

# **Recognizing and Assisting Sustainable Forest-Based Business Opportunities**

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## **I. Introduction**

- A. Sustainability – Includes biological, economic, and socio-cultural elements;
- B. Recognizing Forest-Based Business Opportunities - Will discuss problem and opportunity identification in more detail;
- C. Assisting Development of Forest-Based Business Opportunities - Stringing together partners and funding sources;

## **II. Audience Interests**

Question: “What do you hope to gain from the time invested?”

## **III. Sources Contacted for Local Examples**

- A. Bob Gorman, U. of AK Extension, Fairbanks
- B. Sitka Wood Center – Ken Kilborn, Linda Christian, and Dan Parrent
- C. Jack Phelps, AK Forest Association
- D. Bob Hausley, FS Regional Appraisal Specialist
- E. Owen Graham, LP Resource Mgr.
- F. Tom Marks, Timber Mgt. Asst., Thorne Bay RD
- G. Gene Davis, Consultant, International Resources Unlimited

## **IV. Similarities to Western U.S.**

- A. Federal Timber Supply Dependence – Including quantity, quality (smaller average diameters), and consistency;
- B. Examples of Federal Timber Sale Contract Issues – Appraisal system and results; mix of timber sale sizes; sawlog vs non-sawlog definition; operating constraints (e.g. specified harvest systems); utilization standards;
- C. Examples of Sale Design Issues – Specified logging systems (e.g. excessive use of helicopter logging) and specified roads (appears to be more concern about cost of spec. rds. and other rd. construction issues in SE AK than Western U.S.);

D. Examples of Primary Processing Issues – Harvest and transportation costs; power costs; dry kiln capacity; economics of mill upgrades; economics of value-added upgrades; grades appropriate to characteristics of local species;

E. Examples of Market Issues – Markets for low-grade and residuals; distance to markets; access to local lumber and other forest product markets; lack of contact with Lower-48 markets and international markets; and lack of locally-produced crafts for tourism markets;

## **IV. Identifying Forest-Based Business Opportunities**

A. Three-Phase Approach – 1) Pre-Field Interviews and Research; 2) On-Site Interviews; and 3) Project Development and Follow-Up Based on Interview Results and Other Leads;

B. Examples of Phase I/Opportunity Identification (Problem Definition) Questions

### 1. Resource Availability

- a. What commercial forest resources and volumes (e.g. logs and special forest products) are currently available and accessible (legally, socially, and environmentally)?
- b. What forest resources and volumes may become available which are suitable for commercial purposes, and can be harvested and processed in an environmentally benign or beneficial manner?
- c. Are there special or unique circumstances where forest resources may become available for commercial purposes?

### 2. Processing and Utilization

- a. What is the nature and extent of the local and regional forest products industry infrastructure?
- b. What forest products are locally produced and commercially available in the local area? How are they processed?
- c. What forest products are imported that could be economically produced and distributed locally?

### 3. Recycling

- a. What recyclable forest products are used or imported, and are there economically viable opportunities to increase recycling?

### 4. Marketing

- a. Who is buying locally-distributed forest products, what are they buying, how much, and at what price?
- b. What distribution channels are used for locally-produced forest products, what is being distributed, and how much?

## **V. Examples of Projects Used to Develop Forest-Based Business Opportunities**

### **A. Resource Inventories & Industry Capability Assessments**

1. Regional Industry Infrastructure Surveys (may include special forest products [SFP]);
2. WJ Resource Inventory;
3. Scientific Red Flags;

### **B. Manufacturer Interest & Capabilities**

1. Manufacturer Survey for Western Juniper (WJ) Furniture Market;
2. Pacific Yew, and WJ Kiln-Dried (KD) Lumber, and WJ Finger-Joint/Edge-Glued Panel Distribution;
3. Peddling Wood and Samples at Association Meetings and Trade Shows;

### **C. Markets, Products & Distribution Channels**

1. WJ Furniture and Crafts Market Research, and Marketing Trials;
2. WJ Fencing and Landscape Timbers Market Research, and Manufacturing and Marketing Trials;
3. Animal Bedding Shavings Market Research, Manufacturing, and Marketing Trials (e.g. absorbency, odor masking, decomposition, dermatological effects, and blood sampling for toxicity indications);
4. WJ and Port Orford Cedar (POC) Oils Market Research and Marketing (examples range from bioactivity screening to extracting commercially-valuable compounds, and literature reviews to defining research programs with industry and university scientists);
5. Trade Shows and Trade Show Training Proposals for Crafts Producers;
6. Web Sites and Brochures;
7. Assisting With Writing and Editing Marketing Materials;
8. “Free Ink” and Trade Journals/Publications;
9. Special Forest Products Buyer/Supplier Connections (e.g. WJ boughs, and wreath makers and floral suppliers);

### **D. Science & Technology**

1. Oils and Extractive Compounds Research (WJ wood and bark, and Port Orford cedar residuals from arrow shaft manufacturer);

2. WJ Fiber, and Physical/Mechanical Properties Research; [*Note AK Manufacturer's Assoc. and AK Science and Technology Foundation plans for facility and program in Ketchikan*]
3. WJ Science Publication Synthesis (state legislative funding);
4. Extruder Design Testing for Plastic/Wood Fiber Composites;
5. WJ Bark/Concrete Trials;
6. Apiary Integrated Pest Management Using WJ Products;
7. Corral Top Board Species Effects on Horse Chewing Behavior;

#### E. Sales & Harvest

1. Central Oregon Primary Processing Survey Results (e.g. size of sale; sale design; sale constraints; required Brush Disposal [BD] deposits; sawtimber and non-sawtimber criteria; and utilization standards); [*Note Thorne Bay micro-sale needs and process; Sitka Wood Cntr. examination of sale sizes*]
2. Harvest Trials – WJ Delimiting Equipment; Time/Motion for Modified and New WJ Harvest Systems; Compaction Study; [*Note Sita Wood Cntr. time/motion studies to improve accuracy of appraised rates; regional appraisal review of timber harvest, processing, and sales components*]
3. Legislation – WJ and Oregon Forest Practices Act; WJ and Oregon Harvest Taxes;

#### F. Primary Processing

1. Appropriate Log Scale for WJ;
2. WJ Debarking (and uses for bark);
3. WJ Lumber and Grade Recovery;
4. WJ Log Storage Methods and Grade Recovery;
5. WJ Dry Kiln and Drying Trials (dehumidification; steam; vacuum; air; RF/sliced veneer); [*Note regional efforts to obtain Fed. matching funds for dry kilns;*]
6. WJ Saw/Dry/Rip Recovery Study;
7. Veneer Slicing and Drying; [*Note local company considering option to improve small log processing recovery;*]
8. Log Yard Residuals - Market Feasibility and Processing Options

#### G. Secondary Processing

1. KD WJ and Pacific Yew Lumber for Manufacturer Trials;
2. Internal and External Finishes;
3. Moisture Meter Correction Factors;
4. Fingerjoint/Edgeglue Panel Trials;
5. Grade Establishment; [*Note AK grading efforts, as well as testing;*]

#### H. Public Awareness & Involvement

1. Industry Associations – Ex. WJ and Northwest Wood Products Association; Northwest Forestry Association; Small Woodlands Association; Cattleman’s Association; Various Ag. Associations;
2. Communities and Economic Development Organizations
3. Elected Officials
4. Media
5. Environmental Groups and Organizations

#### I. Government Agency Awareness and Involvement

1. Federal – FS; BLM; Fish and Wildlife;
2. Tribal/Native
3. State – State Forestry; Fish and Wildlife; Environmental Protection Agencies; Watershed or Other State Boards;
4. Local – Soil & Water Conservation Districts; Quasi-Govnt. Watershed Groups/Organizations, and Producer Associations/Organizations (e.g. boards and commissions);

#### J. Technology Transfer, Economic Development, and Training

1. Grant Sources Used for Forest Product Projects – Oregon Lottery Programs; Federal Old Growth Diversity; Federal Economic Adjustment Initiative; U.S. Fish and Wildlife; Oregon Department of Fish and Wildlife; Federal Rural Development Administration; Oregon Legislature;
2. Tech. Transfer Agents and Cooperators – Exceed 100 public entities and private companies (includes extension);
3. Communication Techniques – One-to-one; formal presentations; targeted briefing papers; newsletters; web sites; formal publications; legislative testimony; workshops; forums; field trials; management demonstration areas;

## VI. Summary and Reality Check

### A. Who Connects All This?

1. Importance of individuals; associations; informal or formal organizations; state and Federal agencies; and elected officials; [*Note AK Manufacturer's Association conference calls.*]
2. Importance of consistent communication and networking;
3. Importance of realistic time frames, and combination of public and private funding;
4. Importance of someone taking the lead to follow-up, track, investigate, and communicate about current and potential projects;

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