to identify interagency issues before they come problems."

TPA President Tom McCabe represented TPA on the task force.

## Timber Talk

#### Weyerhaeuser Closes Deerwood Indefinitely

Citing slow customer demand, Weyerhaeuser Company announced it will indefinitely curtail operations at its laminated strand lumber plant in Deerwood before year-end 2007. Also shutting down are oriented strand board plants in Drayton Valley, Alberta, and Wawa, Ontario.

"The decline in North American housing starts has reduced demand for wood products, requiring us to rationalize our supply of OSB and engineered wood," said Steven R. Rogel, chairman, president and chief executive officer.

The company will provide the affected employees with severance pay as well as job-transition services and counseling, consistent with company policy. The Deerwood plant has 158 employees and a capacity of six million cubic feet per year.

#### Boise Cascade Sells Paper, Packaging, and Newsprint Assets

oise Cascade, L.L.C. entered into a Purchase and Sale Agreement with Aldabra 2 Acquisition Corp. for the sale of Boise Cascade's Paper, Packaging & Newsprint segments for cash and shares of Aldabra common stock totalling approximately \$1.625 billion. As part of the transaction, Aldabra intends to change its name to Boise Paper Company, which will become publicly held. Boise Cascade, a privately held company, will maintain 100% ownership of its Wood Products and Building Materials Distributions segments following the transaction. Both companies will be headquartered in Boise, Idaho.

"This transaction recognizes the progress we've made during the three years we were a private company," said Alexander Toeldte, who will become CEO of Boise Paper Company.

The sale is expected to close sometime next year.

#### Stora Enso Sells its North American Paper Operations to NewPage

Stora Enso has signed a definitive agreement to sell Stora Enso North America, Inc., its North American subsidiary, to NewPage Holding Corporation. The combined company will be called NewPage. The transaction value is approximately \$2.5 billion, and the sale is expected to be finalized during the first quarter of 2008, subject to customary regulatory approvals.

With the sale, eight Stora Enso mills become part of NewPage, including six in Wisconsin, (Biron, Kimberly, Niagara, Stevens Point, Whiting and Wisconsin Rapids), Port Hawkesbury, Nova Scotia, Canada, as well as the Duluth mill.

NewPage Corporation, headquartered in Miamisburg, Ohio, produces coated papers in sheets and rolls with many finishes and weights to offer design flexibility for a wide array of end uses. With more than 4,300 employees, NewPage operates integrated pulp and paper manufacturing mills located in Escanaba, Mich.; Luke, Md.; Rumford, Maine; and Wickliffe, Ky.; and a converting and distribution centre in Chillicothe, Ohio.

## Ainsworth Shuts Down for Two Weeks

insworth shut down its Cook mill for two weeks beginning Oct. 12 and planned a two-week shutdown for the Bemidji mill beginning Oct. 19. In a news release, the company cited log supply shortages, high production costs and a decline in OSB orders for the curtailment. The company announced production was expected to resume at Cook on Oct. 22 and at Bemidji on Oct. 29. Log deliveries are continuing during these closures.

#### Ainsworth Updates Loggers

officials at Ainsworth Engineered met recently with its timber producers at the company's three Minnesota mills to give them an update on Ainsworth's business conditions in the state.

Loggers who attended the meetings were informed that near-term market conditions won't allow Ainsworth to re-open its Grand Rapids OSB mill anytime soon, but re-starting the plant that suspended operations in September 2006 is still the company's goal.

Ainsworth officials also said the Bemidji and Cook facilities will remain open and the mills will continue to buy wood. But, market conditions remain very challenging and officials say they expect to see mill downtime in the industry this fall and winter, including possibly in Minnesota. The Cook and Bemidji mills did subsequently take downtime.

"Our mills' economic profile today is improved compared to one year ago," said Ainsworth Woodlands Manager Kent Jacobson. That improvement is due in part to lower wood and better operating costs, he said.

"Timber supply continues to remain a key issue for mills and loggers across the state," Jacobson said.

#### St. Louis County Turn-backs Total \$4.8 Million

ince beginning its timber sale relief program at the start of 2007, the difference in total sold value between original sale prices of forfeited St. Louis County timber sales and prices after re-offer totals more than \$4.8 million, according to figures released by the county.

The total value of sales turned back so far is \$10.1 million. Permit holders have until Dec. 31 to take advantage of the timber sale relief program.

So far, 142,000 cords from forfeited sales have been re-sold, with 20,000 forfeited cords left to re-offer. St. Louis County Land Commissioner Bob Krepps expects another auction to be added in December or January to handle the remaining forfeited sales, plus other sales that that are turned back before the end of the year. The county already has a sealed bid auction scheduled for Nov 15 in Duluth which will include new sales.

Results of the Sept. 27 St. Louis County timber sale, which contained only forfeited tracts, can be found in the On the Markets section of this edition of the *Timber Bulletin*.

## **Trunk Highway Reconstruction Urged**

Task Force of local stakeholders is urging MnDOT to follow through with the planned reconstruction of Minnesota Trunk Highway 11 between Baudette and Highway 71 west of International

The project is of particular interest to loggers because it is the major route to the Boise Mill from forested areas to the west.

Work is currently scheduled to begin on the stretch of road along the U.S.-Canadian border next summer and continue into 2014. But the recontruction has been delayed in the past and task force members fear further delays based on funding from the state.

Resurfacing work on the bridge at Clementson has been delayed until 2009 so MnDOT can take a closer look at the bridge structure.

The task force is made up of commissioners from both Koochiching and Lake of the Woods



A logging truck heads east toward International Falls along Minnesota trunk highway 11.

counties, as well as residents along the road, local school district personnel, and others. TPA executive committee members Dale Erickson and Kit Hasbargen, both residents of Birchdale, are also on the task force.

The task force has been urging Northeastern Minnesota legislators to get involved, as well as the staffs of Congressmen Jim Oberstar and Colin Peterson and U.S. Senators Amy Klobuchar and Norm Coleman.

## Classifieds

To serve our readers better, the Timber Bulletin offers free classified ads of up to 85 words to all members and associate members of the Minnesota Timber Producers Association. All ads must be submitted in writing to the Association office. The MTPA assumes no responsibility for ad contents and accepts free ads on a first-come, firstserved basis within space limitations.

#### USED EQUIPMENT FOR SALE **EXCESS EQUIPMENT FOR SALE:**

5 Aluminum Log Bunks with end gates 60" Lemco Slasher 2002 John Deere 648G3 PC Call 218-348-7904 for details

#### USED EQUIPMENT FOR SALE

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flatbed dump	4.500
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2005 Hyundai 210LC7	
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delimber Siiro delimber/slasher	30,000
	7,000
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AND SHEARS	
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1988 910 Cat, 17" shearhead,	
rebuilt trans	32,000
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1978 Drott 40, JD eng	13.000
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20" Warratah sawhead	110 000
1996 JD 653E	
1984 411B Hydro-Ax	
1987 411B Hydro-Ax	20 000
1986 511B Hydro-Ax., 6 BT	20,000
Cummins	27,000
	27,000
1994 511E Hydro-Ax, 20"	F7 000
Koehring	57,000
1993 611E 22" sawhead	35,000
1993 JD 590D w/18"	•= •••
Roto saw	27,000
1976 JD 544B	17,000
1976 JD 544, 20" shear	21,000
1993 Risley Black Magic	
w/Risley sawhead	65,000
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