

Reflections and Perspectives

Nice weather has finally arrived this year after the unrelenting rain of this past winter. The extra time indoors on those days of torrential rain gave us the opportunity to reflect upon some of the most rewarding aspects of our work, namely our great relationships with people and the lands we work on. In this edition, we sit down for a chat with a local logging contractor, and Mark and Scott share their perspectives on forestland ownership. As always, you can find us at www.troutmountain.com for pictures, news, and more!

A Chat with John Jungwirth, Owner of JK Timber

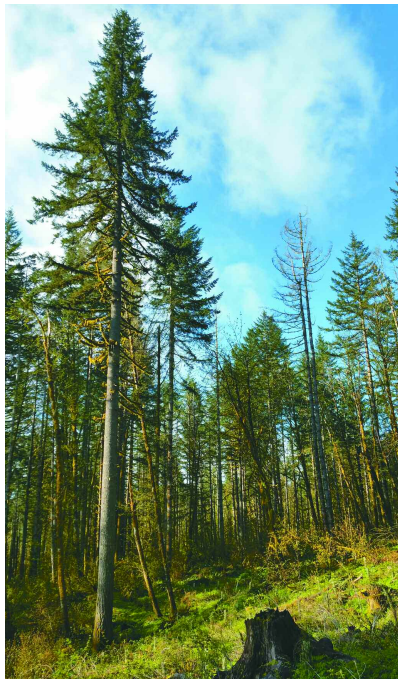
The modern business of forestry is a specialized and technical field, but like many others, it is at its core “the people business.” One of the most rewarding parts of the job (aside from getting to work in the woods!) is interacting with clients, contractors, and others in the business, and getting to know them through their stories and experiences. We recently caught up with Salem-area logging contractor and owner of JK Timber,



John Jungwirth, to hear his perspective on the business of operating a small logging outfit and how he has seen the industry evolve over his 45-year career.

John has become our regular logger for projects at the Trappist Abbey, and he has also done a great job on some of our other clients’ properties in recent years, including Richard and Anne Hanschu’s Dairy Creek tract and Metro’s Chehalem Ridge Natural Area. At Chehalem Ridge, John and his crew were instrumental in a large oak savanna restoration project in 2016—they removed 17 acres of Douglas-fir plantations, using a shovel, cat, and processor.

Like many loggers in the Pacific Northwest, John grew up around the business helping his father with his logging side and portable sawmill. He recalled some pretty wild stories from the old days, including a job near Silver Falls where the timber fallers were on such a steep slope that it



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took two people to cut one tree: one to do the cutting and the other to hold a rope that kept the cutter from falling off the cliff! Though the techniques of his father’s generation made for some good stories, John has been glad to see the industry evolve towards greater stewardship of the land and he is amazed at how much the resources have recovered since the enactment of Oregon’s reforestation and stream protection rules.

John has generally kept his business fairly small, which has allowed him to be more nimble and to take on a greater diversity of jobs and clients. Early on, John was in business with his brother and they had 10 employees, but he found it was difficult to stay profitable. Finding and keeping good employees was a constant challenge, said John, so he scaled back and has come to rely on contract cutters or his own mechanical harvester. Operating a smaller company has allowed him to

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Mark's Perspective on Forestland Ownership

Mark Miller

I bought my first forestland almost thirty years ago, when I was living and practicing forestry in Maine. It was a fabled 600-acre tract of back land I heard of from loggers. Except it turned out to be "only" 400-some acres, with almost a third in swamp. It had remained unsold for years because the long-time owner wouldn't sell to someone who would cut it all down. But he was amenable to selective harvesting. It had some mature timber, but a wealth of excellent young oak and maple that just needed some time to grow—a perfect opportunity!

You might think it would take a fortune to buy 400 acres, but land and timber values in Maine are a fraction

of those in Oregon. I was able to recoup half my investment in a first harvest, and while I have returned for three other harvests over the years there is more valuable timber there now than when I purchased. What made this property a good investment was its current value and high-quality young growth. Plus, it was close to home, had a network of roads and trails, and even a small cabin that made for many fond family memories!

Returning to Oregon years later I wanted to own forestland here, to practice for myself what I do for others. It was a completely different situation, and a difficult search. People had learned that Northwest forestland was a good investment—it became a seller's

market. Finding a property that was attractive, had some variety, was close to home, and fit my retirement timeframe was difficult. Now my wife and I own 27 acres in the Coast Range hide-away community of Harlan, with some of the most productive ground around, a stand of 20-year-old alder, and some older mixed forest that the eager seller didn't value fully.

I enjoy owning forestland because it's a tangible investment, one I can influence through hands-on management. I love being in the woods, spending time thinning and weeding, or just enjoying the natural world. It's therapeutic, like gardening. As my old forestry mentor Dave Perry said, "we're just gardening with really long-lived perennials."



Log Market Update

Following one of the wettest winters in recent memory, log markets in Northwestern Oregon have been strong and appear to have room to get even better. Snow and torrential rains slowed logging production significantly right up until April. Meanwhile, lumber prices nationwide increased dramatically, reaching a 13-year high this spring. On top of it all, the US just officially triggered a renegotiation of NAFTA, sending an even stronger message to the Canadians that it intends to protect US lumber producers from what it claims is subsidized production of softwood lumber.

That said, delivered log prices have been somewhat slow to respond to the lumber situation. Mills in the southern part of the Willamette Valley and down to Roseburg have been paying in the \$700s and up to \$800/MBF for Douglas-fir, while in the northern part of the Valley, prices are still lingering in the high \$600s. This seems to be due to increased competition in the Eugene-Roseburg areas as compared to the north. Export prices have increased in 2017 but only by small increments, allowing domestic producers within striking distance of Longview to compete well for logs without raising their prices much.

Meanwhile, western redcedar continues to be in short supply, with log prices reaching \$1700/MBF for long logs. The alder market has also been heating up again. We just completed an alder harvest that averaged nearly \$800/MBF.

All the forecasts seem to indicate prices will remain steady through the summer. Inventories remain low at many mills despite the log price increases. While we typically see price drops during the late summer months, this year could prove to be an exception due to the late start of spring.

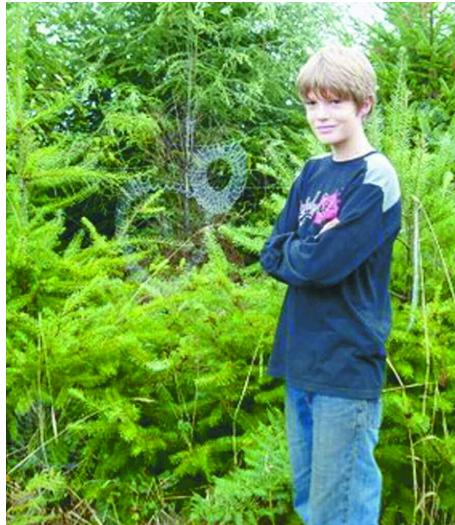
Scott's Perspective on Forestland Ownership

Scott Ferguson

I've often felt fortunate that my chosen profession allows me to manage forestland in the Pacific Northwest. Forests here are generally healthy, and are beautiful places to work as well as recreate. Much of the satisfaction of a forester's job comes from direct experiences in the woods with owners who are passionate about forest stewardship.

Ah, but wouldn't it be much more satisfying to actually own your own forest and have complete control of it? That thought can fester in a forester's mind for a while, eventually leading to powerful "itch" to buy forestland.

About twenty years ago I was able to scratch this itch by forming a partnership with a friend to invest in 80 acres of coastal timberland. The partnership worked well because of our mutual trust and the professional expertise that I could bring to the property management. As time went by I realized that my enjoyment from managing the forest was increased because I could share the experience with a friend and co-owner. Since that time I've purchased two other small woodland tracts as retirement investments.



Scott's son, Devin, on his property on Trout Mountain in 2005.

How has this all worked out? On the whole quite well, with some notable ups and downs. It's given me a new perspective and understanding of the forest owners that we serve every day in our business. When the winds blow or the snow and ice falls I worry about the impacts on our family's forests. I've seen our recently thinned young alder plantation heavily damaged by snow and ice. On balance the setbacks have been minor in comparison to the days of enjoyment spent walking and working in those beautiful places. The trees grow every year, gaining value

with disregard for the temporary ups and downs of the markets in our hectic, over-stimulated business world.

Most forest owners value their property for a multitude of reasons. Watching a beautiful forest develop is a lot more fun than checking your investment portfolio and it can be at least as financially rewarding. It can lead to long term relationships with adjacent landowners, loggers, and the local community. In short, it is life-enriching in a way that other investments are not.

And what about the concept of forest ownership? In the traditional sense we do not really "own" natural resources. We are required by law to protect the soil and waters and wildlife of the forest and to quickly replant if we harvest. In fact, most forestland owners are stewards of their resource for a relatively short period of time, a few decades usually, then the "ownership" passes on to strangers—or if they are lucky—to interested family members. Whether we own them or not, forests are bountiful gifts of nature and can provide opportunities to work and reflect, to restore our spirits and to reconnect to the natural world.

John Jungwirth, JK Timber, continued from page 1

work more with family forestland owners and consultants, and to focus on quality. Building trust and a good reputation with clients and employees is critical, he says, "otherwise your name won't be out there for long!" Running his own business also permitted John the flexibility to take time for his family and coach his kids' baseball and soccer teams.

Despite the industry-wide trend towards bigger equipment, efficiency, and consolidation, John remains optimistic about the future for small logging companies. He acknowledges equipment costs are a real barrier for up-and-coming loggers, but the family forestland niche is an important one, he says, and one the big players are not often set up for. He attributes being successful and staying productive through the wetter weather to those good relationships he has built with his clients and contacts in the business. On a parting note, we asked John what he finds most rewarding about working out in the woods: "I like to look back and see how a stand grows after a thinning or final harvest, with proper management... It's fun to drive through a tree farm and see the different stages in the life of a tree."

We at Trout Mountain were saddened to hear about the untimely passing of Tucker Christensen, a young Oregon Department of Forestry (ODF) stewardship forester out of the Toledo Office. Those of us that worked with Tucker remember him fondly for his positive energy in bushwhacking to obscure Coast Range fish streams with us to determine their status, as well as his dedicated commitment to resource management on behalf of all Oregonians. Our heartfelt condolences go to his wife Sally and their families.



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Corvallis Forester Updates

Mark

For Mark spring means mountain biking, and this year he's gearing up for a big life-list goal.



In July he will compete with 600 others in the BC Bike Race, a 7-day mountain bike stage race in British Columbia. After 300 km and 9,000 meters of climbing it will make timber cruising in the Coast Range seem easy!

Matt

Dr. Klaus Puettmann said in his book "A Critique of Silviculture" that forests are like teenagers: we try to understand them but can't predict their behavior. Matt has been trying hard to put his experience in the woods to good use at home with his two girls Marielle (15) and Lily (12) as he and his wife Julia navigate piano lessons, constant requests for another dog, dance classes, soccer and honors geometry. So far so good!



Shane

Shane has been easing into life in Corvallis well. He has enjoyed getting to know the community better through Spanish classes at Linn-Benton Community College and volunteering with Benton County Search and Rescue. He recently proposed to his girlfriend Shannon Murray, another forester! They are both excited for Shannon to move out to Corvallis after her fellowship as the Yale Forest Manager in New Haven, Connecticut has concluded.



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