

THE VOICE OF THE TIMBER INDUSTRY

TIMBER BULLETIN

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JULY/AUGUST 2007

VOLUME 63



**Expo Heads Back to Bemidji
Hasbargen Logging, Inc.**

TIMBER BULLETIN

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July/August 2007
Duluth, Minnesota

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Denton and Kit Hasbargen of
Hasbargen Logging.

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I hope everyone is having a good summer. It certainly has been an easy one for working. It seems as though weather is always the topic, but we can't be reminded too many times to be careful in these dry conditions. Please check your fire extinguishers, look over exhaust

President's Column



I'd like to let you know that Wayne Skoe has decided to step down as chair of TPA's Transportation Committee. Wayne has served our members in this capacity for several years and we appreciate all of the work he's done. Jerry Demenge is the new committee chair. He's a longtime committee member and will do a great job. If you have any transportation-related issues you'd like the committee to look into, let Jerry know.

Cooler temperatures this morning remind me that fall is coming, which means the Expo can't be far away. See you there Sept. 14 and 15.

Thomas C. Meke

More Loggers become "Masters"

Seven more TPA member businesses have been certified "Minnesota Certified Master Loggers" by the certifying board of the Minnesota Master Logger Certification (MMLC) program. A total of 18 businesses were certified in June, bringing the total number of third-party certified loggers in Minnesota to 43. In addition, we have another six applications working their way through the certification process.

Loggers who become certified are able to provide certified wood to the market place. This means loggers and mills in Minnesota will be in a strong position to provide certified wood from family forestlands to customers that demand it.

TPA members among the newly certified businesses include: Weijo Logging, Ely; Central Pine Lumber Co., Brook Park; Knaeble Timber Inc., Northome; Dukek Logging, Bagley; Great Northern Logging, Inc, Pierz; DeLack Logging, Inc., Littlefork; and Bruce Kainz Logging, Ely.

Minnesota is a leader in the United States with its third-party certifications of state, county and industrial forests. However, efforts to certify family forests have been less successful. The relatively large number of those landowners and the associated turnover rate of family forestlands, combined with their low level of interest in certification, make them a complicated target for certification efforts. More than 50% of the timber harvested annually in Minnesota comes from family forestland. This presents a significant challenge to the forest products industry as demand for certified content and products continues to increase.

"Minnesota Master Logger Certification (MMLC) is a means to certify timber from private forest landowners who are not likely to otherwise certify their forests," stated Dave Chura, MMLC's program administrator. "This certification provides customers and the general public assurances

that the person or company performing the job has the education, training, and experience to do the job correctly and that appropriate practices are being implemented." Overall, Minnesota Master Logger Certification helps "raise the bar" of logging in terms of safety and the on-the-ground application of best management practices.

The Minnesota Master Logger Certification program is one of only a few master logger certification programs to be recognized by Time Inc. as a source of certified sustainable wood fiber.

The MMLC program promotes sustainable forestry and provides an independent, third-party audit of a logging business's harvest, safety and business practices. The program is administered by the Minnesota Logger Education Program and was developed transparently by a working group which included representatives from the broad forestry community.

Funding for this program has been provided in part by the AgStar Fund for Rural America, the Blandin Foundation, Ainsworth, Stora-Enso, UPM Blandin, the Duluth Superior Area Community Foundation, and by the Minnesota Environment and Natural Resources Trust Fund as recommended by the Legislative-Citizens Commission on Minnesota Resources (LCCMR).

Thank you and congratulations to TPA Director Larry Dukek for finding a glitch in the DNR's updated timber pricing guide. Larry called the office about the published pricing for biomass on state sales. TPA Field Representative Ray Higgins followed up with DNR staff who quickly concluded that they had made an error in their calculations.

Executive Vice President's Column



This is the way it's supposed to work. Thank you again to Larry Dukek for getting this ball rolling and to the DNR for a quick response.



I was driving back from Grand Rapids when it was announced on the radio that the I-35W bridge over the Mississippi River in Minneapolis had collapsed. It doesn't seem possible that a tragedy like this could happen here in Minnesota. It doesn't seem possible that an accident like this could happen in this day and age. Our hearts and prayers go out to all of the victims and their families.

Many of the stories about the survivors, especially those who rode the bridge deck down in their vehicles, give credit to wearing seat belts for saving them from more severe injuries. You never know when an act as simple as buckling up can make a difference.

Recently former TPA President Dick Walsh was driving their forwarder when it rolled. He got pretty banged up but is on the mend at home now. Dick told me that he probably would have had lesser injuries if he'd been wearing the forwarder's seat belt. He said he never wore it in the past. He'll be wearing it now and asked me to

pass this along to all of the readers of the *Timber Bulletin*.

Buckle Up. You never know when it will make a difference.



The final report of the *Governor's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry* has been issued. This is the third report issued to Governor Pawlenty, with previous versions being completed in July 2003 and December 2006.

The report includes 16 specific recommendations ranging from wood availability and cost, energy and transportation to workforce development, taxation and environmental review.

It's easy to be cynical about these types of reports. They are frequently issued and then sit on the shelf. This has not been the case with the previous two sets of recommendations issued during the Pawlenty administration.

We have seen specific and important outcomes as recommendations have been implemented legislatively or through administrative action. These include increased truck weights, the establishment of the Forest Management Investment Account dedicating a portion of stumpage revenues back into the forest, improved tax policies and

increased DNR timber sales.

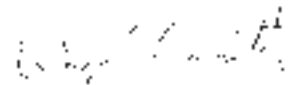
A copy of the report can be found online at www.dnr.state.mn.us/forestry/taskforce/index.html



The North Star Expo returns to Bemidji this year after a long absence. Mark your calendars for Sept. 14 and 15 and be sure to attend this year's show. The Expo Committee has been working hard to make it another interesting and exciting event.



As we head through the dog days of summer and look forward to fall remember to keep yourself and your crews working safely.



Expo Heads Back to Bemidji

The North Star Expo, Minnesota's largest logging equipment show is again right around the corner.

It's our 54th annual Expo, and this year's event will be at the Beltrami County Gairgrounds Sept. 14 and 15, the first time in roughly 25 years the Expo has been held in Bemidji. As always, there will be lots to see and do, including the latest in logging equipment from all of the region's top vendors.

This year, attendees will again have the chance to *win a beautiful chainsaw carving!* A professional chainsaw carver will be on hand

to not only show off his skills, but also award one lucky person a carving. Here's how to win: When

you show up at the Expo you need to get a vendor card at the entry gate. On the back of the card will



This year's Expo will feature a horse demonstration from the Go and Whoa Harness Club of Beltrami County (above), who perform each winter at the Buena Vista Logging Days.

be vendor names and locations. Just visit those locations and have the vendor initial your card. Once all the vendor names have been initialed, return the card to the registration area. At the end of the Expo, one lucky name will be drawn to win the carving!

We'll also have great food. Big Ed Hamilton's Smokin' Barbecue will be back for the second year in a row for the Friday night dinner. Ed wowed Expo participants in 2006 with his great-tasting barbecue, popular from here in logging country all the way to Talledega on the NASCAR circuit. Tickets for the dinner are \$15 each and can be purchased at the door. Then, Saturday morning, Nortrax is continuing its tradition of a free pancake breakfast at the Expo in the headquarters building.

We're also excited to have a horse demonstration at this year's Expo, from the Go and Whoa Harness Club, the same folks who perform at Buena Vista Logging Days each winter. Friday will feature cross-haul loading on a dray and Saturday will be competition skidding. In addition, wagon rides will be available both days.

Like at any Expo, there will be plenty of competitions:

The **Best Load** contest is taking place again this year. Wood only will be judged, not the truck it is hauled on. Points will be scored on

the timber quality, product quality, product manufacturing, load appearance, and load securement. Monetary prizes are awarded to the top finishers.

The **Loader Contest** will also be held again this year, as well as the **Master Loader** contest. For the kids, back by popular demand, we'll have the **Kid's Mini-Loader**.

The **Coloring Contest** will take place this year as well. In this issue of the *Bulletin*, you'll find a pull-out poster for the little ones to enter. Just have them color the poster and either bring it to the

Expo or mail it to the office. Entries will be posted at the Expo for all to enjoy.

Don't forget to bring in your wood cookies for the **Big Cookie Contest**. Remember to attach a list indicating species, where taken, company name and *register at the Registration Desk first!*

Test your visual skills and **Guess the Weight!** Entry forms will be available near one of the Best Load trucks.

We'll have fun for the whole family. See you Sept. 14 and 15 in Bemidji!

Expo Preview



These folks at the 2006 Expo barbecue take the opportunity to get reacquainted. The Expo is always a great place to see old friends from the industry.



The 2007 Expo will again feature the latest logging equipment from the top manufacturers. In 2006, Ponsse received the award for Best Outdoor Lot at the Expo.

NORTH STAR EXPO

SCHEDULE OF EVENTS

Friday, September 14

8:00 am	Equipment Displays Open
10:00 am - 11:00 am	Loader Contest (sign up at site)
11:00 am - 3:00 pm	Kid's Mini-Loader (sign up at site)
11:30 am - 12:30 pm	Celebrity/Media Loader Contest
12:30 pm - 3:00 pm	Loader Contest (sign up at site)
2:00 pm - 3:00 pm	Horse Demonstration, including Cross-haul
5:00 pm	Equipment displays close
5:00 pm	Cash Bar Social Hour begins
6:00 pm - 8:00 pm	BBQ and Door Prizes – on site

Saturday, September 15

7:00 am - 9:00 am	Free Pancake Breakfast (sponsored by Nortrax)
8:00 am	Equipment displays open
9:00 am - 11:00 am	Loader Contest (sign up at site)
9:00 am - 1:00 pm	Kid's Mini-Loader (sign up at site)
10:00 am - 11:00am	Horse Demonstration, including competition skidding in horse arena
11:00 am	Coloring contest winners announced
1:00 pm	Winners announced for Loader, Master Loader, and Best Load contests
2:00 pm	Equipment displays close

Horse-pulled Wagon Rides

All day, each day

CONTESTS

Vendor Drawing – Visit the vendors identified on the back of your entry card and become eligible to win a chainsaw carving!

Guess the Weight – Guess the weight of a fully loaded truck

Wood Identification – See how many tree species you can identify

Loader – Test your skills against the clock

Masters Division Loader – Loader contest for those 50 and over – sign up at site

Best Load – Come and see the Best Loads of Wood on Display

Big Cookie – Enter to see if your wood cookie is the biggest of its species.

Coloring Contest – Ongoing each day in the Indoor Booth Bldg.

Winner announced at 11 am on Saturday.

For additional information, contact:

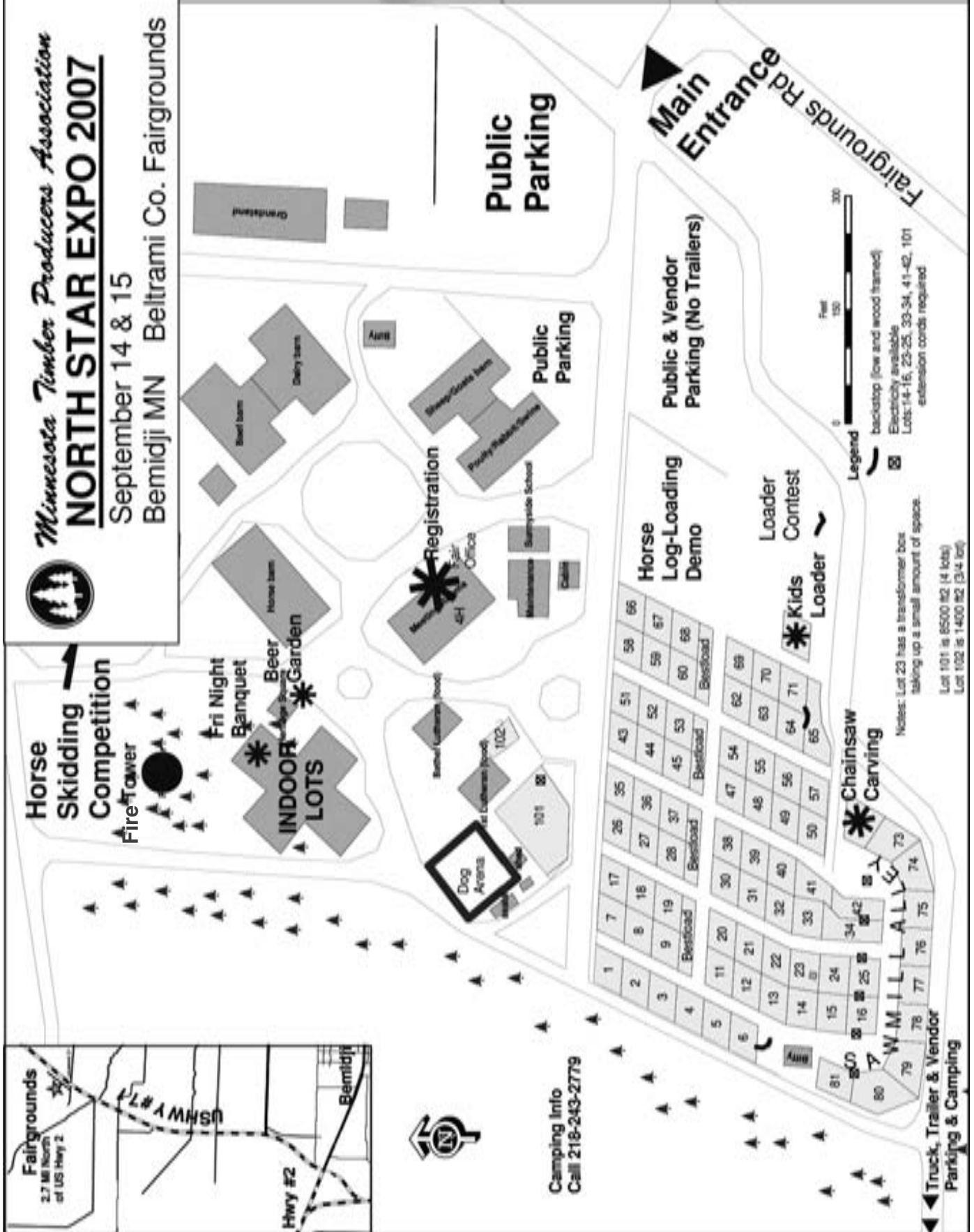
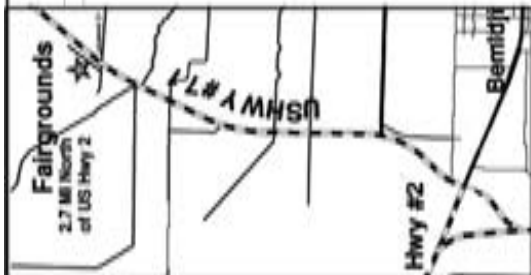
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NORTH STAR EXPO 2007

September 14 & 15
 Bemidji MN Beltrami Co. Fairgrounds



Hasbargen Logging, Inc.



Denton and Kit Hasbargen of Hasbargen Logging at their job site just east of Baudette.

by Ray Higgins

It's an overcast day, less than a mile south of the U.S.-Canadian border. Denton Hasbargen is at the controls of a Timbco 425 feller buncher. He's working a 60-acre site, mostly aspen, balsam, and birch. There's some spruce and balsam, as well.

A few hundred yards to the north, nephew Clinton Hasbargen is running a John Deere 690 delimeter. Nearby, Derek Cook – a nephew by marriage – is in a John Deere 748 skidder.

Another few hundred yards away sits Kit Hasbargen, Denton's brother and Clinton's uncle. Kit is slashing the freshly cut aspen and loading it into a trailer with a Barko 295ML.

Not all of the 15 or so employees of Hasbargen Logging, Inc. are Hasbargens, but most of them are, making this a truly family business.

"It's kind of like farming," Denton says. "It gets into your blood."

"You know you can rely on family," Kit says. "You know the job's going to get done. There are always special challenges. There's

no doubt about that, but it's always worked out."

In fact, Kit, Denton, and brother Clarence represent the fourth generation of the Hasbargen family to enter the logging business.

"And that's the fifth generation," Denton says, nodding toward Clinton and Derek, "right over there."

It started with Kit and Denton's great grandfather in the Menagha area. The family moved to Frontier, 17 miles east of Baudette along the banks of the Rainy River on the Canadian border in the mid 1930s.

When each generation of Hasbargen boys reached 13 or so, they'd head out to the woods to help out. That's how Denton, Kit, and Clarence got started.

"As soon as we could carry a saw," Denton says. "Or a measuring pole or load a dray because that's what we did to begin with. We strip skidded with a Cat and dray. We'd load the dray and unload it by hand."

Kit, Clarence, and Denton bought out Alvin in 1986, so they run things now.

But not everyone here is a Hasbargen. For example, Earl Howdahl and Robert Petrie are both working this site, driving

truck. But while they're not literally part of the family, they might as well be, working for Hasbargen Logging for more than 20 years each. Having longtime employees is crucial to the company's success.

"If you don't have consistent employees, you're just in trouble," Kit says. "You have to keep them busy and we've been pretty inventive sometimes trying to keep a few of them busy."

That's because, like any logging business, it hasn't always been easy.

"It's not like it was three years ago," Kit says. "We had both crews going three years ago in the summertime and now we're just tickled to have one crew going. But it's a big improvement from last year. We didn't turn a wheel in the woods until probably December last year. This equipment was sitting from middle of March until December. And that was hard to take."

"We were very inventive, he says. "There were things we did just to stay busy. For example, we're working up in the Northwest Angle where we have wood stockpiled right now. That's busy work, trying to keep the wheels turning. It's about 170 miles from there to the Boise mill. The way the markets are right now, we'll probably never go up there again because the market has fallen apart since we bought the wood five years ago. Costs are higher up there because you have to pay for people to stay up there and feed them, and you have to cross the border twice. With all of the new stuff since 9/11 you have to go through to go across the border it's almost not worth it anymore. Three years ago it was fairly simple. It's not simple any more."

"We're getting into some other stuff now, a little bit," Kit continues. "Clearing under power lines, that type of stuff. You have to diversify, obviously, if you're going to keep a crew around in the summertime. You have to have something else besides logging. I think the writing is on the wall."

One thing that helps is this year's dry weather. The terrain is flat so, the Hasbargens say, too much moisture makes things difficult.

"If we're not dry up here, we're in trouble," Kit says. "When everybody's screaming it's too dry, it's just right for us."

Once the temperature dips, the second operation will get to work, including another 425 Timbco buncher, a Deere 2154 delimeter, another Deere 748 skidder, and another Barko slasher/loader. Seven trucks and Barko and Serco slasher/loaders round out the Hasbargen's equipment.

The Hasbargens are optimistic about the future. Half of the wood they cut is Boise wood, and there's been plenty of that. The other half



The John Deere 690 limber is operated by Clinton Hasbargen.

of what they cut is stumpage they've purchased themselves. That wood goes to Boise, Blandin, Verso, or Stora Enso.

"I think it will be better," Kit says. "The softwood market

disappeared last year so bad that it was a little tough. I'm hoping it will come back. Next winter will be a challenge. We forfeited some sales, so we'll have to buy wood to make sure we have enough



Denton Hasbargen operates the Timbco 425 feller buncher. Because of the terrain in the area, the Hasbargen's bunchers have tracks instead of tires.



Tim Miovac slashes and loads the aspen onto his trailer. Miovac is an independent trucker hired by the Hasbargens. Miovac is also a TPA member.

inventory, but other than that, we'll be fine. We have enough to probably to get us through the winter with what Boise will have, too.

"It's looking a lot better now than it did a year ago," Kit says.

Because the family has been logging so long, the Hasbargens have a keen insight into the timber industry. Because they expect the next generation to take over one day, they keep a close watch to make sure the industry is sustainable and vibrant. Kit has been long been active, serving on the TPA and MLEP boards of

directors. Earlier this year, he was elected to TPA's Executive Committee.

"You have to give back to the industry," he says. "It's taken care of us pretty well for quite a few generations and I think putting a little effort back into it for the next generation is well worth it. Whether it be through TPA or involvement in the community, or whatever, I think you have to give back. I've never come away from one of the TPA meetings without learning something, and that's a fact. I think it's valuable to do that."

The Hasbargens expect logging to be the family business for a long time. Even at age 80, Alvin still runs the dozer in the winter time. And when it's time for the fourth generation to step aside, the fifth generation could be there to take over.

"That's the plan," Kit says. "They're interested. I'm not too sure I wish it on them some days. They're very conscientious. Excellent workers. There's no reason that they shouldn't be able to handle it."

Just like four generations of Hasbargens have before them.



Derek Cook runs the John Deere 748 skidder. Boise purchased the timber here from a private landowner. The 60-acre site has mostly aspen, birch and balm, with some spruce and balsam.



The Hasbargens own and operate seven trucks to haul wood to the mill. This truck is returning to load more wood.

NORTHSTAR EXPO

BIGGEST COOKIE CONTEST

Submit your biggest
wood cookie for each
species at the
North Star Expo
Sept. 14th & 15th.

Please include where
the wood was cut, what
source the sale is
(federal, state, county,
or private), name, and
phone number.

MLEP Training Notes on Timber Sale Design

The Minnesota Logger Education Program, in conducting its workshops throughout the year, publishes follow-up summaries of its workshops titled "Training Notes From the Woods and Classroom." These summaries provide a written record of the various workshops conducted by MLEP, help participants review what they've learned, and provide the feedback received from participants on each workshop. The following Training Notes are the follow-up to MLEP's Timber Sale Design workshop.

In May, MLEP conducted a Timber Sale Design workshop that was facilitated by Charlie Blinn (University of Minn.) and Dave Chura (MLEP). The primary objective was to create an atmosphere where loggers and natural resource managers who are involved with timber sale design and administration activities can learn about each other's perspectives on timber sale design. The purpose of the workshop was to help facilitate better working relationships in the area of timber sales between loggers and natural resource managers. Additionally, loggers gained a better understanding of silvicultural

prescriptions and their associated rationale. Natural resource managers also learned more about logging factors that sometimes limit silvicultural prescriptions.

The workshop was conducted in three modules. During Module 1 all participants were together indoors to discuss sale design. Module 2 was conducted in the woods where participants, in small groups, walked over an upcoming timber sale that had been fully set up. Following the site visit, participants headed back to the classroom for Module 3 where each group created and discussed their own sale design for the site.

Participants at the workshop included 15 loggers, eight foresters and one wildlife manager. During the discussions on sale design, some key issues were noted which you may want to keep in mind when designing a timber sale. It is important for both loggers and foresters to be aware of how the various responsibilities of their jobs may impact sale design and each other.

Loggers Perspectives on Timber Sale Design

- **Access** – issues included the cost to build roads and unsecured

access. Sale design should minimize the incline of roads and curves as these features can create a hazard for log trucks in the winter. If access is not secured, including contact information for adjacent landowners whenever possible would be appreciated.

- **Length of skid trail** – as a general rule of thumb, skid trails should be no longer than 1/4 mile long. Longer skid trails increase the cost of operating on the sale considerably.
- **Quality of timber** – when designing a sale, keep in mind the need to make it marketable.

Other logger perspectives of note:

- Number of blocks on a sale should be limited – too many small blocks significantly increases the cost of operating on the site.
- Agency field staff should have the flexibility or exercise existing flexibility to adjust appraised price based on the quality of the wood on the sale.
- Cords per acre – some sales do not provide enough cords per acre to make the sale profitable.
- Marked sales – These sales are



frequently poorly marked for operation type/equipment. When marking sales, keep in mind the size of the machines that may be operating on the site and the maneuvering requirements. It is best to mark trees on all sides or at least all from the same direction.

- Maximize the benefits of various guidelines when possible (e.g., leave trees in and around a seasonal pond or reserved species clumped to achieve leave tree patch needs).
- Season of operation (dates vs. conditions) – When sales are opened based on a pre-determined date on the sale, this can needlessly tie up dollars in opened sales that are then shut down for extended periods of time due to wet conditions.

Forester Perspectives on Timber Sales Design

- Budgetary and investor expectations can drive the amount of timber that is offered for sale.
- Sales may be designed to achieve a balance in the age-class and species in a particular landscape.
- Management plans must balance all users.
- Public land sale design needs to consider the lowest common denominator in operator performance.
- Market conditions – Public agencies have a limited ability to respond quickly to market swings when offering sales.

Evaluation


Comments during the workshop and on the evaluations identified the need and value of having more public agencies (specifically state and USFS) involved in this type of training. Participants asked specific questions about agency policies and perspectives that were difficult to answer. The eight foresters that participated in the workshop included: three county foresters, one tribal forester and four industry foresters.

MLEP is especially interested in putting together more of these workshops in partnership with natural resource professionals involved with timber sale design to foster better working relationships in this area.


Early Loggers in Minnesota

by J. C. Ryan


VOL. I




VOL. II



VOL. III



VOL. IV



BACK IN STOCK

First hand recollections by storyteller "Buzz" Ryan of the loggers, loaders, swimmers, wood butchers and bull cooks who ruled the woods in the heyday of the pioneer lumberjacks—with dozens of historical photographs.

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Governor's Task Force Issues Report

In July, the latest configuration of Governor Pawlenty's Task Force on the Competitiveness of Minnesota's Primary Forest Products Industry issued recommendations on how to improve the industry climate in our state.

This is the third configuration of the task force: The first was in 2003 in response to the closing of a production line at the UPM Blandin mill in Grand Rapids, and the second was a year ago in response to the closures at Ainsworth mills in Cook and Grand Rapids as well as the general industry downturn. After that task force issued its short-term recommendations in December 2006, the third configuration was convened. Among those sitting on this version of the task force was Tom McCabe, representing TPA.

According to the report, 16 recommendations were developed to "achieve and extend the vision of a competitive forest products industry into the future. These recommendations encompass the areas of forest sector policy, forest resources management, energy, transportation, and social investments."

The following is a summary of the recommendations from the report's executive summary:

Forest Sector Policy. As state agencies control a substantial percentage of the state's forests and influence other ownerships as well, the task force recommends the creation of a forest economy sub-cabinet to coordinate agency policy and actions and ensure that policies and laws help enhance the competitive position of the forest products industry.

Forest Resources Management. Maintaining a healthy and productive resource supply is crucial to the forest products industry, as well as to the state's public and private forestland owners. It is recommended that the state increase the amount of timber harvesting statewide, including the contribution from family forestland, and use the most recent data and technologies to examine

sustainable harvest levels.

It is also recommended that the state increase investments for conservation easements and improve the effectiveness of the Sustainable Forestry Incentives Act (SFIA) in response to the threat of parcelization and conversion of Minnesota's working forests.

Recognizing the patchwork of ownership of Minnesota's forests, it is suggested that the state facilitate the consolidation of public and private ownerships, thereby increasing the efficiency of forest management.

In order to carry out the above recommendations, a skilled workforce is essential. This workforce should be maintained and enhanced by encouraging employers and policy makers to support professional forestry education, developing a logger training program within the state's technical and community colleges to ensure an adequate workforce, and developing a loan program for those entering the logging business.

Renewable Energy. Minnesota's forest products industry has long been a leader in the use of renewable energy. With the recent growth in energy costs and the proactive stance of the current administration, forest products industries are well positioned to become global leaders in the production of cellulosic energy and to be major contributors to the state's renewable energy standard. This can be achieved by ensuring that the NextGen Board makes the forest products industry a priority within the emerging bioenergy industry by encouraging partnerships and providing capital incentives, investing in pilotscale projects, and ensuring that raw material supplies to the forest products industry are sustained. However it is important that public incentives do not create an unfair advantage for any particular



industry sector, region, or company.

Transportation. In order to be competitive with other states and countries, Minnesota needs to ensure comparable transportation costs. This can be done by making truck weights comparable to other states and countries and by supporting efforts at the federal level to make rail rates more competitive.

Social Investments. Social investments are required to maintain and improve the long-term viability of the forest products industry. Modifying the Sustainable Forestry Incentives Act, as well as the property tax code, would aid in accomplishing a number of important management objectives on private lands.

The assignment of a MPCA liaison officer for individual plant expansions or new facilities would facilitate the efficiency of the environmental permitting and review process. A long-term public education program would serve to enhance the public's knowledge and understanding of the importance and role of the forest products industry in our society, economy, and environment.

The entire report can be read at www.dnr.state.mn.us/forestry/taskforce/index.html

TPA Sponsors Mini-Bat Night

TPA again sponsored Mini-Bat Night at Duluth's Wade Stadium for the Duluth Huskies game against the Alexandria Beetles. On June 28, wood mini-bats were given away to the first 500 fans in attendance. Huskies officials said the promotion created the



season's longest line waiting for the gates to open, causing the mini-bats to all be in the hands of fans within 20 minutes.

The Huskies offered free tickets to the game to all TPA members. The crowd of more than 2400 fans was the third largest of the season to that point.

The Huskies play in the Northwoods League, a summer league for college players. The league allows the players to get experience swinging wood bats – aluminum is used during the college season – making a mini-bat giveaway the perfect promotion for TPA.

NORTH STAR EXPO

*Be sure to
attend the
Expo on
Sept. 14 & 15*

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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

Average prices, as reported by each agency

DNR – Tower and Orr Areas

June 5 – Oral Auction

Species	Bid Price
Aspen	\$23.88

The DNR does not calculate price per cord on individual auctions. Price per cord information on these sales is done by TPA staff. This average is for “trembling aspen” and “aspen species” combined.

Notes: Of the 17 tracts on the regular auction, nine sold for the appraised value and three received no bids. Of the five that were bid-up, the highest was 10%. The average price of aspen on the regular auction was 22.86.

Of the 34 tracts on the intermediate auction, 16 sold for the appraised value and seven received no bids.

DNR – Two Harbors Areas

June 7 – Oral Auction

Species	Bid Price
Aspen	\$22.25

The DNR does not calculate price per cord on individual auctions. Price per cord information on these sales is done by TPA staff. This average is for “trembling aspen” and “aspen species” combined.

Notes: Of the 21 tracts on the regular and intermediate auctions, only two tracts received bids above the base price. One tract went for 149% over appraised, the other 25%. Of the rest, nine sold for the appraised value and ten received no bids.

DNR – Aitkin Area

June 13 – Oral Auction

Species	Bid Price
Aspen	\$32.04

The DNR does not calculate price per cord on individual auctions.

Price per cord information on these sales is done by TPA staff. This average is for “trembling aspen” and “aspen species” combined.

Notes: This sale contained eight tracts on a regular auction. Three tracts received no bids and two sold at the appraised price.

DNR – Cloquet Area

June 15 – Oral Auction

Species	Bid Price
Aspen	\$29.70

The DNR does not calculate price per cord on individual auctions. Price per cord information on these sales is done by TPA staff. This average is for “trembling aspen” and “aspen species” combined.

Notes: This sale contained four tracts on a regular auction and 10 tracts in the intermediate auction. Between the two auctions, two tracts sold at the appraised value and two received no bids.

St. Louis County

June 28 – Sealed Bid & Oral Auction

Species	Avg. Price
Aspen pulpwood	\$29.88
Black Spruce pulpwood	\$29.32
Balsam pulpwood	\$21.02

Cass County

June 28 – Sealed bids

Species	Avg. Price
Aspen	\$30.21
Birch	\$21.95
Red Oak	\$25.28

Cass County

July 26 – Oral Auction

Species	Avg. Price
Aspen	\$31.63
Birch	\$18.34
Red Oak	\$24.35

Koochiching County

August 1 – Oral Auction

Species	Avg. Price
Aspen P&B	\$31.95
Balsam P&B	\$20.15
Balm P&B	\$31.36
Spruce P&B	\$17.08

Notes: The county sale summary says the “aspen pulp/bolts” includes some balm. This sale included 3529 cords from six forfeited sales that were reoffered. Aspen price range: \$16.22 to \$42.02 per cord. Of the 32 tracts on the regular and intermediate auctions, one went no bid and seven sold for

appraised. The no bid tract was sold over the counter after the auction.

Beltrami County

August 2 – Sealed Bids

Species	Avg. Price
Aspen Pulp	\$32.94
Jackpine P&B	\$46.32
Balsam Pulp	\$28.72
Birch Pulp	\$19.74

Beltrami County

August 9 – Sealed Bids

Species	Avg. Price
Aspen Pulp	\$32.47
Jackpine P&B	\$41.25
Balsam Pulp	\$29.03
Birch Pulp	\$21.18

U.S. Housing Starts Fall to 10-year Low in July

According to figures released by the U.S. Census Bureau, housing starts in July fell to a seasonally adjusted annual rate of 1.381 million units. That’s the lowest rate in 10 years. The estimate is 6.1% below the June figure, and 20.9% below the July 2006 rate. Single-family starts in July were at a rate of 1.070 million units, 7.3% below the June figure. Building permits issued in July also fell, to a seasonally adjusted annual rate of 1,373,000. That’s 2.8% below June, and down 22.6% from July 2006. July’s number is also the lowest in 10 years.

Western Lumber Output Drops in First Half of 2007

In figures compiled by the Western Wood Products Association, lumber production in the West dropped 13.1% over the first six months of 2007 when compared to the same months in 2006. From January through June, production totaled 8.385 billion board feet. In addition, production in the West during the month of June totaled 1.408 billion feet, down 16.1% compared to June 2006. The Western Wood Products Association represents softwood lumber manufacturers in the 12 Western states and Alaska.

Remodeling Activity Slows in Second Quarter

Remodeling activity slowed slightly in the second quarter of 2007, according to the National Association of Home Builders' Remodeling Market Index (RMI). The current market conditions component slipped from 46.1 to 44.8 on a seasonally adjusted basis and the future expectations measure declined by more than two points to 44.1. The RMI measures remodeler perceptions of market demand for current and future residential remodeling projects. Any number over 50 indicates that the majority of remodelers view the market conditions as improving.

"While we have experienced some weakening in the remodeling market, activity has remained relatively steady," said NAHB Remodelers Chairman Mike Nagel, CGR, CAPS, a remodeler from Chicago. "We may have seen a decline in the number of major

remodeling projects; however the market has been buoyed by an increase in the number of homeowners requesting smaller scale projects and home alterations."

Regionally, current conditions in the Midwest fell from 47.5 to 44.5 and future expectations moved from 44.7 to 43.7. The indices also fell in the South, while the West and Northeast regions showed gains.

The RMI is based on a quarterly survey of professional remodelers, whose answers to a series of questions were assigned numerical values to calculate two separate indexes.

Canadian Building Permits up in June

The value of Canadian building permits issued were strong in June, following a record-breaking month in May, according to Statistics Canada. Municipalities issued \$6.9 billion (Canadian) worth of building permits in June, down

0.4% from May. However, that figure for June was the second-highest on record, surpassed only by the peak in May.

Temple-Inland to Sell Timberland

Forest products company Temple-Inland is selling 1.55 million acres of timberland to Campbell Group for \$2.38 billion and will use a portion of the proceeds to issue a \$1.1 billion special dividend to shareholders. The remaining \$700 million will be used to reduce debt.

Campbell Group is a timberland investment management company in Portland, Ore.

Temple-Inland said it was on track to complete the reorganization by the end of the year, after which it would own only packaging and building products.

The transaction includes a 20-year fiber supply agreement for pulpwood and a 12-year fiber supply agreement for sawtimber, both of which can be extended.

MeadWestvaco Announces Sale of Georgia and Alabama Forestlands to Wells Timberland REIT

MeadWestvaco Corporation of Richmond, Va., is selling approximately 228,000 acres of owned forestland and approximately 95,000 acres under long-term timber contracts for \$400 million to Wells Timberland REIT. MeadWestvaco intends to return the value obtained to shareholders. The agreement with Wells Timberland REIT includes a long-term fiber supply agreement for MeadWestvaco's Mill in Mahrt, Ala., which produces over one million tons of Coated Unbleached Kraft Paperboard which is used for packaging for products such as breakfast cereal and toothpaste. Under the terms of the agreement, fiber will be sold at market price and the forestlands will continue to be managed and third-party certified under the requirements of the Sustainable Forestry Initiative® Standard.

2007 Timber Sale Relief Results

The Minnesota DNR has released results of its Timber Sale Relief program, enacted by the legislature earlier this year.

In the "forfeit option," in which companies could turn back up to 7500 cords of state wood and receive 60% of the down payment, or \$2,250, whichever is less, in return:

Businesses taking part:	120
Permits returned:	289
Total cords forfeited:	295,631
Total relief payments:	\$431,024.00
Total sold value of permits:	\$17,129,445.41

In the "Keep and Harvest option, in which companies could keep the permit and still receive 60% of their down payment in return:

Businesses taking part:	84
Permits returned:	258
Total cords forfeited:	259,627
Total relief payments:	\$459,354.80
Total sold value of permits:	\$10,093,135.98

All permits issued between June 1, 2004, and April 1, 2006, were eligible where no harvesting, road building, or other in-ground activities had begun.

2006 Minnesota Public Stumpage Price Review

The DNR has collected data from all public agencies (including counties, BIA, USFS, and DNR) and calculated the combined average price per cord for all species and products for calendar 2006. Some agencies report their data based on timber appraisal estimates from timber sales sold, while others report based on actual scale receipts. The reader should use caution when comparing the prices shown in this report with actual prices received or expected on any specific timber sale. Individual sale prices may vary significantly from the averages shown in this report because of variability in both economic and physical conditions. Below are statistic regarding pricing of aspen for 2006.

Statewide average (all agencies) – pulpwood	\$47.52
Statewide average (all agencies) – P&B	\$45.58

County P&B averages

Aitkin County	\$40.92
Becker County	\$54.28
Cass County	\$55.87
Clearwater County	\$49.97
Crow Wing County	\$51.46
Itasca County	\$48.23
Koochiching County	\$41.70

County pulpwood averages

Beltrami County	\$50.63
Carlton County	\$48.74

Hubbard County	\$50.13
Lake County	\$30.15
Pine County	\$40.01
St. Louis County	\$56.06
Wadena County	\$45.76
DNR average for aspen pulp	\$47.09
DNR average for aspen P&B	\$42.40
BIA average for aspen pulp	\$23.51
Chippewa NF avg, for aspen pulp	\$63.23
Superior NF avg. for aspen pulp	\$59.16

LOGGERS OF THE PAST . . .

"The Gypo Loggers"

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*



After 1910, most of the cutting in the woods of northern Minnesota was done on a small scale. The individuals or small contractors doing the work were called "piece makers" or "gypos." Gypos generally worked for a logger of considerable size, or for a lumber company putting in a small amount of timber. They came into the picture very early in the logging business and played a large part in the logging of our virgin pines.

Sam Simpson of the Powers and Simpson logging company, when asked how many camps they had in the Hibbing area answered, "We have five full-sized camps and eight gypo outfits." Most loggers did use gypos. The reason for this was that when a camp was built and plans made for logging a certain tract of timber, there was always a forty or two or a small tract that would lie beyond the working radius of the big camp. Since

transportation to work was all done by foot, a tract of timber over one and a half miles from camp was considered too far to walk. These areas were then logged by a subcontractor or gypo.

Gypo outfits could vary in size from 8-10 men up to 30, depending on the size of the tract to be logged. Gypos often consisted of families or neighbors from the adjoining areas, who got together and took a small contract. In some cases, a man and wife might do the cooking, or the man might be the foreman and his wife the cook. The crew's duties were varied in the small camps, with each taking several jobs. I recall stopping at a gypo camp and the only man I found was the blacksmith who was shoeing a horse. I asked him if it was possible to stay overnight and he told me the foreman would be in from the woods shortly, but he was sure it would be fine. When the

dinner bell rang and we went for supper, the cook was none other than the blacksmith. I enjoyed a very good supper and breakfast the next morning before leaving. In the small camps, one man might be the bullock and also the teamster, the swamper and also the cook. The smaller the outfit, the more chance that it might be a family group, but quite often at least they were related. Very often, the small camps would all have the same nationality, while the larger camps were more of a mixture.

In the early days, most of the gypos were supplied by the main camp, but in some cases they bought their own supplies locally from settlers. There were also suppliers who would sell to the gypos direct. When being supplied independently, the gypos used their own tote teams. As the camps became larger, more and more gypo outfits came into the



Leif Price's family camp on Pine Island, west of Big Falls.



Dinner out at a small gypo camp. Note the dining team and small sleigh hauling lunch



A small camp most often consisted of one building. Below: Another family gypo group.



picture so there was seldom a hundred-man camp that did not have at least two gypo outfits.

When the tie, cedar and pulpwood camps began operating, many of the logging companies did away with large camps entirely. Some who dealt in ties, pulpwood and cedar used gypos to put in all their products. These dealers would finance and supply the gypos. By 1910, the name gypo applied to any small logging camp.

In the very early days, the subcontractor probably acted as foreman. Sometimes the small camps only did cutting and skidding, and left the hauling and building of ice roads to the main camps. Quite often gypos could put in logs cheaper than the main camps, and for this reason, the lumber companies used gypos whenever they could.

Many of the gypo loggers grew into logging outfits of considerable size and became operators of large camps. I do not believe that there was a large logger in Minnesota that did not start out as a small gypo. I refer to independent loggers, not lumber companies.

Every part of the timber area had its gypos and for some reason many of the little outfits were given names based on the characteristics of the owners or of their operation. Even after they grew into large logging companies, the names given them as gypos stuck with them. This brought about the colorful names given some of our early loggers such as: "Weeping Willie" Blakley, who started to log around Walker and grew into the large logging outfit of Blakley and Farley; "Kerosene George" Cochran who became one of the big operators for the J. Niels Company; "Haywire" Wilson, who became a partner of the Connor and Wilson firm of Park Rapids; "Haywire" O'Connell, who operated along the Gut and Liver line north of Deer River; "Checkbook" Peterson, who operated out of Bemidji for the Bemidji Box Company; "Gin Pole" Johnson who operated at Eriksburg; "Hurry-up Johnny" Long of the firm of Long and Erickson, logging for the Cloquet companies; "Galloping" Craven who logged for the Chicago Box and Crating Company near Northome; "Packsack" Boland, who later got to be a large operator for the Brooks Scanlon Co. as Boland and Woods. This is but to name a few.

During the winter of 1922, the Northern Lumber Company of Cloquet had a large number of camps putting logs in Township 55, Range 15. They were cutting the pine that had been damaged in the big fire of August 1922. Besides the several large camps they had a large number of gypos that winter. I had charge of scaling all of the timber going into the Whiteface River for the St. Louis River Mercantile Company. They were purchasing the logs, and I had to visit all the large and small

camp, so I had a good chance to compare operations. While the gypos were under the supervision of the walking boss for that area, they operated pretty well independent, except for the hauling which was done mostly by the large camp. Most of the timber in this township was close to the river though and could be skidded directly to it by the gypos. The gypos were a good bunch and did a very good job. Some of the gypos I met that winter were: Jim O'Neil, Erick Johnson, Howard and Moss, Nurmi and Johnson, John Foster, John Kusienick, Campbell and Shields, Chauncey White, John Roberg, Tom DeWier, Matt Harris, Emil Pekkarinen, Hollis Peabody, and Eli Ruchiwich. Campbell, Shields and Peabody had about 50 men in their camps, the others had about 20-25 men. About 70 percent of the logs going down the Whiteface River that winter were put in by gypos. It would be hard to estimate the percentage of timber put in by gypos in all of northern Minnesota. But Wex Day, one of the early loggers along the Mississippi River upstream from Astkin was asked by one of the owners of the DeLaittre Company how much timber he put in that winter and he said, "If it wasn't for our gypos this past winter we would not even have to open the dam this spring as the main camp did not put enough logs in to warrant wasting the water to drive them downstream."

So the gypos played a large part along the Mississippi. The Martin Timber Company of Duluth had many gypo outfits scattered throughout the northern part of the state to carry on their operations. I recall one of their operators in the Big Falls area by the name of Hasikari and Hoffman, known as the "Bathhouse Finns," being one of their best. There is no doubt that the gypo logger played a major part in bringing our vast virgin timber stands to market.



A small gypo camp skidding logs near Branson. Note the short Russell logger. Even the family dog got in the picture.



Skidding logs on a dray in a small camp. Below: An early gypo outfit. Note the gun and broad axes, the cook here may also be a blacksmith.



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, first-served basis within space limitations.

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1969 TF C4.....	P.O.R.
TJ 240.....	P.O.R.
TJ 350.....	P.O.R.

GRAPPLE SKIDDERS

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1987 JD 548D.....23,000
1996 JD 548G.....45,000
1998 JD 648GII, single func., rebuilt trans.....P.O.R.

2000 JD 648GIII, D.F.....P.O.R.
2000 JD 748GIII, D.F.....P.O.R.
1980 TF C6, with 23.1x26 tires..9,000

CRAWLERS

1975 450C, 6-way blade.....12,500
1999 Daewoo DD801, 6-way blade LGP, EROPS, low hrs.....P.O.R.
1977 D6D LGP.....27,000
1987 D4H LGP, 6-way blade, encl. cab.....27,000

KNUCKLE BOOM LOADERS

Barko 160, on truck w/slasher.....17,000
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1987 XL 175 Husky, mounted on truck.....17,500

EXCAVATORS

1996 Yanmar B6U mini excavator.....13,750
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410 JD backhoe, cab.....13,000
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1981 JD 644C.....25,000

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DELIMBERS

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Siirro delimber/slasher.....7,000

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1996 JD 653E.....P.O.R.
1984 411B Hydro-Ax.....15,000
1987 411B Hydro-Ax.....20,000
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1994 511E Hydro-Ax, 20" Koehring.....57,000
1993 611E 22" sawhead.....35,000
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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

MISCELLANEOUS

1995 Cat 320L w/3500DM Denharco boom delimber measuring system.....P.O.R.

1988 534 Gradall, 8,000 lb. lift.....24,000
1991 853 Bobcat, w/forks and boom.....8,500
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1979 731 Bobcat skidsteer loader.....6,700
Cat V80D 8,000 lb. forklift.....6,500
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60" Lemco slasher.....8,000
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