

Oregon State University Extension Service

Blue Mountains Renewable Resources Newsletter

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DATES *To Remember*

Exploring Business Opportunities for Northeast Oregon Forest Landowners

Landowners in Baker, Union and Wallowa counties have identified a common need to improve the log market options that are available to them. Wallowa Resources and a team of consultants has worked over the past 6 months to document local log buying outlets, assess likely timber supply, and consider local manufacturing options that could respond to identified market opportunities.

The Wallowa Resources Group will summarize results of the Market Opportunity Analysis for non-industrial private timberland owners in Northeast Oregon. The feasibility of various business options to take advantage of market opportunities will be examined with reference to the tri-county timber supply and projected annual harvest..

Date: Wednesday, July 28, Cloverleaf Hall, Enterprise, OR

Thursday, July 29, OSU Extension Office, Baker City, OR

Time: 7:00 pm

The Wallowa Resources Group will be seeking feedback from community members and local landowners that will help verify the information and recommendations they have compiled.

For more information contact the OSU Extension Union County Office, (541) 963-1010, OSU Extension Baker County Office, (541) 523-6418 or Wallowa Resources (541) 426-8053.

Tour of Oregon's Tree Farmer of the Year is coming up!

Chris and Donna Heffernan (with help from their two sons Sheldon and Justin) of North Slope Natural Resources, are the 2003 Oregon Tree Farmers of the Year. (*see article on page 2*) They will host a tour of their property near North Powder on Saturday, July 31st. They now move on to regional competition. Good luck Chris, Donna, Sheldon and Justin!

Following the tour you'll be treated at no cost to a **Chuck Wagon Dinner** hosted by Oregon's Tree Farm Program.

Date: Saturday, July 31st

Time: Tour is from 1:00 - 5:30 pm, with the BBQ immediately following.

Best Regards,

Paul Oester
Umatilla, Union & Wallowa County
Extension Forester

Oregon State UNIVERSITY **OSU** Extension Service

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Where to meet: Meet at the North Powder High School parking lot to board buses.

What: Buses will transport folks to the ranch for a tour of the property. Some of the highlights and topics of interest include:

- Forest stewardship principles practiced on the ground.
- An emphasis on how partnerships have affected management on the property.
- How to blend forestry, range, wildlife, and economics.
- Forest insect and disease control.
- Tree planting project
- Management practices such as thinning in young and mature stands, unique water management strategies for wildlife, grazing and fire control, grazing management, a solar powered water system, and managing private land for the long-term.
- Challenges associated with making a living in natural resources in the 21st century.
- ODFW access and habitat program projects.

To help plan for the dinner and transportation needs please RSVP by calling the ODF office in La Grande at 541-963-3168 or filling out the registration form on the back of this newsletter and sending it to ODF, 611 20th St, La Grande, OR 97850 by Wednesday, July 28th. For more information call Jamie at 541-963-3168. Thanks.



Oregon "Tree Farmer of the Year" Revealed at World Forestry Center Ceremony

The Oregon Tree Farm System, Inc. announced the recipient of the "Outstanding Tree Farmer of the Year

2003" award at an awards banquet held recently at the World Forestry Center in Portland. Chris and Donna Heffernan earned the title for sustainable management of North Slope Natural Resources, their tree farm located ten miles west of North Powder, Oregon.



Chris Heffernan, Oregon Board of Forestry member, and his wife, Donna, actively support the forestry and natural resource communities, both statewide and nationally. To promote tree farming, the Heffernans use their farm as a demonstration site for small woodland owners, as well as for the Oregon State University Forestry Extension Service and high school natural resources classes. The Heffernan's have served on numerous councils, boards and associations including the Oregon Board of Forestry (ODF); Northeast Oregon District Fire Budget Committee, ODF; the Oregon Small Woodlands Association; Oregon State University Union County Advisory Council; and the Oregon Department of Fish and Wildlife Access and Habitat Program. Their conservation efforts have earned them special recognition, including the National Wild Turkey Federation-Wild Turkey Woodlands Award; Fish and Wildlife Steward Award; Oregon Hunters Association-Landowner of the Year, and Rural Sportsman-Big Game Farmer of the Year 2002.

Their tree farm has also been featured in many state and local newspapers, on Oregon Public Broadcasting, and in several forestry-related magazines.

The Heffernan's use an integrated approach that consists of managing their land for timber, water, wildlife, recreation and grazing. Their objective is to maintain a healthy, sustainable forest that provides social, economic and environmental benefits for their family and community, now and in the future. Besides reforestation and pre-commercial thinning to control insects and dwarf

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mistletoe, management activities on the tree farm include the development of three ponds for fire suppression and wildlife, as well as riparian restoration.

Each year, local groups of Oregon Department of Forestry foresters, consulting foresters, and forestry extension agents meet with the Oregon Small Woodland Owners' Association chapters to select county Tree Farmer of the Year award recipients. Oregon's State Tree Farm winner is selected from the county winners and competes in the Western Regional competition that represents 13 states. The National Tree Farmer of the Year is selected from four U.S. regional winners.

Eastern Oregon runner up was Sid & Nancy Johnson, Alder Creek Tree Farm, from Baker City.

Forest Log, January 2004

What's Killing My Fir Trees?

Have you noticed the Grand fir/white fir dying across the landscape in northeast Oregon? Reddish brown trees are show-

ing up almost everywhere. What's causing this extensive mortality? In most cases it's the fir engraver beetle (*Scolytus ventralis*). This small (about 4-mm in length), shiny black bark beetle is a significant pest of mature and pole-sized true fir (mostly grand and white fir in this area) and sometimes attacks Douglas-fir and Engelmann spruce. Trees weakened by disease, drought, defoliator outbreaks, overstocking and logging activity are particularly susceptible to beetle attacks.

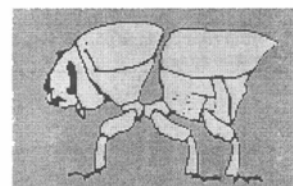


Figure 1: The fir engraver beetle is a shiny black color, has a "sawed-off" appearance and is approximately 4-mm in length.

From June to August, with most activity occurring from July through August, adult beetles are flying through the forest seeking out new hosts. Trees under attack usually show white boring dust on the outside of the bark where the beetles

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Delivered

LOG MARKET REPORT \$/1,000 board feet

June 15, 2004

Umatilla/Pendleton/Lewiston								
Douglas-fir /Larch	5-8"	Ponderosa Pine		20"+	Grand fir /White fir	Lodgepole Pine	Engelmann Spruce	Pulp/chips Logs
\$320	\$260	\$340	\$480	\$580+	\$300	--	\$250	\$30/ton
La Grande/Elgin/Joseph								
Douglas-fir /Larch	6-11"	Ponderosa Pine		24"+	Grand fir /White fir	Lodgepole Pine	Engelmann Spruce	Pulp/chips Logs
\$465	\$260	\$460	\$560+	--	\$320-330	\$280-340	\$320-340	--
Burns/John Day								
Douglas-fir /Larch	5-7"	Ponderosa Pine		18"+	Grand fir /White fir	Lodgepole Pine	Engelmann Spruce	Pulp/chips Logs
\$420	\$200	\$280	\$440	\$530+	\$340	\$175	\$175	\$10/ton

Source: Oregon Log Market Report, Editor John Lindberg, ph 360-693-6766, fax 360-694-8466, logmkt@comcast.net

Caveats of Merchandising Logs

This article offers the reader a few points to ponder in the world of forest products merchandising.

What: Investigate the market to determine if there is a bearish or bullish trend.

Why: Prices are determined not only by the current market, but also in anticipation of future markets. Log prices reflect the projected future supply and demand of the log market; more if it is deemed to be increasing and less if it is believed to be contracting.

There is a psychology involved when a log buyer is negotiating a deal. If log buyers believe the market will remain strong, they will occasionally hedge their offers on a particularly desirable timber sale in an effort to outbid their competitors, under the assumption that prices will continue to rise. The opposite bidding strategy can occur if a seller waits until the market has peaked and prices begin to decline. The hedging of offers will be towards lower prices rather than a price increase. In other words, if prices were equal a month prior to, and after, the market peak, the individual selling their logs would receive more money by selling before the market peaked and correspondingly less after a market decline. Remember the axiom: pigs get fat: hogs get butchered.

What: No timber tracts are the same.

Why: Wood is a renewable resource. Because wood is a growing biological element, there are differences in the characteristics of each tree and each stand of timber. Astute log buyers recognize some of the subtle differences in wood quality and their potential derived products from each timber sale. There is probably a justifiable reason if someone in the adjacent vicinity is being paid a different price for

their timber than someone else dealing with the same buyer. Landowners may generate ill will or contempt towards the log buyer because of misunderstood or misquoted information obtained from another landowner selling timber to the same company, or perhaps another company. Log buyers visiting a site may be confronted by a skeptical and circumspect seller. Negotiations with the buyer should be based on the merits of each individual sale and not predicated on information derived from another seller, regardless of the situation.



What: Scalers grade and scale logs in different manners.

Why: Evaluating logs is more art than science. Accordingly, there will be scalers who are conservative by nature and ones who tend to be more generous in their allowances of defect in a log without deductions in scale. The Bureau performs check scaling approximately every two months for all individuals registered with the Bureau. Scalers must be within one percent of the gross scale and two percent of the net scale providing the log has less than 10 percent defect. Logs with greater than 10 percent defect requires the scaler to be two tenths of one percent, multiplied by the percent of defect (e.g. a log with 20 percent defect requires the scaler to be within + or - 4 percent). Whether a scaler deducts one or two inches from a log does not make either of them correct, but merely how they perceive the log. Make a note of the scalers name when observing the scale sheet. Make it a point to avoid a scaler if a pattern develops where he is deducting more than others. Loggers and landowners use the derisive term "company man" when such an individual is located. Sellers can request a rescale if they believe they are not receiving

ing the correct volumes for their logs. Re-scaling requires at least three loads of logs in the same position as they were evaluated previously and within 48 hours of the original scaling. There is no adjustment if the rescale is within + or - 5 percent of the original scale and the party requesting the re-scale pays the expenses.

What: Continue to monitor the market during the harvest.

Why: It would be unrealistic for a seller to contact every possible buyer of their logs on a continual basis throughout the duration of the timber sale. However, the landowner should continue to evaluate the market. For example, exports are an extremely volatile market and companies may show no interest one day and, literally, be strong buyers the next day. The landowner can sell to another buyer if they are not committed to a predetermined volume. Market conditions are always changing and the seller should remain informed of these conditions throughout the timber harvest in order to maximize their revenue.

What: Visit the scale shack and ask questions.

Why: Make arrangements to visit the log yard and view the grading and scaling process. Be sure to state the experience is a learning process and ask questions in a polite and respectful manner. When the scaler makes a deduction, inquire why it was



best job possible.

Lane Woodland News, April 2004

Forest Road Management Guidebook: Maintenance and Repairs to Protect Fish Habitat and Water Quality

Jennie Cornell, Department of Forest Engineering, OSU and Keith Mills, Oregon Department of Forestry

This guidebook was developed by the Oregon Department of Forestry, Forest Practices Program, in cooperation with the Oregon Forest Industries Council, Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality and the Department of Forest Engineering at Oregon State University.



Most private and state forestlands have road systems already in place, with minimal plans for new ones. The objective of this guidebook is to help landowners maintain and repair existing road systems to protect water quality and fish.

Some of the information in this publication includes:

- How to inspect forest roads
- Road maintenance
- Priorities for major repairs
- Preventing damage from road use
- Repairs to improve fish passage
- Repairs to prevent washouts
- Repairs to prevent sidecast failures and stabilize landslides
- Repairs to reduce chronic turbidity
- Vacating and relocating roads
- Sources for additional information

If you have any road management issues on your property, this is an excellent glossy/color photo publication. For a free copy of the Forest Road Management Guidebook, contact OSU Extension, Union County at 541-963-1010.

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have entered the tree. Sometimes checking the base of the tree or cobwebs for this boring dust will help identify attacked trees. These beetles bore through the bark



Figure 2: The fir engraver beetle gallery is etched into the sapwood across the wood grain and is 4- to 12-inches in length.

and enter the cambium area of the stem where they construct egg galleries, which are etched into the sapwood across the grain for about 4 to 12 inches. Eggs hatch and the larvae feed vertically up and down from the egg gallery. A portion of these trees will fade by fall, but most remain green until the following spring or early summer.

You can confirm this beetle by removing patches of bark and finding the beetle or by its distinctive gallery.

The fir engraver is unique, as it can kill a strip of cambium near its gallery to successfully reproduce. Because it doesn't necessarily kill the tree, fir engraver attacks result in a variety of tree symptoms, such as dead branches, top kill and complete mortality.

Beetle outbreaks can occur in years following subnormal precipitation or logging activity. Logging can contribute to outbreaks by generating slash (diameters greater than 4-inches), which is breeding material for the beetles (this is rare in northeast Oregon) and the shock of opening dense stands can temporarily lower tree vigor.

To lower the impact of this beetle consider the following management practices:

- Remove recently killed trees before beetle flight in late June. (these may be still green in the fall and early spring)
- Watch for root disease indicators. If root disease is present follow root disease guidelines, which includes converting disease areas to less susceptible species and thinning if Armillaria root disease

is present.

- Remove trees in poor condition. Trees with low crown ratios (less than 30%) and poor crown condition have been linked to higher susceptibility to fir engraver.
- Thin overstocked stands to reduce competition and increase tree vigor. Dense stands should be thinned conservatively to reduce thinning shock.
- Shift species mixtures in mixed-species stands to more drought tolerant species such as ponderosa or lodgepole pine, Douglas-fir and western larch.

For more information contact the OSU Extension Union County Office (541-963-1010). Most of the above information was gleaned from Oregon Department of Forestry Forest Health Note, July 2000.

Tree School EAST a huge success



The OSU Extension Service Tree School EAST 2004, held on April 24th at Eastern Oregon University in La Grande, was a resounding success! Nearly 100 attended the event. All of the feedback we received during the program was overwhelm-

ingly positive. In fact, several people mentioned they would like to have tree school encompass two or three days so they could have the opportunity to take more classes!

For this one-day event, eighteen instructors offered twenty-three classes on a wide variety of topics of interest to family forestland owners, professional foresters, loggers, arborists, teachers, and those "forestry-interested" persons. Classes were provided on vegetation management and reforestation (including tough site methods), GIS & GPS, roads, special forest products, riparian planting experiences, insects and diseases of conifers,

thinning, noxious weed identification and management, estate planning for forestland owners, practical science for portable sawmill operators, small scale logging, wildfire issues, soils, income and property taxes for forestland owners, tree identification, Christmas tree management, and a special series on measuring timber. The daylong event offered classroom and field sessions taught by Extension foresters, professional industry foresters, and other resource management professionals. Classes varied in length from 1.5 to 3.5 hours and participants could attend up to four during the day. All in the field classes enjoyed the beautiful, sunny day.

Program evaluations were mailed to all attending and have been coming back very positive and with many excellent suggestions for the next tree school. The success of this program results from the “outstanding” participation from volunteers and instructors. The instructors, to a person, were tremendously gracious and willing to give of their time and expertise to make this program an excellent learning opportunity.

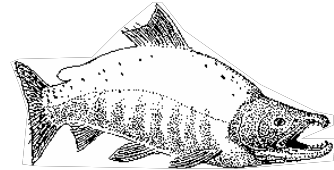
Tree School EAST is modeled after the very successful Tree School held in Clackamas County. The EAST version is envisioned as an annual regional event.

Those interested in attending next Tree School EAST should contact their local Extension Office and asked to be placed on the forestry mailing list. They should also watch for program announcements in the local media and check the Union County Extension Office web page, <http://extension.oregonstate.edu/county.html>. Just click on the county of interest.

New stream protection restrictions to be aware of....

Recent federal court rulings have established new guidelines for pesticide use near streams supporting salmon in Oregon. The rulings stem from lawsuits

brought in Washington state against the federal Environmental Protection Agency. Currently, 54 pesticides are being reviewed for their potential impact on salmon. Most recently this past winter, additional restrictions have been imposed for buffer zones along waterways identified as bearing endangered and threatened fish species, including certain species of salmon and steelhead.



The pesticides currently under review include some common products forest owners and Christmas tree growers might be using. Examples are: 2,4-D, Goal, Triclopyr, Bravo, and Omite. Restrictions include 60’ buffers along designated streams and rivers for the ground applications of the named pesticides. Aerial application guidelines require a 300’ buffer on each side of the waterway.

For more complete details about these new pesticide restrictions, go to the Oregon Department of Agriculture’s home page at <http://www.oda.state.or.us/>. On their front page is a link on the left sidebar for “Pesticide Buffer Zones.” This page details the information outlined above, lists the pesticides being restricted for use in riparian areas, and provides a link to maps showing the streams and waterways designed for endangered and threatened salmon and steelhead habitat.

Woodland Notes, May-June 2004

New market for small wood in Wallowa County

Community Smallwood Solutions, PO Box 545, Enterprise, OR 97828 (541-426-8053) operates a post and pole operation in Wallowa. They take Douglas-fir, lodgepole pine and western larch, pieces must be straight, maximum taper 1.5” per 10

feet and no excessive scarring. Lengths range from 6'3" to 18'1" and diameters from 3-4" to 6-7" on the small end. Price is by the piece, which range from \$0.74 for a 6'3"/3-4" piece to \$4.97 for an 18'1"/6-7" piece (March 22, 2004 price list). Several piece sizes provide a premium. If you have small wood from a thinning you might check this market out.

Nuggets

Conversion

The Pacific Northwest (PNW) has experienced the most rapid declines in privately owned timberland area in the U.S. PNW private timberland has decreased by nearly 10% since 1980, from roughly 19 million acres to 17 million acres. Current projections suggest continued decline, including a projected loss of over 1/2 million acres (3%) by 2020.

Investing in development is highly rewarded by many government policies; investing in forests is not. Studies consistently show that residential developments get more public services than they pay for while farms and forests get less. On average, farm and forest owners get only \$.34 worth of local public services for every dollar paid in taxes. Owners of residential properties get \$1.15 worth of services for every dollar they pay in taxes.

Economics

The ratio of income between urban and rural timber communities has increased from 1.4 to 2.4, a 66% increase in less than 20 years.

Urban communities place the highest value on forest aesthetics and biodiversity associated with older forests, yet rural communities are being forced to absorb most of the costs and job losses associated with regulatory constraints on forest harvests.

The U.S. imports 37% of the wood products used in the nation.

The U.S. imported \$5.7 billion worth of softwood lumber in 2001, about one-third

of the U.S. market.

Forest Stewardship Notes Spring, 2003

Publications of Interest

The market for timber has been improving over the past few months. If you are planning a timber sale this year we have several publications that can help you! Contact the OSU Extension Union County Office 541-963-1010 for a copy of any of the following pubs.

Selling timber and logs: seven steps to success. OSU Extension Service publication, EC 1384. \$2.50. This publication, published in 1993, is an excellent overview of the "how to" when considering selling timber or logs. The publication covers the following seven steps: clarifications of goals and strategies, finding the right advice, structuring your sale, scooping out the market, measuring and marking the timber, how to select a logger and soliciting and evaluating offers.

Managing your own timber sale: guidelines for success. OSU Extension Service publication, EC 1487. \$3.00. If you are thinking of conducting your own timber sale this is a "must read" publication, full of practical information. The subjects covered include: getting started, finding out what you have for sale, business and legal considerations, entering the marketplace, getting timber from stump to mill and getting help.

Federal income taxation for woodland owners: an overview. OSU Extension Service publication, EC 1526. This relatively new publication (2001) provides a good review of 1) how the federal government taxes income from forest operations; 2) key tax topics to help avoid problems and minimize taxes; 3) what expenses are deductible; 4) where to get help with forest income tax questions and problems; 5) and what questions to ask.

Other publications you might find helpful include:

Positive impact forestry. A sustainable approach to managing woodlands. T.J. McEvoy. Island Press. Online @ www.islandpress.org or 1.800.828.1302.

Consultants/Contractors and Loggers Directory for Northeast Oregon. This recently updated list is now available. The directory provides names, addresses, jobs preformed and equipment capabilities of consultants/contractors and loggers who responded to our survey. Pick up a copy at the Extension office or a local ODF office.

Trees Against the Wind. The effects of using properly designed windbreaks are outlined in this revised classic. Although primarily for Washington, Oregon, and Idaho, the authors offer information useful for other parts of the country as well. Topics include: windbreak benefits, years needed to grow a windbreak, planning a windbreak, windbreak design, density, and species, care after planting, renovation of old plantings, and sources of planting stock. Revised February 2003. 44 pages, **PNW0005**

Forest Certification in North America. This publication (EC 1518) written by Extension foresters from Oregon State University Extension Service and University of Wisconsin, sorts various systems of forest certification to help forest owners and managers choose the best system for their forests and markets. It explores the opportunities, limitations and costs of forest certification. "Forest Certification is no longer a new topic in forestry..." said Rick Fletcher, OSU Extension Forester. "Certification is now a worldwide reality in forest production markets and looks like it will be with us for some time to come."



Oregon Forest Industry Directory. Woodland owners, wood products manufacturers, industry consultants, and anyone else who is interested in Oregon's forest industry has an exciting new tool—the Oregon Forest Industry Directory—available online at: <http://wood.oregonstate.edu/directory/>. The goal of the directory is to assist small woodland owners in locating buyers for forest products (traditional and non-traditional) or particular species and locating service providers (custom lumber drying, pressure treating, etc.) Sawmill owners, furniture makers, architects, and others can go to the same directory to search for potential sellers of forest products (traditional and nontraditional) or particular species. They can also search for buyers of waste products, such as sawdust and shavings. This tool will only be successful if woodland owners, who are interested in selling logs sometime in the future, add their name, contact information, and a description of their forest product inventory, to the directory. If you are a member of the Oregon Small Woodlands Association and would rather not have your personal contact information listed in the directory, there is an option for you to list OSWA as your contact. If someone is interested in contacting you to purchase logs, OSWA will receive that message and notify you. The Directory is growing daily as more buyers and sellers add their information—continue to check it periodically and watch the progress. Scott Leavengood, Washington County Wood Products Extension Agent, will administer the Directory database. Contact him with questions, comments, or suggestions, at 503-725-2123 or: scott.leavengood@oregonstate.edu.

ForestLearn is brought to you by **Project FLOW** (Forestry Learning Opportunities for Workers), developed by Oregon State University's [College of Forestry](http://www.oregonstate.edu/college_of_forestry) in partnership with the [Oregon Forest Resources Institute](http://www.oregonforestresources.org). <http://www.forestlearn.org/index.htm>

La Grande, OR 97850
611 20th St
Attn: Jamie or Phyllis
ODF

Please fill out this form and mail it back to:

Pre-registration deadline is **Wednesday, July 28th.**

Number of people attending _____

City, State, Zip _____

Mailing Address _____

Name _____ Phone _____

**Registration Form
Oregon Tree Farmer of the Year
North Slope Natural Resources, North Powder, OR
Tour & BBQ**

OSU Extension Service, Union Co
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La Grande, OR 97850

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