

George & Owen:

We reviewed your paper on the PNW economists meeting in regard to the suggested pulp component. In the past we conducted studies on private ground to determine species, grade and estimated volume of wood left in the woods. We have also compiled grade and volume stats to reflect the actual merchantable pulp within grade and the utility pulp percentages. Attached are several documents that may help you in your discussions with Brackley concerning grades available to an MDF plant. The first presents a discussion of the cant vs. pulp ratios maintained by the USFS from 1971-1991. There are also (2) excel spreadsheets showing these ratios. If the PNW economists are relying upon this data then their premise is wrong. Although the data shows a high percentage of #3 and #2 logs going into pulp, the discussion indicates why this would happen. That utilization pattern is now gone.

Tables 1-3 illustrate the merchantable pulp component and the utility pulp found in hemlock and spruce as the timber actually exists. Table 1-2 were developed from actual cutting records. These tables indicate a 33.2% spruce and a 66.8% hemlock component in southeast Alaska. This is not dramatically different than what the USFS is showing. The tables however show a 2.8% and 8.2%, respectively for spruce and hemlock, merchantable pulp content. This study contained 162,622 MBF.

Table 3 shows the grade by species of logs left in the woods. Transects were run over 11,972 acres which contained a total on 421,471 MBF or 35.2 MBF per acre. This was high quality timber and the total was derived by adding that volume scaled in the woods as leave to that volume harvested from the land. You will note that only 10.95% was left and it was 80% utility. You will also see that spruce had a utility volume of 13.95% of the merchantable volume while hemlock had a 38.17% utility volume when compared to merchantable volume.

We have worked on several MDF plants in the past. In 1991, there were (13) MDF plants in the U. S. with an annual capacity of 1,047 MMSF. One of these plants fell exactly at the median of the capacity range with (6) plants above and (6) below. Its capacity was 8.4% of the total. This plant operated on a mix of 10% pulp chips/sawdust, 50% dry shavings, and 40% hog wood. Other plants operated on a similar mix and did not use graded logs to be chipped. The mix in Alaska may be different but it would not be dramatically so as to require 75% of the graded #3 sawlogs. We know as a part of our work on the Wrangell mill that a large volume of hog wood was produced and was a problem in disposal. Combining the hog wood production for the various mills, even deducting that portion used for power, with sawdust and chips would provide the furnish needed to operate a MBF plant.

We hope this helps you in the draft review.

Ray

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