Forest Forum

Washington County Small Woodlands Association

January, 2016

WCSWA Meeting, January 25th

Pacific Northwest versus Southeast: Competitive Advantages Now and in the Future

The two "heavyweights" in the forest products industry are the Pacific Northwest and Southern regions. Both have extensive woodlands in private ownership, both have sites that have high yields, and both have extensive forest product infrastructures. What are the current advantages each region has for growing trees for wood products, and what is their potential for shifts in those advantages in the future?

Tamara Cushing, Oregon State University Assistant Professor, Starker Chair for Private and Family Forestry, and Extension Specialist in economics and forest policy for the College of Forestry, will be the featured speaker at the January WCSWA meeting on January 26th, 7:00p.m. at the North Plains Fire Hall. Tammy's presentation will compare and contrast the life cycle of growing trees for harvest in the southeast U.S. versus the Pacific NW (specifically Douglas-fir). She will describe wood quality and certification (including non-wood products), methods of production and genetics, and other factors for the two regions.

Tammy arrived at OSU from Florida over a year ago. Cushing says the Pacific Northwest is the most exciting place because the trees grow big and there are big operations unlike Florida where everything is flat ground based and routine. Tammy states, "In Oregon, there is something special about seeing a cable logging system with logs flying through the air!" Cushing was led to Oregon State University and the College of Forestry because it is well known that it's the best Forestry Program in the country.

Your Forest and Carbon Credits

***by* Ben Hayes, Pinchot Institute**

As any Oregon small woodland owner already knows, the forests of Northwest Oregon grow trees better than almost anywhere else in the world. These remarkable forests use nutrients from the soil, sunlight and rain, as well as carbon dioxide that they suck out of the atmosphere to build the structure of trees. An abundance of nutrients, sunlight, and this year in particular, rain, give us very high site index, one measure of a tree's ability to grow. This high growth rate also means that our forests are absorbing a tremendous amount of carbon dioxide from the atmosphere.

Given worldwide concern over carbon dioxide emissions contributing to climate change, markets have developed to buy and sell carbon credits. One credit is equivalent to the sequestration (storage) of a ton of carbon dioxide. Forests store carbon very well, so credits may be issued to a forestland owner, who in turn can sell those credits and realize annual income. This is done through a project where the forest must be measured, modeled into the future, and verified by a third party. The forestland owner is issued carbon credits for any carbon that their forest sequesters above a baseline level, essentially the average practice in the region. By definition, this type of management does not stop harvest but actually encourages frequent thinning. ***See "Carbon Credits", page 9***

WCSWA Leadership

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Contact Tom Nygren or Bonnie Shumaker for web postings and information.
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The Tree Farm Tradin' Post

A free service to our members: List tree farm items/land to buy, sell, or trade. Contact Tom Nygren, 503-628-5472. Got a tool or piece of equipment you don't need any more? Or maybe you are looking for tools, equipment, property, or materials? You can place a free advertisement in Forest Forum. Another way for tree farmers to help each other! (3 month limit)

Wanted: 1) Computer savvy WCSWA member to monitor and suggest changes/updates to our website www.wcswa.com Contact either newsletter editor (see Forest Forum newsletter box above)
2) Alternative representative from WCSWA to Tualatin River Watershed Council – contact Tom Nygren, 503-628-5472 for more information
3) Forest caretaker and home for rent at Gales Creek timber property. Call 503-357-4258.

For Sale: No new For Sale ads

Event Calendar

January	**26**	7:00 p.m. North Plains Fire Hall 31370 NW Commercial Street	***Tamara Cushing,*** OSU, compares and contrasts life cycle of growing trees for harvest in Southeast U.S. vs. Pacific Northwest
February	**23**	7:00 p.m. North Plains Fire Hall 31370 NW Commercial Street	***Mike Cafferata***, ODF, will discuss riparian rule changes, and progress on the Salmonberry Trail
March	**22**	7:00 p.m. North Plains Fire Hall 31370 NW Commercial Street	***Mary Castle***, Weyerhaeuser transportation and mining engineer, will discuss woodland roads

The Woodland Beat

The WCSWA 2016 program is shaping up and looks to cover a diverse range of topics sure pique your interest. We'll be hearing from Tamara Cushing in January and she will contrast some of what we do here with forestry in other parts of the country. Tamara is an OSU Extension agent and brings a wealth of knowledge. In February we'll get to know more about the new riparian rules. Mike Cafferata, ODF District Forester, will explain the new rules and how they will be implemented. In March we'll have a presentation on woodland roads. Mary Castle from Weyerhauser, a veteran forest roadway Tree School instructor will provide insights on how to plan, construct and maintain roads in the forest. And in April our own OSU Extension Forester, Amy Grotta, will share with us some important information on pests that could be threats to forests in the area.

One of the biggest benefits of coming to our meetings is getting to know other small woodland owners who have similar interests and oftentimes have similar questions for the experts that make presentations at our meetings. Please plan on attending our program meetings (dates, location and time listed elsewhere in this issue) and better yet, invite a neighbor to join us. Our collective experience and perspective provides a powerful presence.

In the last couple of articles I've written something like "by the time you read this we should be done with our pre-commercial thinning project." Well, I'm writing it one more time. At press time we're about half through, but, by the time you read this we should be done….really. Seeing the change in the stand in such a relatively short period of time has been interesting. More on that when we're done, but generally it has been going well.

Results of the WCSWA officer and board election, which took place at the annual banquet in November, were published in the last issue of the Forest Forum. Officers and board members are listed in this issue of the Forest Forum. If you've got any questions about the organization don't hesitate to contact one of us. And if you'd like to share your talents as a member of the board or as an officer, please contact us. This is our fourth and final year as co-presidents, so there will be opportunity to contribute soon.

Until next time – Happy Small Woodlanding!

John and Cathy Dummer

If we could first know where we are, and wither we are tending, we could better judge what to do, and how to do it

Abraham Lincoln

Advertising Opportunity:

The Forest Forum is a monthly newsletter sent out to over 250 members and friends of WCSWA. Advertisers receive free newsletters for the duration of their ads.

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Please send this form, ad copy, logos, photos, etc. to:

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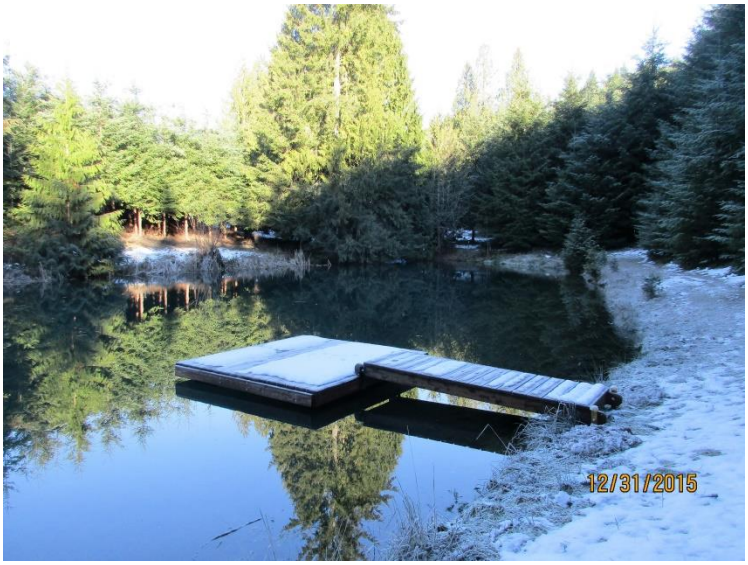
Thank you for supporting Washington County Small Woodlands Association!

Tree Talk

by Bonnie Shumaker

Usually at this time of year, I might write about the merits of pruning Douglas-fir limbs and how many acres or in which stands we are working. This year we haven't done a thing so far. Our excuse is partly the weather: too wet, too snowy, too cold or maybe we're just too lazy. There are still two-three months remaining in pruning season, and we're hoping we perk up; we sure don't want to have to buy a gym membership to keep in shape.



We did accomplish one fun project. We built a dock for our pond. I've wanted one for years. To lie out on a dock absorbing woodland ambiance always seemed more desirable than lying in the surrounding grass where one is often in the path of ants and spiders. This September, the pond was the lowest it had ever been and supplied the catalyst for dock building. We figured we could calculate how long a ramp we would need to keep the dock in water rather than in mud at the pond's summer low. The dock has floats under it and the ramp goes up and down with the water level. We had a few glitches. If we had the engineering skills of our co-presidents John and Cathy, we would have worked out the ramp weight vs. the dock weight before laying out the plans. As it was, we used trial and error and ended up adding four extra feet to the dock to make it lay flat. The next step is a couple of Adirondack chairs; we've already downloaded the plans.

Adding this dock got me to reminiscing about the pond. When we moved here in 1977, there was the remnant of a pond that had been washed out. Looking at the failed pond let us know we'd better find out how to build a successful one, which we did in 1978. We are required to "pass the flow" since the springs that feed the pond also feed Cedar Canyon Creek. One day, when we were working on building the pond, a rather irate neighbor came up wanting to know what was going on as his wife was trying to do laundry and the water was all muddy. When he saw what we were doing, that we had a permit and that the muddiness was temporary, he relaxed. We had no idea that people downstream were using Cedar Canyon Creek for household water. He said the only other time there was a problem was when the previous owners of our place were using the creek as part of a cattle feedlot. Pond building was much easier to accept.

Highlights of the pond's life so far include stocking it with baby trout. When we fed them it stirred up a feeding frenzy reminiscent of piranhas we'd seen on TV. We swam in the pond when it was new before it reached its froggy, weedy ecological niche. It's been the highlight of numerous field trips and just a place to relax or float a very small boat. It's only a quarter acre pond; but it's huge in our eyes.

Annual Wood Price Update, YTD

byDanial Stuber, Forests2Market

As the end of the year approaches, it's an opportune time to analyze delivered roundwood prices and quantities supplied across the US. The following information compares year-to-date (YTD) 2015 pulpwood and conifer sawtimber price averages to the same period in 2014.

Pulpwood

For pulpwood, quantity supplied is measured by green short tons delivered to consuming mills within each region and indexed as 100 for YTD 2014.

Interestingly, PNW conifer pulpwood prices increased despite a 2.3% drop in delivered supply, and this phenomenon is best explained by the conifer sawtimber activity in the region (see below). As demand for sawtimber waned, harvests declined reducing the amount of topwood and pulpwood delivered to the market. Sawing production also declined in the region, which led to a reduction in residual chip supplies. This led pulp and paper mills to increase their demand for whole-tree chips, which in turn led to increases in pulpwood prices.

In the PNW, the hardwood pulpwood trend mirrored the conifer trend: delivered price increased (1.4%) as available supply decreased (8.1%).

Sawtimber

For sawtimber, units are thousand board feet indexed to 1,000 in comparison to price levels.

In the PNW, both export and domestic prices decreased along with supply compared to the same period last year. Domestic prices fell $41.61 per thousand board feet (-6.3%), as delivered supply decreased 11.5%. Export prices fell almost three times the rate of domestic prices, declining $114.29 per thousand board feet (-16.4%), as delivered supply decreased 25%.

Trees Suffer Post-Drought Effects

In forests around the world, drought leaves a legacy that endures even after the rains return. Northern Arizona University research study published in Science showed surviving trees took an average of two to four years to recover and resume normal growth rates after droughts ended. The finding runs counter to climate models that assume instant recovery, said George Koch, a professor in NAU's Center for Ecosystem Science and Society.

Koch and his colleagues will conduct additional research to "understand more of the mechanistic basis of this legacy effect of drought," and help other modeling groups to build this nuanced reality into better models. "We can define drought and study its impacts to trees in more detail when looking at specific regional sites," Koch said. "This may help us understand why some trees survive while others die. And it will improve predictions of the impacts of future droughts on forest carbon sequestration."

Big Trees Take Big Drought Hit

In forests worldwide, drought consistently has had a more detrimental impact on the growth and survival of larger trees, new research shows. Large trees will suffer the most from the triple threat of 1) a warming climate, 2) drier soils and 3) more severe drought stress (intensity or frequency).In addition, while the death of small trees may affect the dominance of trees in a landscape, the death of large trees has a far worse impact on the ecosystem and climate's health, especially due to the important role that trees play in the carbon cycle.

DOE/Los Alamos National Laboratory

Got questions? Get answers.

KnowYourForest.org

It's easy. Tap into a wealth of information, to help you manage your forestlands. Best of all, the website's updated regularly and ready when you are.

Oregon Forest Resources Institute


Family forestland owners Dale Cuyler and Brenda Woodard.

Basic Woodland Management Course

McMinnville beginning Tuesday, February 9th

This introductory course is ideal for anyone who is just starting out taking care of a woodland property. Topics covered include:

- Getting Started: Assessing your property/site
- What's Going on in Your Woods? Understanding tree biology, forest ecology and habitat
- Taking Care of Your Woods: tree planting, care for an established forest, weed control
- Getting it Done: Safety, timber sale logistics, and laws and regulations.

Through the course materials, presentations, field session, and interactive discussions with other woodland owners, participants will leave the class with practical knowledge that they can use to care for their own small woodland.

Dates: Tuesday evenings, Feb. 9th, 16th, 23rd, and Mar. 1st. 6:00 – 8:30 pm. Field session: Sat. Mar. 5th, 9 am – 2 pm
Location: Yamhill Public Works Auditorium, 2050 NE Lafayette Ave., McMinnville
Cost: $40/individual or $50/two people from same family
To register: Register online or call Vicki Krenz, 503-397-3462. Questions? email amy.grotta@oregonstate.edu

Carbon Credits *continued from page 1*

Unfortunately, carbon markets have historically been inaccessible to small woodland owners due to high upfront costs and efficiencies of scale. However a group of partners in Northwest Oregon are working to create carbon projects specifically for the small woodland owner. The Oregon Small Woodlands Association and their subsidiary Woodlands Carbon Company, The Pinchot Institute for Conservation, the USDA Natural Resource Conservation Service, and other agency and non-profit partners are working together to overcome barriers to entry and are creating projects that multiple landowners can join in order to receive income from the sale of carbon credits.

This is where the story returns to the forests in Northwest Oregon. There are currently two opportunities in Northwest Oregon to get involved and potentially receive income from the carbon that your forests are storing. These are outlined here, but you can always get more information by contacting The Pinchot Institute or Woodlands Carbon (contact info below).

1. The Woodlands Carbon Pilot Project: Woodlands Carbon, a subsidiary of the Oregon Small Woodlands Association, is working closely with The Pinchot Institute to develop a pilot carbon project in Northwest Oregon. This project is a current opportunity to monetize forest carbon through the American Carbon Registry. This registry has a 40-year commitment and sells to voluntary buyers (e.g. not part of a cap and trade system). Efficiency is gained by aggregating multiple landowners into a single project and upfront costs are waived for the landowners. If you're interested in getting paid for carbon now, this is the option for you!

2. The NRCS Regional Conservation Partnership Program: *Unlocking Carbon Markets for Family Forest Landowners in the Pacific Northwest* provides opportunities for family forest landowners in Oregon (Columbia, Washington, Multnomah, and Clackamas Counties) and Southwest Washington. Participants receive financial or technical assistance to overcome transaction costs and related barriers that currently prevent family forest landowners from participating in carbon markets and/or benefiting from other related forest conservation incentives, including inventories and management plans. This information will also be useful when planning the future of your forest.

(continued on next page)

For either of these opportunities, the first step is to get in touch with staff from The Pinchot Institute for Conservation. They will complete an initial assessment that uses existing inventory or stand exams to give a very rough estimate of how much carbon your forest is storing, and what potential there is for getting revenue from carbon. From there, you could enter either the Woodlands Carbon Pilot Project or the NRCS Regional Conservation Partnership Program. ***While your forest is continually storing carbon, you want to do this soon since the pilot project is only recruiting landowners until March 2016. Contact: Ben Hayes, Pinchot Institute for Conservation bhayes@pinchot.org, 503-488-2133***

7 Forest Products Industry Developments To Watch For 2016

by Greg Fohn, Forests2Markets, December 2015

It's been a challenging year for the forest products industry in the Pacific Northwest (PNW). From record wildfires to mill consolidations, the sector experienced an enormous amount of change in this part of the world in 2015. As we approach the end of the year, it's a good time to reflect on industry happenings and trends in 2015 as well as the outlook for the coming year. So, what have we learned and more importantly, where are we headed?

1. Economic Woes: Strong US Dollar, Declining CAD and Yuan

As global markets have continued to disappoint in 2015, American manufacturers and exporters remain disadvantaged due to the continued strength of the dollar. As of this writing, the American dollar is worth $1.34 Canadian dollars and 6.37 Chinese yuan. To make matters more challenging, analysts generally agree that the near-term outlook for 2016 is volatile at best. Credit Suisse's global head of research, Ric Deverell, recently wrote that, "The coming year is likely to prove to be a watershed in global economic history," due to the combined effects of an inevitable FED rate hike while foreign institutions and governments continue to make changes in an effort to ease conditions for their own economies. Deverell also highlights a "deepening slump in Chinese investment," as well as a "drift higher in US core inflation that triggers higher interest rates and tighter financial conditions." None of this bodes well for a struggling economy. As a rule, election years are economically inactive as uncertainty looms, and some of the larger geopolitical events that are currently playing out will further intensify the uncertainty into 2016.

2. Log Exports and China

Exports from the PNW have remained fairly steady through 2015 as exporters continue to accept lower margins to maintain their market positions and port operations. China's growth has slowed, but the country continues to source logs from both the southern hemisphere and the PNW and British Columbia. The recent move by China to bolster its economic growth by devaluing its currency will not help the situation in the PNW, as the trade deficit will only widen and the wait for overseas demand will become longer. How long PNW exporters will remain in a holding pattern at low margins is anyone's guess but, as noted above, a deepening slump in Chinese investment could result in minimal growth or stagnation in 2016. If this happens, exporters will likely be in a similar situation this time next year.

3. Mill Closures and Consolidations

As I reported earlier in the summer, a number of mill consolidations have changed the nature of the industry in the PNW; there have been over 15 such events this year alone. Some well-established companies have changed hands and there have been layoffs and terminal closures. The recent announcement of the Weyerhaeuser acquisition of Plum Creek will close in the first half of 2016, furthering the consolidation dynamic throughout the timber industry. This event will have wide ranging effects, particularly in the Inland region where Weyerhaeuser has not had a significant presence in either the timberland or the conversion sectors. (Continued on following page)

The good news is that this continued period of transition will result in stronger market opportunities in the future as the industry matures to be more competitive in the long-term.

4. Expiration of Softwood Lumber Agreement (SLA)

With the SLA expiring last month and no real negotiations by either party taking place, the future of lumber prices within the US remains uncertain. As we noted earlier this fall, the SLA contains a clause that prevents both US and Canadian manufacturers from taking unilateral action for a one-year period. In the interim, Canadian producers still have an export advantage over US producers due to the currency conversions noted above, and US mills continue to announce curtailments as the market softens going in to the year-end holiday season; what will happen in the coming months is anyone's guess at this point.

5. Housing Struggles

Analysts tend to agree that 2016 will be very similar to 2015 when it comes to housing starts, which is to say it will be unimpressive. Our own forecast actually calls for housing to dip next year to less than one millions starts, which is below many estimates. As mentioned above, the election year and continued sense of uncertainty is likely to impact housing negatively, as builders and bankers will seek to maintain the relatively tight supply that we witnessed in 2015.

6. Reduced Timber Revenues

A reduction in domestic and export market volume (which has caused log prices to drop considerably) and the responsive decrease in harvest volumes have converged to create difficult conditions for regional timber companies. The recent Weyerhaeuser/Plum Creek merger will establish one of the world's largest forest products companies, which is representative of the trend I predicted earlier in the year as TIMOs and REITs attempt to realize budgetary goals with land sales. Look for more of this activity in 2016, though not on the scale of the Weyerhaeuser merger.

7. Net Effects of 2015 Wildfires

Nine million acres of US forestland burned during the wildfire season of 2015. Suppression funding from the US Forest Service totaled over $1 billion and many mills throughout the PNW dealt with short-line rail closures and other infrastructure challenges in the wake of the fire devastation. With well over a billion board feet of burnt timber requiring immediate salvage on private and agency timberlands, regional sawmills will be utilizing this damaged resource well in to 2016 and possibly beyond. While lumber quality should be relatively stable for some time, the pulp and paper industry is likely to opt for charred residual sawmill chips, which will mean the displacement of clean fiber. As the "non-fire" season advances, all stakeholders must continue the collaborative effort of producing tangible, fiscally-prudent results allowing for more proactive forest management—rather than reactive suppression policies—on our federal forestlands throughout the Western states.

Tree Characteristics Determine Tree Competition in Forest

Three functional traits – ***wood density, specific leaf area and maximum height*** – affect competition in predictable ways across all forested biomes worldwide, new research indicates. "This is the first time that we were able to verify key drivers of forest succession globally," explains co-author ***Niklaus Zimmermann*** from the Swiss Federal Institute for Forest, Snow and Landscape Research. Tree traits determine to what degree a central tree is affected by neighboring trees and to what degree it casts an effect on its neighbors' growth. Competition between neighboring trees has a big impact on their growth. Trees have different strategies to deal with competing neighbors. Some grow quickly and tall, overshadowing the others, but die young. Others grow more slowly, but outlive the fast growing ones and cast shade on them over a longer period. These interactions have a strong influence on the dynamics of forests and their functioning as ecosystems.

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Forest Forum

COUNTY CHAPTER OF THE
OREGON SMALL WOODLANDS
ASSOCIATION

Potpourri

The Tough Men of Timber: Black and white photos capture the arduous lives of 1800s lumberjacks who felled enormous trees using only hand tools and brute strength. This link to The Daily Mail in the United Kingdom (http://www.dailymail.co.uk/news/article-3360407/Black-white-photos-tough-lives-lumberjacks-1800s-early-20th-century-massive-trees-fell.html) reminds us of how tough our logger ancestors were! ***And along with these tough men there were tough women too!***

Tree Mortality and Streamflow: Researchers have predicted that as trees died, streamflow would increase because fewer trees would take up water through their roots. However, the story is more complicated than that. A recent study by University of Utah geology and geophysics professor Paul Brooks and his colleagues in Arizona, Colorado and Idaho, found that if too many trees die, compensatory processes kick in and may actually reduce water availability. When large areas of trees die, the forest floor becomes sunnier, warmer and windier, which causes winter snow and summer rain to evaporate rather than slowly recharging groundwater. The bad news is that the loss of so many trees may not help alleviate the long-term drought in the West as many have hoped. The good news is that researchers can use the new understanding of forest water cycle to manage healthier forests that are more resistant to drought but still supply water to agriculture and cities downstream.

Helpful Links:

- http://blogs.oregonstate.edu/treetopics to read Amy Grotta's "Tree Topics" blog
- www.oregonwoodlandcooperative.com to learn about the Oregon Woodland Cooperative
- https://www.facebook.com/WashingtonCountySmallWoodlandsAssociation

Scandinavian Tour: Visit this link on the OWC website to find complete information about the 2016 tour. www.oregonwoodlandcooperative.com/scandinavia-forestry-tour. If you have questions, contact Karen Graham, kgraham@duckswild.com, 503-647-0310, or Miles Merwin, ridgebacktrees@gmail.com, 971-285-6960.