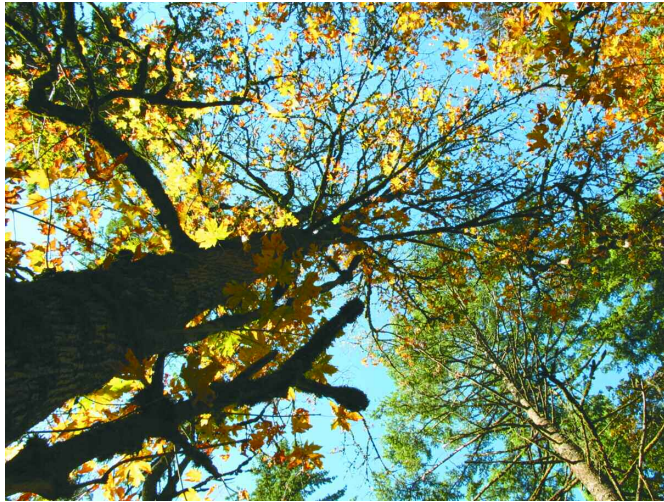




## Enjoy our Great Outdoors

It's raingear season once again and we have much to share with you since our last edition, including the addition of our two newest Trout Mountaineers, Pamela and Shane!

The wet weather has come in like a lion this year and the fall colors are especially vibrant, set against the backdrop of the damp, misty forest.



We hope you are finding opportunities between the heavy showers to get out and enjoy the woods, and when you find yourself indoors, head on over to [www.troutmountain.com](http://www.troutmountain.com) where we frequently post some of our favorite pictures from the field, news, and more!

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Check out our website at [www.troutmountain.com](http://www.troutmountain.com)

## Meet Shane Hetzler

I've spent a good part of my career in forestry and conservation thinking about how we as a society interact with our woods—these special places that provide us so much. I am excited to have joined an organization that understands the complicated nuances of sustainable forest management here in the Pacific Northwest, and is striving to make the woods better than when they started. Coming to Trout Mountain is like a bit of a homecoming for me, joining my professional views about forest management with a cohort of like-minded professionals in the landscape that inspired me to become a forester in the first place. It's good to be home!



Shane is a native Oregonian with over ten years' experience in forestry and conservation. He served as a Peace Corps volunteer in Senegal, holds a Master of Forestry degree from the Yale School of Forestry, and is now based in our Corvallis office.

## Meet Pamela Hines

I have been enjoying my role as Office Manager with Trout Mountain Forestry after being employed in healthcare and facility management for the past two decades. The shift in industries has been a welcome change and I'm pleased to be part of an organization that values sustainability and personalized attention to our clients.



It is my continued mission to support our team of foresters and clients with organization, efficient work systems, and a positive outlook. (Good coffee is the foundation of all components of my mission statement!) I've enjoyed immersing myself in forestry and look forward to learning how to (safely) use a chainsaw soon.

Out of the office, I am an avid video game aficionado, enjoy crafts (knitting, embroidery, paper crafting), hiking with my dogs, and searching for the best Frito pie in Portland.

## Log Market Update

Log prices have been relatively stable in 2016, a welcome relief from the rollercoaster ride of the last couple years. On average, prices are slightly higher in October 2016 than the previous year.

Douglas-fir logs (#2 Saw) seem to be selling for around \$620/MBF in the northern portion of the Willamette Valley, and slightly higher, around \$650/MBF in the southern portion. While the China export market continues to be very sluggish, the Japanese export market has recovered some momentum, and Japan quality Douglas-fir are now being purchased in the mid- to upper- \$700s.

Alder mills had to raise their prices over the summer to boost log inventories. That appears to have taken place, and now prices seem stable. We are now averaging about \$650/MBF on good quality alder stands.

Cedar prices have dropped somewhat from the eye-popping \$1500/MBF they were fetching earlier this year, settling at about \$1350/MBF for long logs. Whitewoods are now in the \$450-\$500 range for domestic long logs, and close to \$600 for export to China or Korea.

### Banks Lumber

One of the few remaining stand-alone family-owned sawmills in NW Oregon was sold this summer to Hampton Lumber. Banks Lumber did not have its own timberlands, and favored 32 foot log lengths, making its log prices typically very competitive. Rumors of the mill shutting down had been circulating for years, and it had been on the market for some time. The good news is that the mill will continue to operate and be another potential market for landowners in the Washington County area. It remains to be seen how the mill will operate under Hampton, but we're hoping there won't be a lot of changes.

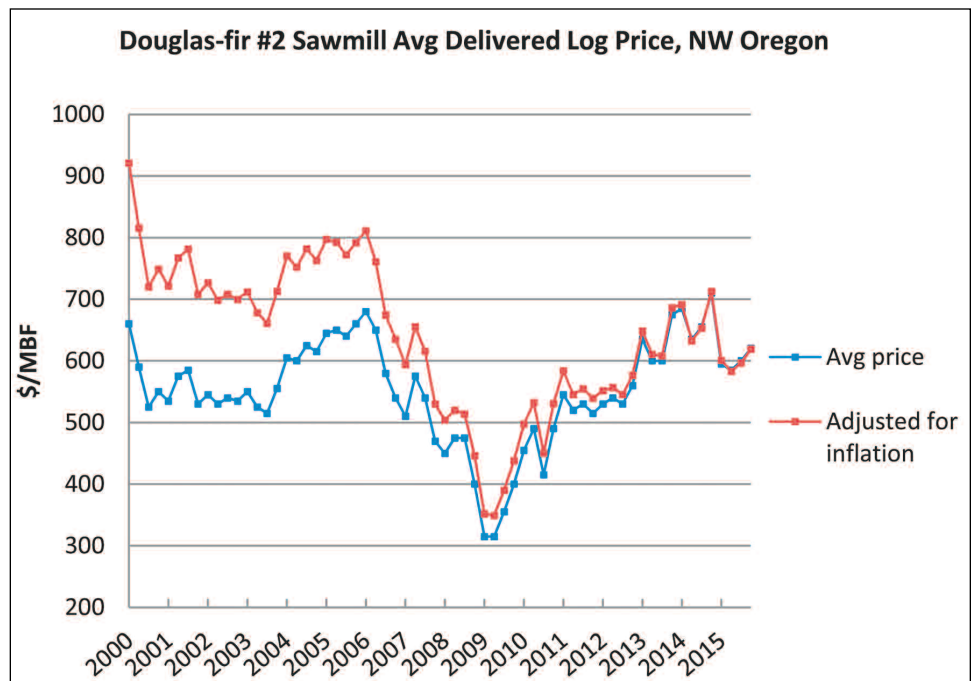


### Long-term trends in log prices

What are the underlying factors influencing log prices now and going forward? Analysts are forecasting increased demand for lumber in the U.S. as building continues to rebound from the Great Recession. As a result, lumber futures are up around 30% from a four-year low in the fall of 2015. There is also an expectation that, after the expiration of the Softwood Lumber Agreement with Canada in 2015, the U.S. may unilaterally impose punitive tariffs on imported Canadian lumber, which could reduce the quantity of those imports and consequently increase

demand for domestically produced lumber. Many analysts are therefore forecasting increased prices for logs to meet the demand starting in 2017.

This is encouraging news for a variety of reasons, but the most obvious one is that log prices, when adjusted for inflation, have actually gone down over the past 15 years. As the accompanying chart shows, while nominal log prices are a bit higher than in 2000, after adjusting for inflation, they've dropped by a third. So we're hoping the analysts are right and we're due for a period of correction where log prices could show some real increases.



Log price data from the Oregon Department of Forestry

## Frank's Forty

Many people who think about long-term ownership and management of forestland tend to look ahead, imagining where they and their forest will be in the coming decades. But when you talk to Frank Morris, a retired Corvallis area dentist and World War II C-47 pilot, the fifty years that have passed since he bought his forty acres near Alsea, Oregon brings home the concept of long-term management.

At 96, Frank still tries to get to the woods two or three times a month, most recently hunting for chanterelle mushrooms. A Master Woodland Manager, Frank has most certainly been hands-on, managing his own harvests in the early years with the aid of the county extension agent, and planting trees with his kids and grandkids. Then, 27 years ago, Frank started working with Scott Ferguson of Trout Mountain Forestry. Frank admired Scott's professionalism and says Scott gave him "the ability to realize what I have and what the potential is." Frank has completed ten harvests since his first one in 1976, the last seven working with Scott. In all, he's taken about 670,000 board feet off of his property and currently has almost 800,000 board feet standing. It appears his investment in 1966 of \$100 per acre plus \$95 in attorney's fees has paid off!

When Frank talks about his forest, it is clear that his rewards are much more than financial. He fondly remembers sleeping under the stars with his wife, planting trees with his granddaughters and deftly recalls tree heights, ages and diameters, and "putting a little quick math to it" proudly notes his trees are growing on average about three feet in height per year. There have been many special times for Frank and his family over the years and his forest has allowed him to develop close relationships within the forestry community.

Thanks to careful, thoughtful thinning treatments and small regeneration



Frank Morris keeping an eye on his most recent timber harvest.

harvests, Frank's forest is a verdant mosaic of three- to 80-year old stands. And winding up the road through his forty, it feels much larger, more expansive and welcoming than just any forty acre plot of land. But what does Frank really love about it? "The air up there is so great. I just feel good when I'm there."

After all these years, Frank is still thinking about the future of his property, worrying about forest pathogens and the impacts of climate change. But for now, Frank's plans are to "let 'em grow. Take a little bit here and a little bit there, but let 'em grow." And advice for others? "Buy forest land and take good care of it!"

## The Social Networks of Trees

A recent Radiolab podcast called "From Tree to Shining Tree" had us talking at the office the other day. Suzanne Simard, a forestry professor at the University of British Columbia was interviewed about her pioneering work around tree/mycorrhizal (fungi in the soil) relations. Simard found that trees and mycorrhizae trade and communicate using chemical signals. Trees provide sugar to mycorrhizae in exchange for minerals that the mycorrhizae pull out of the soil. Dr. Simard's research demonstrates that mycorrhizae can act as a bank for the forest, where trees "deposit" and "withdraw" nutrients on a regular basis. Stressed or dying trees were found to give resources to their neighbors, even warning them of attacking pathogens. Lastly, her research shows that dying trees distribute their resources for the benefit of the forest as a whole, not just for their offspring or like species. We'll be anxious to read how this research develops. The podcast may be found at:

<http://www.radiolab.org/story/from-tree-to-shining-tree/>



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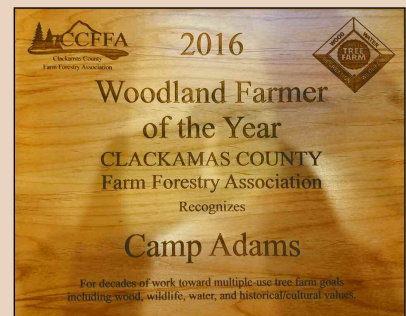
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Restoring oak woodlands at Camp Adams has involved removing competing Douglas-fir and using fire to eliminate slash.

## Camp Adams Receives Award

Camp Adams, a 216-acre property in Clackamas County that Trout Mountain Forestry has been working with for several years, was just given this award for leadership in forest stewardship.



Check out our website at [www.troutmountain.com](http://www.troutmountain.com)



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