THE VOICE OF THE TIMBER INDUSTRY

# TIMBER BULLETIN

**DULUTH, MINNESOTA** 

MARCH/APRIL 2009

**VOLUME 65** 



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### THE VOICE OF THE TIMBER INDUSTRY

Volume 65 March/April 2009 Duluth, Minnesota

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### ON THE COVER

Preliminary results of the U of M's Paired Bid Study of Timber Sales has been released. For details, please see page 12.

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ell, spring is here or is it?
As I write this column the temperature is 10 degrees and the forecast

Is calling for 6 to 12 inches of snow.

Our industry seems to be a lot like the weather; filled with uncertainties like which mills will

# President's Column



buy wood this year, how much will they be able to pay for their

wood, what will our cost be (fuel, insurance, equipment prices, etc). It is becoming more and more difficult

to find stable markets and prices for our products. I can only hope that this year some stability will return to the timber industry so, as loggers, we can make good business decisions.

One thing loggers can depend on is that the T.P.A. will always be there to help out as best that it

Spring is also a time to get our required M.L.E.P. training done and, as usual, Dave Chura has done a great job with many opportunities to get this completed.

With that, I hope everyone will have time to relax a bit before we head back this summer.

Remember, whether at work or play, please be safe out there.

Muhael Ruge

### **TPA Executive Committee**

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### Kooch County Paved Routes Now 10-ton County Board Removes 9-ton Designation

he Koochiching County Board has removed the 9-ton posting on paved state-aid roads. The move was made on the recommendation of county highway engineer Doug Grindall.

Truckers in Koochiching County are now able to haul up to 90,000 pounds with a 6th axle, and up to 99,000 with a sixth axle during winter weight increases on paved county routes, except during spring load restrictions.

Grindall said he proposed the move after changes made last year by the Minnesota Legislature.

"In the past we've had 9-ton per axle postings on all of our blacktop state-aid roads year-round," Grindall said. "By taking these signs down, trucks will be able to run up to statutes instead of 73,280."

The county still has the option to restrict weights if damage is

observed on some roads, but would have to post the road accordingly.

"Today's economy was also affecting area logger as well as other truckers," Grindall said. "Hopefully this will help them, as long as we don't notice increased damage to our road system."

Some bridges may still be posted at a lower weight where necessary, Grindall added.

### **Mark Your Calendar**

ere are some of the events in the coming months you'll want to make sure are on your calendar:

June 11 – TPA Annual Meeting/ Golf & Fishing Event – Ruttger's Sugar Lake Lodge Sept. 18 & 19, 2009 – North Star Expo at Itasca County Fairgrounds in Grand Rapids

For more information on any of these events, call the TPA office at 218-722-5013.

Scatter-gunning around the landscape and getting a few things off of my chest:

Does it bother anyone besides me that the federal government is going to be spending nearly twice what it receives for revenue? I know that we need to stimulate the economy but when you add up what has been authorized and what both parties seem to be willing to spend in the next fiscal year it's about twice the revenues.

# Executive Vice President's

With this amount of federal borrowing it is inevitable, no matter what the Federal



Reserve does, that interest rates will go back up. It's simply supply and demand. Let's hope that the interest rates stay

low long enough to get housing construction started again.



Lobbying the Congress has gotten less fun through the years. Sometime in the late 1990s or the first part of this decade it began to change. When you would talk to members or their staffs the conversation inevitably turned to how a given issue might help their party gain or maintain control of their institutions. I've always thought that the focus should be on how to improve the country, state or their districts. Let the chips fall where they may on the extra partisan issues.

On a more hopeful note during my last trip the D.C. there was less of the partisan triangulation of power and more on how to simply improve the country and our economy. We saw this at a briefing for congressional staff on Forest Service issues that we co-hosted with the Northeast/Midwest Congressional Coalition, Maine Pulp & Paper Association, Allegheny Hardwood Utilization Group, MI Forest Products Council, MI Association of Timbermen, Great Lakes TPA, WI Paper Council and MN Forest Industries.



The regional briefing mentioned above is something new. We used to join with some of these same groups to bring congressional staffers to the Lake States every year to show them the woods, logging and some mills and talk about issues. With the changes in ethics rules at the federal level it is no longer possible to do this. Instead we brought a part of the tour to them in D.C.

So the ethics changes were meant to decrease lobbying. This rule change prevents staff from coming out and seeing us so we went to see them. The alternative would be to hire a lobbyist in D.C. I know many groups have done this. So the ethics rules that were meant to decrease the influence of lobbyists have resulted in more lobbying in D.C. The law of unintended consequences at work? Or the practical effect of rules that were not well thought out.



Texting. If you aren't doing it your kids are. In many meetings that I participate in half or more of the people have their heads down and are texting or emailing on their phones. I think it's rude to the other people in the meeting. I also think that texting is a bit like kids passing notes in junior high. OK, I text – but never in meetings – and I know that they are middle schools now and not junior highs.



Amongst the reasons that many people go to church are to receive some inspiration, to learn, to be made to think and to be reminded of things that we may not want to think about. While safety is not a religion, some of the same things apply. Inspire your crew to work safely. Help teach them or provide the training for them to work more safely. Get them to think about safety. Remind them of the things that are not safe to do. You won't regret it.

\* \* \*

Enough scatter-gunning.

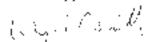


The pace at the State Capitol

started to pick up after the most recent revenue forecast. The governor has revised his budget proposal and the outlines of House and Senate positions are starting to be formed. The resolution of the state's budget will come down to a few large issues. How much to cut and from which programs. How many accounting shifts and gimmicks will be utilized. How much revenue (taxes and fees) will be raised. Whether they complete their work during the regular session will depend on whether and how much the various players are willing to compromise.



Mark your calendars now for the TPA Annual Meeting and Golf and Fishing events. They will be held on Thursday, June 11 and Friday June 12 at Ruttger's Sugar Lake Lodge near Grand Rapids. This has really turned into a fun and informative event. If you haven't attended in awhile give it a try. You won't be disappointed.



### Member Feature...



Stewart Ferrier at his jobsite south of Baudette.

# **Starting Early**Fifth generation logger learned to love the woods at a young age

by Ray Higgins

t's 3:30 a.m. and daybreak is still four hours away as Stewart Ferrier hops in his truck to head to his jobsite, an 80-acre sale with 2000 cords of aspen, just a few miles south of his home in Baudette.

The temperature is -20, actually one of the balmier mornings of late.

Folks in most professions would find these working conditions unbearable. For a logger, the temperature is typical. For Ferrier, even the time of day is routine.

"I got here and started loading trucks right away," Ferrier says. "I got the equipment running, stuff like that.

"I'm kind of a workaholic in the wintertime," he says. "I have no spare time. It's all work."

That's obvious by the activity at the jobsite. The crew plans to haul 15-18 truckloads of aspen today.

"Last night we ran the limber

right up until 7 o'clock," Ferrier says. "One of our guys was out here until probably 8 o'clock doing clean-up with the skidder. We usually work right up until dark. When the days get longer we'll probably be working a little longer yet; 6 o'clock would be the very earliest we'd shut down.

"I just enjoy working," he says.
"Especially in the wintertime.
That's what I grew up with. It's in

my blood."

It sure is. His great-great-grandfather and sons had a sawmill at the town of Ross in Roseau County in the late 1800s. In the early 1900s the sawmill was moved closer to Baudette. Then his grandfather was a logger, and his dad followed suit. That got Stewart interested in the business at a young age.

"I didn't help my grandfather so much in the woods," Ferrier says, "but I'd help him with other things in the summertime. When he was logging, I was really young. But I helped my dad out a lot. I'd be out there running skidder all day. I remember running the skidder up and down the landings when I was eight years old, so I've been out there a long time. By the time I was ten, I was actually skidding wood, skidding it out to the landing for him.

"He didn't pay very well," Ferrier chuckles. "I just loved being out there."

It's another way in which Ferrier was an early starter.

By the time he finished at Lake of the Woods High School, Ferrier thought about being an electrical lineman, but there was a two-year wait to get into the tech school program.

"I thought, well, what would I do for the next two years? So I got into logging, and that's where I've been."

He became business partners in Ferrier Logging with his father Allan, and three years ago when his dad retired, Stewart took over the business. But not before learning some crucial lessons.

"Dad started back in the early 1960s by himself," Stewart says. "He might hire one or two guys back in the day, but he was just a small operation. Dad has taught me a lot of things, and probably the biggest is you don't want to overspend and get in over your head in payments. Watch what you're spending."

It's a simple concept that can be difficult to follow. But Stewart learned his lessons well.

"Dad's always said it's easy to get over-extended with credit, and that makes it hard to repay. Try not to get in too deep. He's always taught me to just start small and just build yourself up slowly. When we first started we didn't



Ferrier's Link-Belt 210 LX de-limber with Pro Pac is operated by Beau Canfield.

have anything, hardly. Just a couple of old skidders. And 16-17 years later, we've built up to what we've got now, so it's come a long way."

Now, Ferrier has a full conventional operation: a Tigercat 822 feller buncher, a 460D Timberjack skidder, an old John Deere 640 skidder for back-up, a Link-Belt 210 LX with a Pro Pac delimber, a Barko 225 loader with a 72-inch Han-fab slasher, a Barko 160 loader, a 700H dozer and a 770A John Deere motor grader. Then there are three trucks for hauling: a Peterbilt and two Internationals.

Ferrier has a lot of help keeping things going. He runs the buncher

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and wife Karen does the majority of the paperwork on top of her fulltime job at a pharmaceutical company in Baudette. In the woods, Beau Canfield limbs, Wayne VanDeHey skids, Jason Risser, Darren Larson, and John Sipe drive truck, and Todd Canfield jumps in wherever he's needed. They also handle as much of the maintenance and repair work as possible themselves in the new shop Ferrier built last summer. That came in handy during a recent stretch that was too cold for logging, even for Ferrier.

"We were down for three or four days because of the cold weather," Ferrier says. "If it gets down to thirty below, we don't like to run the equipment because it's too hard hydraulic-wise and things break too easily. So we had work to do in the shop and did that for three or four days. That's fine because it seems like there's always something to do in the shop.

"I have a lot of guys that can do a lot of different jobs," Ferrier says. "My nephew John Sipe has been working for me for numerous years and is a good operator on any piece of equipment. Most of the guys in the crew have experience on multiple pieces of equipment. Having a good crew is crucial."

So is having markets for the wood. Ferrier's timber ends up going to several places, including Erickson Timber Products in Baudette, Boise in International Falls, Potlatch's stud mill in Bemidji, the Verso Paper's yard in Bemidji, and some to Page and Hill in Big Falls and NewPage in Duluth.

"I like being spread out with my markets," he says. "I don't like to be dependent on one mill in particular. I like to spread it out so you've got a little bit of a market all over the place."

Marketing wood to several mills instead of a few isn't easy. There's more paperwork, and there are more relationships to nurture and maintain. But Ferrier finds keeping all of those balls in the air

is worth it.

"I just keep in touch with them all the time to let them know what's going on and what I've got coming in," Ferrier says. "I enjoy working with all of the different mills."

That's important in a tough economy. Stumpage and fuel prices have come back to earth, but the housing slump and the economy still have Ferrier worried. That's why he says it's important to be creative, to find places where the company can be more efficient to help the bottom line.

"The last two to three years," he says, "I've made it a special point, especially with fuel costs, to try to

stay close to home and not take jobs that are too far away. Our hauls are long enough without being even further away."

And for Ferrier Logging, there always seems to be work in the woods, too. Assuming he has markets for his timber, Ferrier logs all year, although he does slow down a little bit in the summer

"In the summertime, the days aren't as long," he says. "We try to quit around 5 o'clock. Fridays we quit a little earlier. And we cut it back to five days a week in the

But you can bet, Ferrier will still get an early start.



Jason Risser operates the loader on Ferrier Logging's jobsite just south of Baudette. Because they're just finishing with this harvest, the plan is to load 15 to 18 trucks with aspen on this day alone.



Wayne Van De Hey drives Ferrier's Timberjack 460D skidder.

### Paired Bid Study Nears Completion U of M Releases Preliminary Data

ower base prices lower stumpge prices 9%, according to preliminary data from the University of Minnesota's Paired Bid Study, conducted during December's DNR sealed-bid auctions.

The preliminary data was presented to the Minnesota DNR by U of M graduate student Ross Brown.

"I want to stress that this information is still preliminary," Brown said. "We're confident in our data, but there's still a chance that we would uncover something that would change things. And we still have further analysis that we plan on doing."

The study also examined how contract lengths affect stumpage pricing. Data showed little difference, although Brown attributed that to current market conditions.

In the tracts used in the study, roughly one-third were offered with both 2-year and 5-year permit durations and the remaining tracts had two different base prices: one "normal" base and one with a 50% reduction. On each tract, the interested bidder had to submit separate sealed bids addressing each scenario. After the bid submission deadline, the scenario for that tract (either permit duration or base price) was randomly determined. The bids for the selected scenario were opened, with the tract awarded to the individual submitting the highest eligible bid for the permit duration or base price selected.

While the bids for the scenario not selected weren't opened for the purposes of the auction, the bids were examined for the study, providing additional data to work with.

A total of 293 paired bids were submitted for the tracts with either a full or reduced base price. When starting at the "full" base price, bidders were willing to pay an average of \$23.76 per cord, but when the reduced bid price was used, bids came in 9% lower, at an average of \$21.59 per cord.



Brown says it's not yet certain whether those reduced base prices would result in lower revenue to agencies selling timber.

"We're not sure how many more tracts would have been sold if they'd been offered at reduced base prices only. We hope to find that out," he said.

In addition, 154 paired bids were submitted on tracts that were to have either a 2-year or 5-year contract length. Bids submitted for 5-year contracts averaged \$24.28 per cord, while 2-year tracts averaged \$24.08 per cord, a level that Brown characterizes as not statistically significant. He theorized that there wasn't much difference because bidders didn't expect stumpage prices to increase over the next five years.

The study is cosponsored by the Minnesota Forest Resource Council and is a result of a recommendation from the 2006 report of the Governor's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry to research stumpage prices and timber sale pricing in the state. The final study results are expected to be released in June.

### Important Drivers of Stumpage Prices Also Being Studied

Brown is also examining records of 4395 DNR tracts sold in northern Minnesota from 2001 to 2006 to look for factors that drive stumpage prices, in a study commissioned by the Minnesota Department of Employment and Economic Development.

Brown says that by looking at the data, "we are able to estimate how a change in a specific timber sale characteristic will impact stumpage prices, given other sale characteristics remain the same."

The following factors are being examined, along with the study's preliminary results:

- Total Volume: doubling the size of an individual sale increased stumpage prices roughly 13%
- Contract Length: a 1-year increase in the contract length increased stumpage by 3.5%.
- Season of Sale: sales in April-June sold for 10% more than similar tracts sold during other times of the year.
- Seasonal Operating Restrictions: contract provisions that restrict harvest operations to winter months had no significant effect on stumpage prices.
- Regular vs. Intermediate
   Auctions: For "average" sized
   sales, there was no significant
   difference between regular and
   intermediate sales. However, the
   preliminary data shows regular
   auctions had higher prices for
   "low-volume" tracts, but lower
   prices on "high-volume" sales.

Final Results of this study are expected to be released before the end of the year.



### **Board of Directors Meeting**

000

**TPA Golf & Fishing Outing** 

000

**Annual Meeting** 

000

**Annual Banquet** 

# Thursday June 11<sup>th</sup> & Friday June 12<sup>th</sup> At Ruttger's Sugar Lake Lodge





It's a fun and informative 2-day event for all TPA members, as well as vendors and other related organizations

We look forward to seeing you there!

### **MLEP, LUA, and TPA Partner on PSAs**

"Be seen and be safe." That's the message listeners to northern Minnesota radio stations are hearing in public safety announcements promoting safe driving around trucks.

The announcements, produced by a partnership of the Minnesota Logger Education Program,

### Timber Talk

Lumbermen's
Underwriting
Alliance, and
TPA, tell drivers
of passenger
vehicles to
make sure they
don't follow
trucks too

closely and reminds them that log truck drivers are highly trained.

"Safety is a top priority of all three organizations," MLEP Executive Director Dave Chura said. "We want to get that message out throughout the region, especially to the motoring public we in the logging community share the road with."

Stations airing the PSAs include:

Duluth: ESPN Radio 560

B105

KOOL 101.7 MIX 108

Grand Rapids: KOZY-AM 1320

**KMFY-FM 96.9** 

International

Falls: Bemidji: K104 FM KB101 Country Z99 Classic Rock KBUN-AM 1450 All Sports Talk Radio

### DNR Change Means Managing for Cleaner Water, Land

he Minnesota DNR has announced that it will align the responsibilities of two existing divisions into a new division focused on watershed management.

"This new division will approach conservation work differently," said DNR Commissioner Mark Holsten. "Minnesotans value clean water and abundant habitat. We need to do all we can to manage our natural resources in the most comprehensive and efficient way.

"In the end, it's all about outcomes – including healthy, habitat-rich lands and fishable, swimmable water for

our children and grandchildren," Holsten said.

Assistant Commissioner Larry Kramka will lead the effort to create the new division with staff from the existing divisions of Waters and Ecological Resources. Kramka will work closely with Division of Waters Director Kent Lokkesmoe and Division of Ecological Resources Director Steve Hirsch throughout the process.

"We'll be doing much more than integrating two divisions," Kramka said. "We'll take a careful look at how we can further progress toward our conservation goals in the areas of clean water, productive lands and high-quality habitat."

Among those goals will be building the agency's working relationship with private landowners, communities, watershed organizations and others.

The new division eventually will incorporate Division of Waters responsibilities, such as public waters protection, water supply management, and water levels measurement, with the Division of Ecological Resources functions of protecting and restoring ecosystems and providing support for land use decisions.

Waters has a staff of about 145 and a 2008-2009 budget of approximately \$30.9 million. Ecological Resources has about 166 staff and a budget of \$50.7 million.

### **Norm Moody Retires**

ongtime Cass County Land Commissioner Norm Moody retired at the end of March.

Moody served as land commissioner in Cass County for more than 16 years. He also has worked for the Minnesota DNR and the University of Minnesota, and held a number of resource management positions in Beltrami County. He earned a master of forestry degree and a bachelor of science in wildlife management from the University of Minnesota.

Moody will continue to be active in the forestry community. Governor Pawlenty appointed Moody to the Legislative-Citizen Commission on Minnesota Resources (LCCMR), which makes funding recommendations to the legislature from the Environment and Natural Resource Trust Fund for special environment and natural resource projects.

Replacing Moody as Cass County land commissioner is Josh Stevenson. He's worked in the Cass County land department since 2005.

### Mn/DOT Offers Oversize/Overweight Vehicle Permit Training

he Minnesota Department of Transportation is offering training this spring to help freight shippers and haulers save time applying for single-trip and seasonal oversize/overweight trucking permits. The class, held in six locations statewide, includes information on how to: apply for a single-trip permit, apply for annual and seasonal permits, record and authorize moves (trips) on your annual permit, store individual vehicle information for later retrieval without having to re-enter the data, search a previous permit and use it as a template for a new permit, properly enter vehicle axle configurations (such as weights, tire sizes and axle spacings), put an application on hold to complete later, evaluate your route or let the system find you a route, handle route failures, complete applications needing bridge rating review, understand escort requirements, determine weight restrictions, use our new payment process, manage your contact info and payment profiles, make the best use of the web program, and review CVO Web sites that can help in other aspects of your operation.

Classes will be held at MnDOT offices at the follow locations:

St. Cloud:

April 10, 2009 – 9 a.m. – noon Rochester

April 22, 2009 – 9 a.m. - noon Crookston:

April 30, 2009 – 9 a.m. - noon Arden Hills:

May 6, 2009 – 9 a.m. - noon Owatonna:

May 11, 2009 – 9 a.m. - noon Duluth:

May 15, 2009 – 9 a.m. - noon

To register or more information, contact MnDOT's Debbie Starr at 651-355-0246.



### **"SAFETY ALERT"**

The following safety alert message is to encourage proper mobile equipment operation and maintenance, operator training and use of the owner's manual.

All of us are aware of the challenging economic situations we face today, no matter what industry. The news has traveled fast in regard to the work-related injuries and loss of property the MN logging industry has experienced in the last year and a half.

The safety procedures below are provided to assist you in operating a successful and productive wood business as the winter logging season winds down.

### FIRE AND PERSONNEL SAFETY PROCEDURES FOR MOBILE EQUIPMENT OPERATION:

- · Retain the owner's manual for each piece of mobile equipment. This manual is a good training tool for all operators.
- · Understand the machine's safety signs and signal terms as well as maintaining the placement of these safety signs.
- Complete operator training prior to operation of each piece of equipment.
- Understand that you the operator are responsible for the safety of others in the area while operating your machine.
- Complete a daily pre-start inspection. This includes daily housekeeping/cleaning of all hot areas (Pre-heaters, turbo/manifold, starter/electrical, etc.).
- · Maintain fully charged multi-purpose fire extinguishers on each piece of mobile equipment when operating (Minimum 10 lb. in size).
- · Keep walkways, floors and steps free of ice, dirt, oil and loose objects.
- Do not operate without guards or safety devices in place.
- Know the machine's lifting capacity. Beware of tipping hazards from lifting heavy loads.
- Use the seat belt when operating.
- Always dress for the occasion (no loose clothing, etc.).
- · Practice proper shut down procedures, including the use of the master switch (electrical disconnect).
- Practice a personnel and fire emergency response plan at the start of each job site.
- Complete necessary repairs and maintenance promptly. If needed, utilize the appropriate dealer for repair and maintenance.
- Always practice lockout/tagout when performing necessary repairs, cleaning, etc. on all mobile equipment and machines.

The pride and loyalty that you all express in your operations is truly acknowledged. Your continued safety efforts can and will make a difference in the times ahead.

Lumbermen's Underwriting Alliance

### **Unique Partnership Again Heads to Capitol Hill**

he state budget crisis was the hot topic of discussion at the March meeting of the Wood Fiber Employees Joint Legislative Council in St. Paul.

The Wood Fiber Council is a unique partnership representing unions and companies in Minnesota's forest products industry. For more than 30 years, the council's labor and management delegates from companies throughout the state have spoken to legislators with a united voice on legislative issues affecting jobs and the economic health of the timber industry.

During the three-day conference, delegates discussed potential legislative positions, heard presentations on a variety of topics important to the forest products industry, and paid visits to legislators from all over the state. The highlight of the event was a breakfast with Sen. Tom Bakk (DFL-Cook) and Sen. Tom Saxhaug



Sen. Tom Bakk (DFL-Cook) discusses the 2009 legislative session with Wood Fiber Council members at a March breakfast in St. Paul.

### Early Loggers in Minnesota

VDE. I VOL 18



First-hand recollections by storyceller. 'Buzz' Byan of the loggers, Isabers, swampers, wood buildhers and built cooks who ruled the woods in the new day of the pipmeer lumberjacks with dozens of historical photographs.

by J. C. Ryan

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City Might boy

Minnesota Timber Producers Asen. 903 Medical Arte Bldg., 324 W. Superlor St., Doluth, MN 55802 (DFL-Grand Rapids). Council members had a chance to ask questions and share their thoughts on the state of the industry, and both senators gave the council a run-down of current hot button issues at the Capitol.

"It's a breath of fresh air to see folks from the north here in St. Paul," Sen. Bakk said. But talk of the \$4.6 billion deficit and it's affect on the DNR Division of Forestry dominated the discussion.

"The state has financial problems, not unlike many businesses and families," said Sen. Bakk, who chairs the powerful Senate Taxes Committee. "The state constitution says we must balance the budget. We can't borrow. Raising taxes to do it has some risk in this economy. I think you could do some damage to the economy by raising taxes. So we have to get the work done, and it's going to be painful. If we don't, the public is going to lose confidence in government."

Among others addressing the Wood Fiber Council were Dr. Alan Ek and Dr. Mike Kilgore from the

(continued on page 22)

## Combined Board Meeting, Annual Meeting, and Golf and Fishing Event Returns to Grand Rapids

ark your calendars for June 11 and 12 for the 2009 TPA Annual Meeting, Board of Directors Meeting, and Golf and Fishing Event at Ruttger's Sugar Lake Lodge just south of Grand Rapids.

It's an opportunity for TPA members to attend three major events all in two days. Both days will be filled, not only with info to help you run your business, but also with the opportunity to socialize

with fellow loggers and vendors.

Ruttger's Sugar Lake Lodge features a beautiful golf course and clear, blue Sugar Lake. We've again chosen this location not only because of the success of last year's events, but also because it is centrally located just south of Grand Rapids.

Registration forms for the 2009 Annual Meeting, Board of Directors Meeting and Golf and Fishing Event will be mailed sometime in April. Watch your mailbox and join us for these great events!

#### Schedule

Thursday June 11 Morning – Annual Meeting Afternoon – Golf and Fishing Event Evening – Social Hour and Banquet

Friday June 12
Morning – Board of Directors
Meeting



L-R Wayne and Misty Johnson of C.O. Johnson Logging, and Lynette and Corey Lovdahl of Lovdahl and Sons enjoyed Sugarbrooke Golf Course at Ruttger's.



L-R: Rich Miska of Agstar Financial and Doug, Wes, and Carol Trout of Trout Enterprises in Deer River at the TPA Annual Meeting Banquet.



Lowell Pittack was well stocked with shiners before heading out on to Sugar Lake for the fishing event.

### **Logging Death Occurs During Shut Down of Grinder Unit**

o help TPA members avoid accidents resulting in injury or damage to property, the Timber Bulletin, in association with Lumbermen's Underwriting Alliance, will publish details of actual incidents and what can be done to avoid such occurrences in the future. By sharing this information, TPA and LUA hope to make our industry as safe as possible.

by Dave Amundson Lumbermen's Underwriting Alliance

#### Background:

The mobile equipment involved in this tragic accident was a 2004 Horizontal Grinder. Maintenance

### Lessons from osses

housekeeping would be rated as very good. Most maintenance is completed in-house with the large scale maintenance completed by

the appropriate equipment dealership. This equipment had no major maintenance problems or housekeeping issues. The mobility of this equipment and the use of a wood pole system allowed the loader operator to scrape away

debris from under this equipment without leaving his cab position. In cold weather this equipment was pulled back to the shop daily to help prevent freeze-up of the hydraulics and plugging. Necessary daily cleaning and maintenance is completed. During the warm weather season the preplan is to power wash every twoto-four weeks or as needed. Also, this equipment was operated by remote control from the loader operator position.

The grinder work site was in a hardwood stand of mixed wood species in mostly level terrain. The involved equipment was parked on a log landing along with the loader unit with the skidder pulling wood to this site. The temperature at the time of this accident was approximately 15F to 20F degrees. The sky was clear with a light breeze. The nearest town to this logging work site was approximately 15 miles away. Also, the distance from this operation's home base to the logging work site was approximately 12 miles.

#### **Operators:**

The involved individual was considered fully trained in operation of all logging equipment, including this grinder unit, with over 14 years working experience

with this operation. In addition, past experience included operating both construction and farm equipment. This individual was one of the primary operators of the grinder unit.

### Incident and/or Injury:

The grinder operation was preparing to shut down for the day when a tragic personal injury accident occurred at approximately 6:00 p.m.

Two logging workers were on site, the involved individual (skidder operator) and the loader operator that was feeding the grinder unit. The skidder operator had parked the skidder at the log landing, shut down his skidder, had removed his lunch cooler from the skidder and set those items down on the ground on the back side of the grinder unit from where the loader operator was positioned. The grinder unit was shut down and with this particular type of equipment, it continues to coast to a stop over a period of a few minutes before the grinding head and first output belt comes to a complete stop. The output belt and rollers are protected and/or shielded by location and accessible from under this equipment. The involved individual, on the side that was out of sight from the loader operator, crawled under the grinder unit between two of the axles. It is uncertain why the involved individual decided to crawl under the grinder unit before the grinding head and first output belt had come to a complete stop. Within a very short time the loader operator discovered this accident situation, immediately called 911 and the owner with his cell phone. The owner, first responders, and law enforcement rushed to the site. It is speculated that while the involved individual was under the grinder unit he reached up to one of the rollers on the first output belt system (still moving), either with a stick or with his gloved hand and was suddenly grabbed by the belt/roller system. This belt/roller



The grinder involved in this accident, including a look at the spacing between



The grinder's belt/roller system looking up from the ground.

system violently pulled him and his arm into the roller up to his shoulder, striking his head against the roller causing severe head trauma and death.

#### Unsafe act and/or condition:

It is uncertain why this individual made the decision to take the risk in crawling under this unit and reaching into a moving pinch point. With that being said, the most likely probable cause of this tragic logging accident is the failure to follow proper lockout/tagout safety procedures.

The following suggestions may help prevent a problem of this severity when working around mobile equipment and/or other hazardous machines.

#### **Preventative Measures:**

- 1. Always follow safe lockout/ tagout procedures on all mobile equipment and machines before any maintenance, service and/or repair is completed. Do not take short-cuts and excess risk when working on the job and/or even away from your employment. Remember, sometimes you have to slow down to go faster!
- 2. Complete safety lockout/tagout refresher training on a regular basis. Tool box refresher training and enforcement in proper work procedures can not be overlooked.
- 3. Be alert to loose clothing and enforce all employees to restrict the use of this type of clothing while working around moving hazards. Belts/pulleys,

- chain/sprockets, rotating shafts, slow moving pinch points, etc. are just some of the high hazard examples. Every work location may and can present a different safety concern or situation.
- 4. Put in place an emergency response plan for both personal injury and property loss. All logging operations need to maintain written directions to the

logging job sites, and safety training in safe equipment operation so the operator understands how to address a fire and/or shut down in an emergency. Regular refresher training and practice are just some of the items that are very necessary. The panic factor is what you're preparing for in an emergency situation.

### On the Markets

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

### Recent Timber Sales Average prices, as reported by each agency

Average prices are for the combined regular and intermediate auctions.

#### **Cass County**

January 29 – Sealed Bid

Species	Avg. Price
Aspen	\$25.42
Birch	\$14.42
Jack Pine	\$39.21
Basswood	\$16.32
Red Oak	\$25.03

#### St. Louis County

February 19 - Sealed Bid

<u>Species</u>	Avg. Price
Aspen	\$28.00
Birch	\$11.92
Balsam	\$18.40
Red Maple	\$ 9.40

Of 30 tracts on the auction, 26 sold. One tract sold for the appraised price. The average bidup for aspen was 24.9%.

#### **Cass County**

February 26 – Sealed Bid

Species	Avg. Price
Aspen	\$25.13
Red Oak	\$18.38
Birch	\$14.26
Balsam	\$16.15

#### **Crow Wing County**

March 26 – Oral Auction

Idi Cii 20	Oldiliaction
<b>Species</b>	Avg. Price
Aspen	\$21.07
Birch	\$11.46
Oak	\$14.91
Maple	\$ 8.01

Of the 19 tracts on this sale, 17 sold at auction. Six were sold for the appraised price.

### **Cass County**

March 26 – Sealed Bid

<u>Species</u>	<u>Avg. Price</u>
Aspen	\$23.04
Birch	\$15.43
Red Oak	\$22.31
Basswood	\$13.55

Of the 16 tracts on this sale, 14 sold at auction. One sold for the appraised price.

### U.S. Home Construction Rises in February

Construction of new homes and apartments in February jumped 22.2 percent from January to a seasonally adjusted annual rate of 583,000 units, according to figures released by the U.S. Department of Commerce.

Economists had been expecting construction to drop to a pace of around 450,000 units.

February's pickup was led by a big increase in apartment construction.

By region, all parts of the country reported an increase in overall housing construction, except for the West, which led the housing boom and has been hard hit by the bust.

Even with February's uptick, housing construction was still down 47.3 percent from February 2008.

### Lumber Demand Forecasted To Hit Historic Low

emand for lumber in the U.S. in 2009 will slide to the lowest level in modern history, then move toward a slow recovery starting next year, according to a new forecast issued by Western Wood Products Association (WWPA).

The poor economy and a housing market that has plummeted to historic lows are the chief reasons for the remarkable decline in lumber demand. WWPA predicts U.S. lumber demand will slide this year to just 28.9 billion board feet, down almost 30 percent from 2008 totals.

Since reaching an all-time high of 64.3 billion board feet in 2005, U.S.

demand for lumber has dropped by more than 55 percent – the steepest decline in the history of the industry.

Home construction traditionally accounts for more than 45 percent of the lumber used each year. The association estimates just 432,000 houses will be started in 2009, down more than half from 2008 totals and one-fifth of what was built in 2005.

In 2010, housing is forecast to improve modestly to 553,000 starts, bringing lumber consumption to nearly 30 billion board feet. WWPA does not expect housing starts to exceed 1 million units until 2012.

According to the forecast, U.S. lumber production will total 21.8 billion board feet this year, down 25 percent from 2008. As markets start turning up in 2010, U.S. production will rise to 22.4 billion board feet.

Lumber imports from Canada are predicted to total 7.6 billion board feet in 2009, a decrease of 34.7 percent from the previous year. Since 2005, Canadian lumber imports have declined by nearly two-thirds, or some 14 billion board feet.

Other imports, including lumber from Europe and Latin America, should decline by double-digit percentages for the fourth straight year and lose more market share to domestic producers.

(continued from page 16)

University of Minnesota Department of Forest Resources, Calder Hibbard of the Minnesota Forest Resources Council, Dave Epperly and Bob Tomlinson from the DNR Division of Forestry, and TPA Executive Vice President Wayne Brandt.

The council decided to lobby on several issues in their visits with legislators, including maintaining funding for the DNR Division of Forestry and opposing legislation that would institute a cap and trade system for greenhouse gas emissions in Minnesota.

### LOGGERS OF THE PAST . . .

### "Days of Real Horsepower"

by J. C. Ryan

This story is reprinted from an earlier *Timber Bulletin*—one of the first of "Buzz" Ryan's ever-popular contributions to these pages. The *Bulletin* will continue to reprint selected stories from the memories he recorded for us.—*Editor* 



Today, when a new skidder, tractor or other power unit is purchased to serve the logging industry, we ask, "What horse-power is it?" meaning the S.A.E. rating of developed borsepower units.

En the old logging days, "horsepower" meant just what it said: How many head of hurses needed to do the job.

In early days of logging in Maine. Pennsylvania, Michigan and Wisconsin, oxen were used extensively. This was when timber was not near the rivers and lakes, and skidding was done over only should quarter of a mile to the shore. The ox was good for skidding, but when sleigh hauls over ice roads came into the picture, the ox was out. Oxen were tough, needed little housing and care, and worked every day on his with little grain But oxen were slow, and it took eight head of oxen to hamile a head that four good horses would haul.

In Minnesota, oxen were used mostly along the Rum. St. Croix and Mississippi Rivers, around Lake Mille Lacs and the southern edge of the pine forests. They were used but very little in northeastern Minnesota, where there was considerable rock and rock outcrop. Horses were the main source of power and transportation.

Along the St. Croix River and in

Wisconsin, horses were brought in from the farms of Himbis, southern Wisconsin and Inwa us soon as freezing weather started in the fail. Several farmers would pool their horses and hire them out together to a logging company for the winter. The horses were shipped north by barge, lost or railroad as far as possible and walked the rest of the way into the catops. They returned the same way in the spring.

In northern Mismesota, many of the horses cause from the farms of the southern part of the state and the Dakotas. There were several horse companies in the Twin Cities and in Dahath that brought these horses in from the farmers and hired them out in groupe to the logging companies. Other companies owned horses and hired them out as a group Tom Smart of Bemidji was one of these operators and had beautiful horses that went into the woods as a group every winter.

The moving of barses to and back from camps was quite a jab, and I remember complete trainbands of barses coming south on the Canadian Northern and M&I Railroads when camps were breaking up in the spiring. As a bay in the Hemidji area, I have sat all day by the road and

watched horses being driven south from the campe. Two or three men would bring a long string of horses, each in harness with the halter rope tied to the horse ahead.

Besides the many horses hired each year, most logging companies had horses of their own Some of the logging companies that had their own assumits worked the horses around the milk during the summer. Other companies shipped their horses south to work our road and other construction jobs during the summer, while some, like Northern Lamber Co., had large pasture campa where the horses were kept while not working.

Cloquet Lumber Camp No. 26, in Sec. 3-55-14, was one of those surrower pasture camps, as were the Virginia and Rainy Lake burse cumps near Cosson. The company horseman would meet every horse returning to pasture with a greeting as if it were one of his family.

Buying and hirring good, big horses for the woods was always a problem, but they were always the best obtainable. Most were Percherous, weighing from 1,800 to 2,000 pounds apiece. Considerable effort and care was given to matching up the horses in color, weight and gait, and no one would allow splitting up teams once they were we'll matched. The larger and faster walking horses were used on the sleigh bands, while the smaller ones were used for skidding.

b'our-borse teams tres who worked year after year for the same companies wanted the same teams back such year and took great pride in keeping their horses in good shape while haubing the higgest loads. Some carries had "barn bosses" who fed and cared for the burses, but in most camps the teamsters did those jobs. Each horse was different, and a teamster learned how to feed his horses to keep them in the best condition. Most horses would do wellor six quarts of oats twice a day; others needed more or less. Over finding probably killed more horses than anything.

But good care of horses was always a rule, and very few were ever sick in

Open did best at skidding, but not moving the top toads.



camps. There was an occasional case of colic, but because the teamsters knew how to feed, this was rare.

Men like J. C. Campbell, Sr., who was woods superintendent for Northern for a number of years, and Ed Day, who cared for Northern horses, liked and appreciated their teams and made sure of good care. All large companies had a vet come into camp regularly and float the horses' teeth, for a horse that could not grind his grain well could not be kept in the best of shape.

Occasionally, a horse would slip into a hole in a swamp and break a leg, but this was rare. More commonly, horses "calked" themselves-stepping on their ankles with sharp shoe calks. For these injuries, the teamsters would apply turpentine or kerosene, and while the horse would prance around a lot, the cuts seemed to heal in a few days.

For hired horses, logging companies would always be responsible if an animal was hurt or killed, but not if it died of natural causes.

As horses got old they were taken off the sleigh hauls and used to skid wood around camp, haul lunch out to the woods and for other odd camp jobs. Many companies kept their old horses around the pasture camps until they died or were disabled so they had to be disposed of. To my knowledge, no lumber company ever let one of its horses that had worked for a number of years be sold for mink or fox food.

In making up teams, the lead team was usually a little smaller than the pole team. The lead team wore a long tug harness without a breeching, while the pole team wore a breeching harness with side straps and twin neck yokes. The whiffletrees and spreader of the lead team hung on the end of the sleigh pole to keep them off the horses' heels when going down a grade. The pole was held up by a rod attached to the beam of the sleigh.

A small platform was built just back of the front runners of the sleigh, and the teamster stood on this platform on a sack of hay. While four horses were usual, six horses were used sometimes if there was much upgrade on the road. On short grades a snatch team was hitched in front of the four to help over the hill. When roads went downhill, hay was placed in the ruts to slow the sleigh.

The usual sleigh haul was four to five miles for a two-trip road. A six or seven mile road was considered a horse killer for two trips. A haul of eight miles was considered a one-trip road, and sometimes one team took the load halfway and was met by another team to finish the trip.

A teamster knew his horses and just how much they could pull-and he could get every ounce of pull out of them just by talking to them. I have seen horses get down and pull until they pulled their shoes right off-with the nails breaking loose from the hoofs. Teamsters were always on the watch for sore shoulders or necks and watched that a rivet on the harness did not rub or make a sore.

As a rule, a driving team was kept at camp for the foreman to use in making his rounds of the jobs or for camp jobs like hauling mail. Each camp had its tote team that hauled in hay, grain and camp supplies. Toting often started before the camp was in operation, bringing in lumber for construction. Tote roads usually followed the high land, with trips up to 40 miles.

Horses for toting were picked for their ability to travel over rough, rocky roads and over the many soft spots. A welltrained tote team driver was quite an asset to a camp. Frank McMinn, who toted for Northern Lumber Co. for a number of years, was one of the very best. Every jack around Duluth and northeastern Minnesota knew his team of two black and two baldface bays.

About the only time you would see more than four horses pulling together would be on snowplowing-and I've seen as many as 20 horses pulling a snow plow. And in the old logging days, that meant 20 horsepower!



Men in the woods were always proud of horses' performance.



The teamster stood on a platform built across the runners.

### Classifieds

As a service, the Timber Bulletin offers free classified ads of up to 85 words to all MTPA members and associate members.

#### **WANTED**

Barrel stave logs – White Oak and Burr Oak butt cuts 12" diameter and up – random lengths For more information call Robert Staggemeier Staggemeyer Stave Co. Inc. Caledonia, MN 55921 Office: 507-724-3395 Cell: 608-792-7598

### EXCESS EQUIPMENT FOR SALE

John Deere with ProPac Delimber 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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60" Siiro Slasher, has Volvo motor .....\$6,000 Call 218-787-2264

### **USED EQUIPMENT FOR SALE**

#### **FOR SALE**

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### **USED EQUIPMENT FOR SALE**

### FOR SALE

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GRAPPLE SKIDDERS	
	18 000
1991 TJ 450B, Cummins eng. 1985 JD 548D, rebuilt trans	10,000 21 በበበ
1004 ID 540C	∠1,000 ∠1,000
1996 JD 548G	43,000
1998 JD 648GII, S.F.,	<b>-</b>
rebuilt tran	56,000
2001 JD 648 GIII D.F	60,000
2001 TJ 460 D, S.F	P.O.R.
380 TJ	8,500
2004 TJ 560D, D.F.	
encl. cab, A/C, new tires	.115,000
CRAWLERS	,
1997 D5M LGP	65 OOO
199/ D3W LGF	03,000
1999 Daewoo DD801, 6-way	blade
LGP, EROPS, low hrs	33,000
1977 D6D LGP	27,000
1977 D6D LGP 1987 D4H LGP, 6-way blade,	
encl. cab	27,000
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2004 Barko 495ML Carrier/	
	62 000
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1987 Prentice 210C, 6 cyl	
JD slasher pkg.	
mounted on truck	23,000
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EXCAVATORS	
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	13.750
excavator 1999 KOBELCO 50UR	14 500
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1981 JD 644C	25,000
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1978 GMC 2-ton w/hydr. ho	ist,
flatbed dump	4.500
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1984 JD 690B w/Pro Pac	
	20.000
delimber	30,000
Siiro delimber/slasher	7,000
FELLER-BUNCHERS	
AND SHEARS	
775A Barko, sawhead	29,900
2006 JD 643J	
1987 411B Hydro-Ax	20,000
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Cummins	27 000
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