Hardwood Lumber Market

By Doug Schnabel, Tennessee Division of Forestry, 
Forest Business Program Specialist

The hardwood lumber market is just awful! There is just no nice way to say it!! The cover of the June 13th “Hardwood Market Report” includes a graph of eastern hardwood production in the US. The production for May on an annual basis is 5.5 billion board feet of lumber; the production in 2007 was 9.9 billion board feet, nearly twice the production just two years ago. The industry is taking a real beating. Housing in the US is down to below 500,000 units, a reduction of about 50% from 2008 and only 25% of the 2 million starts that was more normal as recently as January of 2006. Export markets are also down this year about 40% from 2008. Confidence in the economy is clearly weak or nonexistent. Unemployment reached 9.4% in May, up from 8.9% in April. How does all this bad news transfer to the landowner with timber to sell??

Surprisingly, the timber sales that we are aware of, seem to be selling well, possibly because there is so little standing timber on the market. As a result the good timber that is selling seems to do alright. The crosstie market has been the bright spot for the past year or so, but many buyers now have suppliers on quotas because the tie markets have become over-supplied. The markets will eventually turn around and one thing to keep in mind when they do is that certified wood has finally begun to take its place in some markets. The export markets are seeing more and more requests for “certified wood”. One practical way for a small private landowner to participate in these emerging markets is to become a Certified Tree Farm. See the following website to find out how. http://www.treefarmsystem.org/cms/pages/26_19.html. If you have questions, call the TFA and ask about the steps to become a Certified Tree Farmer in Tennessee.

Some other possible options while we wait for the market to improve!!

Recruit a few hunters for a hunting lease on your property. There are many considerations for both you and the hunters that would be willing to lease your property that should be discussed thoroughly. Liability and possible damages to your property for you as the landowner and quality of game for hunters are just a few of the considerations. There is an excellent publication from the Tennessee Extension that covers many of the hunting lease questions and includes sample lease agreements. This can be a significant source of income that could pay your taxes and more. See: http://www.utextension.utk.edu/publications/pbfiles/PB1627.pdf

(Continued on page 3)
Although hemlocks in Tennessee are not of high commercial value, they occupy a special place along streams and in the scenic vistas of the mountains. In riparian zones hemlocks help keep the water cool and clean.

Treatments to control HWA include pesticides and predators. Insecticides are helpful to save yard trees and hemlocks in special use areas. Biological control efforts using several species of predator beetles on federal and state lands have been occurring the past four years.

The second insect pest of interest is the emerald ash borer (EAB). Another introduced pest, EAB was first discovered in the Detroit area in 2002. There it decimated the ash trees despite the best efforts to control it. Since then it has killed millions of ash trees in southern Michigan, with millions more lost in Wisconsin, Minnesota, Illinois, Indiana, Ohio, Pennsylvania, West Virginia, Virginia, Missouri and Kentucky. It has cost cities, property owners, nursery operator and forest products industries tens of millions of dollars.

### Manual Felling - REDUCING THE RISK

**John J. Lemire (JJ), Director, Loss Control, Forestry Mutual Insurance Company**

If asked a simple question, what is the most dangerous job in the logging woods? Without a doubt the answer would be manually felling trees. The results from a manual felling incident, notice I did not say “accident”, are usually serious in nature. With the human body being mostly derived from water, it does not take much of an impact to alter its ability to function normally or to survive.

Risk is the key factor in any incident and comes in many forms. Your timber-cutter must become an expert on identifying risk and once spotted, eliminate it by using good judgment and proper techniques. The best way to reduce risk is to follow a plan. There is a plan made specifically for timber-cutters that result in good decisions. The Five-Part Felling Plan forces our brains to evaluate and process the information we are taking in. The felling plan deals with risk on a step by step process. If you forget, or leave out one of these steps, all bets are off. All five parts of the felling plan must be used on every tree, every time.

#### 1. OVERHEAD HAZARDS

What is up in the tree or the surrounding trees that could hurt me? Dead limbs; broken or damaged tops; dead snags; vines; wind; ice or snow load are some examples of what could injure or kill me. Body placement is very important in this section of the plan; limit your exposure to an identified hazard.

#### 2. SIDE LEAN / GOOD SIDE – BAD SIDE

As a rule, most trees don’t grow perfectly straight. Trees usually have some sort of side lean in the form of more limbs on one side, or the stem itself can be side weighted. The Bad-Side of the tree is the weighted side. On a hillside, usually the Bad-Side is on the down hill side. Again, body placement is important; limit your exposure to the Bad-Side of the tree. Keep your body on the Good-Side of the tree as much as possible.

#### 3. ESCAPE ROUTE

94% of felling fatalities happen within 8 feet from the stump. A planned escape route shall be at a 45 degree angle away from the falling tree. As the timber-cutter exits on his escape path, he should have his eyes to the sky, looking to avoid possible missiles that have been thrown back during the tree’s fall to the ground. The escape distance should be as far away as he can get, preferably behind some sort of a shield such as other standing timber.

#### 4. HINGE THICKNESS

In manual felling, the hinge acts as the tree’s steering wheel, telling the tree where to go as it controls the tree's fall to the ground. Inadequate or improper hinge wood can lead to catastrophic problems. Accurate directional felling relies upon the hinge to guide the tree from striking objects that could cause a dangerous situation. Examples include striking utility lines or hitting other standing timber, resulting in debris being thrown back at the timber-cutter. It is very important that the hinge stays intact through most of the fall. Proper hinge wood prevents the often tragic results from tree rebound. The basic rule of thumb for hinge thickness is 1/10 the diameter at breast height. (DBH) Tree species and fiber type will effect the final decision upon the set thickness of the hinge.

**FOREST HEALTH**

**John Kirksey, Forest Resource Protection Unit Leader, Tennessee Division of Forestry**

The all-too familiar Southern pine beetle (SPB) continues to be Tennessee’s most significant forest insect pest. But, its presence is currently at low levels and there are no Tennessee counties in outbreak status. Meanwhile, two other insect pests, with odd sounding names, are getting a lot of attention; they are hemlock woolly adelgid (HWA) and emerald ash borer (EAB).

Hemlock woolly adelgid (HWA) is an introduced insect, smaller than a grain of sand, which has begun to devastate the state’s hemlock resource. Since being discovered in 1951 in Richmond, Virginia, HWA has spread north and south along the range of native hemlock. By 2001 HWA was found in Tennessee. It is now well established in East Tennessee and is spreading westward. HWA is now present in 27 out of the 40 counties in Tennessee with native hemlock stands. It has been estimated that in less than 20 years 60 to 80 percent of hemlocks in Tennessee’s forest will disappear.

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(Continued on page 6)
Carbon trading is a process that compensates landowners for sequestering carbon from the atmosphere and storing it in their trees. It is presently a voluntary program whereby industries agree to lower their carbon emissions. When they fall short of their goal, they must purchase carbon credits from either another industry that surpassed their goal or from outside sources, such as forest landowners. It is a complex process, still under development, that only those landowners with a strong commitment to long-term forest sustainability should consider. The publication at the website below offers a general overview of the business of carbon trading for forest landowners.


**Coming Soon!!** There has been a lot of talk about the use of forest biomass material as a replacement for coal in electric power generation and also as a feedstock to be converted into ethanol or other liquid fuel. This technology is coming and it will use the lower value portion of the forest. The utilization of this material will allow landowners to market low grade and cull trees, which should help with the management of your timberland.


**One very important point:** Tennessee forest landowners should consider certifying their land under the American Tree Farm System, it could be the key to future participation in many current and new markets.

Any of these publications can also be obtained by calling the Tennessee Division of Forestry at 615 837 5430.

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**TFA OUTSTANDING LOGGER AWARD GUIDELINES**

The following five sections of the nomination form, which request forest management, timber harvesting, business management, safety, and other information, should be answered in narrative form. The statements and questions listed under each section are designed to help you cover important information about the nominee in each area. All questions need not be covered, and the questions are by no means all-inclusive.

**SAFETY INFORMATION**
Nominee establishes and enforces harvesting and transportation safety standards/regulations/practices...and personally ad-heres to them.
Nominee and employees use personal protective equipment.
Nominee provides safety training for employees.
Describe safety features or modifications on harvesting/transportation equipment.
Nominee has developed unique approaches to safety (i.e. bonus for number of hours of safe work, etc.).
Other safety information

**FOREST MANAGEMENT INFORMATION**
List types of harvest (clearcut, selection, thinning, etc.) performed by nominee.
Describe how nominee plans, constructs, and retires landings and road systems.
Nominee follows forest management plans.
Nominee carries out soil erosion protection measures.
Nominee has developed some unique approaches to forest management with landowners.
Other forest management information

**TIMBER HARVESTING INFORMATION**
Describe nominee’s major harvesting and transportation equipment mix.
Scheduled maintenance program.
Appearance of equipment.
Nominee’s utilization standards.
Nominee concerned with aesthetics of timber harvesting.
Nominee cleans up landings at job completion.
Nominee leaves buffer strips.
Nominee adheres to local timber harvesting ordinances/regulations.
Other timber harvesting information.
BUSINESS MANAGEMENT INFORMATION
List number and job titles of nominee’s employees.
Describe types of insurance (Workers Comp, health, retirement, liability, life, hazard) which nominee carries for operation, employees, or himself.
Describe relationship between nominee and local business community.
Nominee uses written contracts when purchasing or cutting and hauling timber.
Describe nominee's payroll and bookkeeping system.
Other business management information.
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Other business management information.

OTHER INFORMATION
Nominee’s previous awards
Does nominee maintain any community or association memberships? Has he/she ever served on any committees, held offices, or been active in other programs?
Does nominee have any family involvement in the business?
Describe nominee's ability to work cooperative with landowners, foresters, general public, other loggers, press, etc.
Nominee distributes literature (forest management, association membership, safety, etc.).
Describe how nominee handles referrals for forest management assistance.
Describe any presentations on logging/harvesting made by nominee.
List or describe any news articles, press coverage, etc. on logging/timber harvesting by nominee.
Does nominee participate in Log-A-Load for Kids campaign or other charitable fund-raising activities?
Other

TENNESSEE FORESTRY ASSOCIATION
OUTSTANDING LOGGER AWARD GUIDELINES

AWARD OBJECTIVES
1. Recognize outstanding independent logging contractor performance.
2. Increase the visibility of competent professional independent logging contractors within the forestry community.
3. Encourage peers (other independent logging contractors) to emulate the outstanding performance of award winners.
4. Improve forester-logger-landowner relations by publicly recognizing outstanding logging performance as an essential element of every planned timber harvest.

AWARD ELIGIBILITY
- Award program open to all independent harvesting or logging contractors. The nominee must be free to sell products to multiple buyers and not generally be “captive” to a single company, corporation, or mill.
- Nominee must be a Tennessee Master Logger.

AWARD NOMINATION FORM
- Nomination forms must be completed accurately and legibly.
- All award nominations must be submitted on 8 1/2” x 11” paper (unbound), signed and dated by two sponsors, and become the property of TFA.
- At least one close-up head-and-shoulders color print or black-and-white photo of the award nominee is required. Additional information and photos may be included; however, the total award nomination cannot exceed 20 pages (one side) or 10 pages (both sides). No videos, slides, or color photocopies, please.
- Award Nomination Form on separate page.

Award Nomination Form must be postmarked by August 1, 2009
See page 5 for application!!!
TENNESSEE FORESTRY ASSOCIATION
OUTSTANDING LOGGER AWARD
NOMINATION FORM

NOMINEE
Name ________________________________________________________________________________________________________
Company ______________________________________________________________________________________________________
Address ________________________________________________________________________________________________________
Phone ______________________________________________________________________________________________________________

GENERAL INFORMATION
Nominee purchases approximately. ____ percent of timber harvest under contract directly with landowners.
List approximate number of purchasers of nominee’s products:
List approximate percent of wood fiber harvested annually from:

Government Lands: %_______
Industry Lands: %_______
Private Non-Industry Lands: %_______
Other: %_______
Total : 100%

Annual Production:
Saw timber ____________ MBF
Pulpwood _______________Tons
Other __________

SPONSORED BY:
Name_____________________________________________________ Name__________________________________________________________
Address___________________________________________________ Address ________________________________________________________
Phone____________________________________________________ Phone _________________________________________________________
Signature_________________________________________________ Signature _______________________________________________________
Date____________________________________ Date _____________________________________

Please return to TFA by Wednesday August 1, 2009

Tennessee Forestry Association
P.O. Box 290693 ▪ Nashville, TN 37229
Phone: 615/883-3832 ▪ Fax: 615/883-0515
Email: llynn@tnforestry.com ▪ Website: www.tnforestry.com
5. BACK-CUT PLAN

The back-cut can be described as the final felling cut. After the tree has been properly accessed and a proper notch has been installed, the tree is ready for its journey to the ground, on target. Basically there are two types of back-cuts. The conventional method is when the saw is applied to the back of the tree. The sawyer cuts from the back of the tree, working towards his desired hinge thickness. When the hinge thickness is met, the sawyer exits the area and uses his pre-planned escape route to safety. The conventional back-cut is completely “legal”; it is accepted by governmental agencies and the forest industry as a whole. What the timber-cutter must understand is; if the tree has front lean; the tension wood is located on the back of the tree. When the saw enters the tree from the back, the tension wood is being released, thus the tree starts moving or falling. Now the timber-cutter must complete his cut to the hinge, “being on his game,” as there are a lot of things happening in a short period of time. You would have to agree that the level of risk is elevated when the body is only inches away from a moving, falling tree stem. This technique leaves little room for errors.

Because of the elevated risk with the conventional back cut, the Controlled-Release back-cut is preferable. By using a controlled-release back cut, the sawyer is cutting compression wood instead of tension wood. Risk levels are lowered significantly by one simple fact; the tree isn’t moving while the sawyer is making the back cut since the tree doesn’t move until the tension wood is cut. The controlled-release back cut is done about opposite of the conventional back cut. While using the controlled-release back cut; the sawyer uses a “bore-cut” to enter the side of the tree; he is setting the hinge thickness. Then the sawyer cuts to the back of the tree and at this point can leave a back strap, or a trigger. The trigger is basically the tension wood that has been left un-cut. After the sawyer has looked and made sure the area is clear, he “pulls” the trigger, or in other words cuts the back strap. When the tension wood is released, the tree is allowed to fall. Generally escape times and distances are increased using this method; remember the stem hasn’t been moving during the back cut. The term controlled release is accurate; the sawyer has complete control of the felling process. The tree doesn’t move until he wants it to move.

By adopting and using a felling plan, the timber-cutter can reduce his risk by making good decisions. Early in this article the word “accident” was mentioned. It’s important to remember that an accident is an un-planned event. Using each part of the felling plan, every time will tame the risk from the manual felling process. Be safe, make good decisions.

HWA & EAB Information Continued

EAB is a metallic green colored beetle about the size of a grain of wheat. It first attacks in the tops of ash trees first, making detection difficult, before it has spread to other ashes nearby. When property owners cut their dead trees into firewood they often take the EAB infested wood to campgrounds. There it can emerge and establish new infestations. Last year EAB was found in a campground in southern Missouri. So far this year it has been found in 6 counties in north central Kentucky.

In Tennessee EAB surveys were initiated in 2005 and continue. USDA APHIS-PPQ and the TDA Division of Forestry are the primary survey participants in Tennessee. The survey is being done in and around campgrounds in Middle Tennessee as well as selected sites in West and East Tennessee. Firewood blitzes have also been conducted near Bristol during significant NASCAR events to educate the public about the potential hazards of moving potentially pest infested firewood from one part of the country to another. So far no EAB infestations have been detected in Tennessee. But it appears that EAB is likely to be found in Tennessee soon.

So there’s the tale of two pests. How their stories unfold only time will tell. What we do know is that each of them will have an unfortunate impact on our forests.
Tennessee Forestry Association's Supporters

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Fax: (731) 688-5555

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Paris, TN 38242
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Call Bob Atchley or Steve Leddy
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Phone: 615-883-3832  Fax: 615-883-0515
E-mail: TreeLine@tnforestry.com

VISIT US ON THE WEB!
WWW.TNFORESTRY.COM

TFA DISCOUNTS & MEMBER SERVICES

Tennessee Forestry Association is launching a Membership Services program that will feature membership discounts, incentives and services. As a way to say “thank you” to our members and show our appreciation to your participation and loyalty to forestry industry. Please see below for the services and discounts we presently have.

Forestry Suppliers, Inc.  7% discount from Forestry Suppliers
Forestry Suppliers, Inc., a leading source for products for the timber harvesting industry. TFA members are extended a discount of 7% on each order. To receive this discount, it is very important to make sure you use code 404. The discount will expire July 1, 2010. The Forestry Suppliers, Inc. number is 601-354-3565. Website: www.forestry-suppliers.com

Radisson Hotel–Nashville Airport  $75 TFA Exclusive Room Rate
Radisson Hotel in Nashville is offering a discounted room rate to TFA members. To receive this discount, it is very important to make sure you code 93436. The discount will expire March 31, 2010. Radisson Hotel is number is 615-889-9090.

Double Tree Hotel–Nashville Airport  $89 TFA Exclusive Room Rate
Double Hotel in Nashville is offering a discounted room rate to TFA members. To receive this discount, please visit their website at the address below.

Tennessee Forestry Association Selective Workers’ Compensation Group
The TFASWCG self-insurance fund is a premium pooling concept which allows independent employers, through the payment of premiums, to establish a claims fund, purchase excess insurance and pay legitimate claims under the Tennessee Workers’ Compensation Act. The Fund is to provide its members with a consistent, competitive and reliable method of complying with Tennessee’s workers’ compensation statutes. TFASWCG can be reached at 615-883-3832 for a quote or further information. Please asked for Mike Whitley.

Forestry Mutual to Provide Loggers Workers Comp. in Tennessee Volunteer Insurance in Columbia Named Primary Agent
TFA is pleased to announce that Forestry Mutual Insurance Company has been endorsed as a provider for reasonably priced, safety conscious workers compensation insurance for our loggers in Tennessee. Forestry Mutual has long been recognized as a leader in providing workers compensation for logging. Forestry Mutual’s website is www.forestrymutual.com, and their phone number is 800-849-7788.

TFA has also teamed with Volunteer Insurance in Columbia, Tennessee to serve as our primary agent for Forestry Mutual. Jimmy Mayes, owner of Volunteer Insurance, has a long history in writing woods related insurance in our state. Jimmy has been a long time member and supporter of TFA insurance is written through the TFA program with Forestry Mutual. Volunteer Insurance can be reached at 800-489-4470. Jimmy is ready to provide quotes on your renewal at your request.

Outdoor Underwriters & TFA Partner on Landowner Liability Programs
TFA is partnering with Outdoor Underwriters, Inc. for timberland liability & hunting lease liability programs. The timberland liability and hunting club programs will now be underwritten by Outdoor Underwriters in Columbia, SC. For more information contact Tom Skaggs at 865-766-0900 or the TFA office at 615-883-3832 or our website at www.tnforestry.com

Group Health Insurance Program Offered Through Van Meter Agency
TFA has partnered with Van Meter Insurance Agency to offer an affordable group health plan. The plan has many benefits of a fully insured medical plan, while keeping costs in mind. The plan highlights include: no health questions are asked and you can’t be turned down for coverage when enrolling during Open Enrollment; no deductible or co-insurance; preventive care benefits; emergency room; PPO network; hospital benefits & more. Contact Chris Simmons at Van Meter, 615 771-4195 for more information.

Other Membership Programs are in the works . . . watch the TFA website for details