

Supplemental Information to the Post & Pole Producers Survey

Intermountain Roundwood Association

March 14, 2024

Steve Courtney



Purpose of the Survey

1. Strengthen the Industry's Supply Chain

- Understand the volume of raw material required to maintain the industry and the amount that could be used at industry capacity
- Understand the sizes and species of material used for roundwood products
- Understand the methods and units of purchasing raw materials

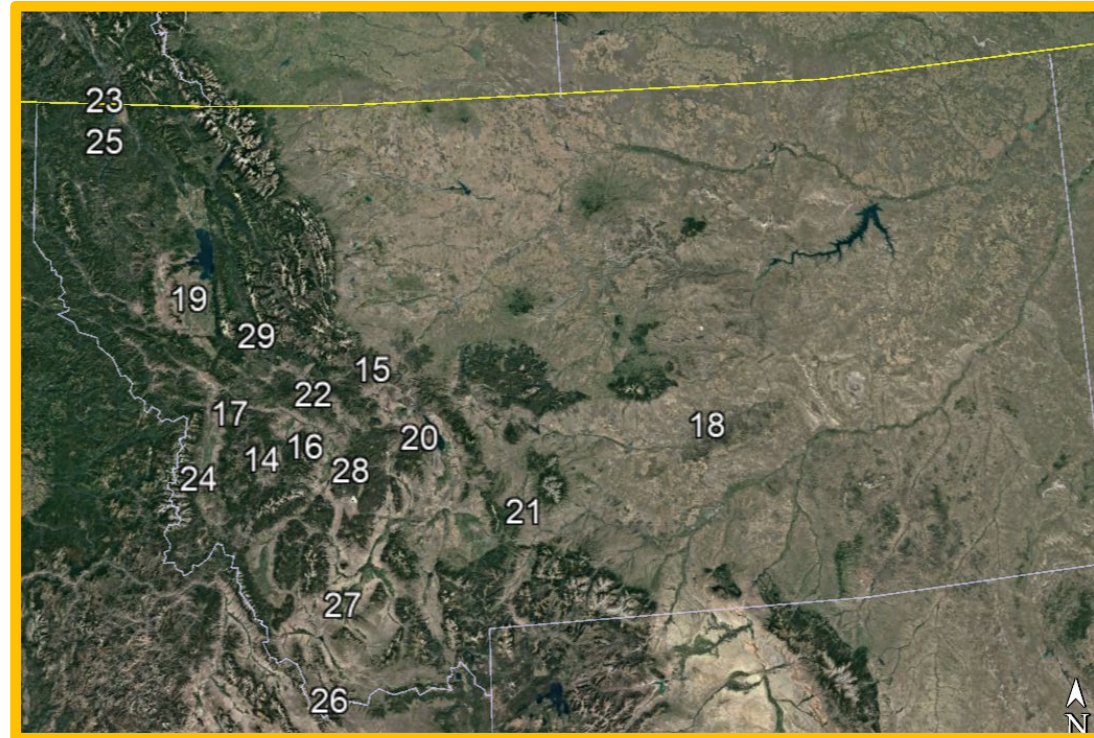
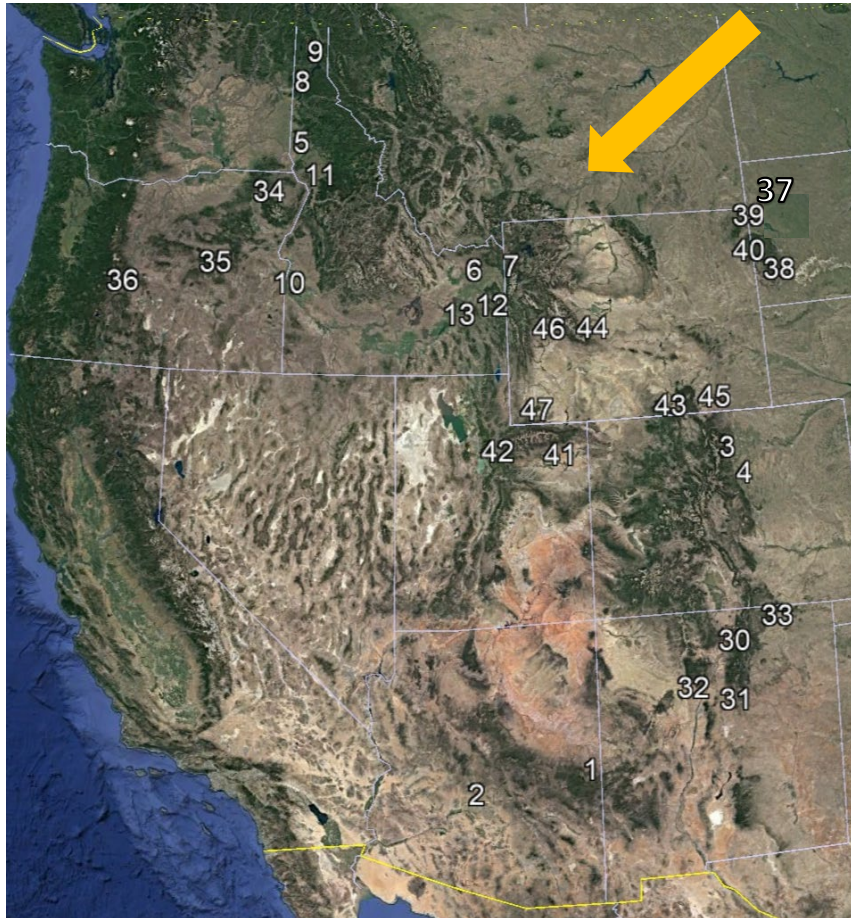
2. Enhance Knowledge about the Roundwood Industry Including Manufacturing and Markets

- Types of products
- Demand for products
- Marketing
- Size of the industry

3. Identify Strategies to Enhance Industry Vitality

- Understand industry-related issues
- Identify roadblocks to success
- Listen to participants to identify success and ways to achieve it

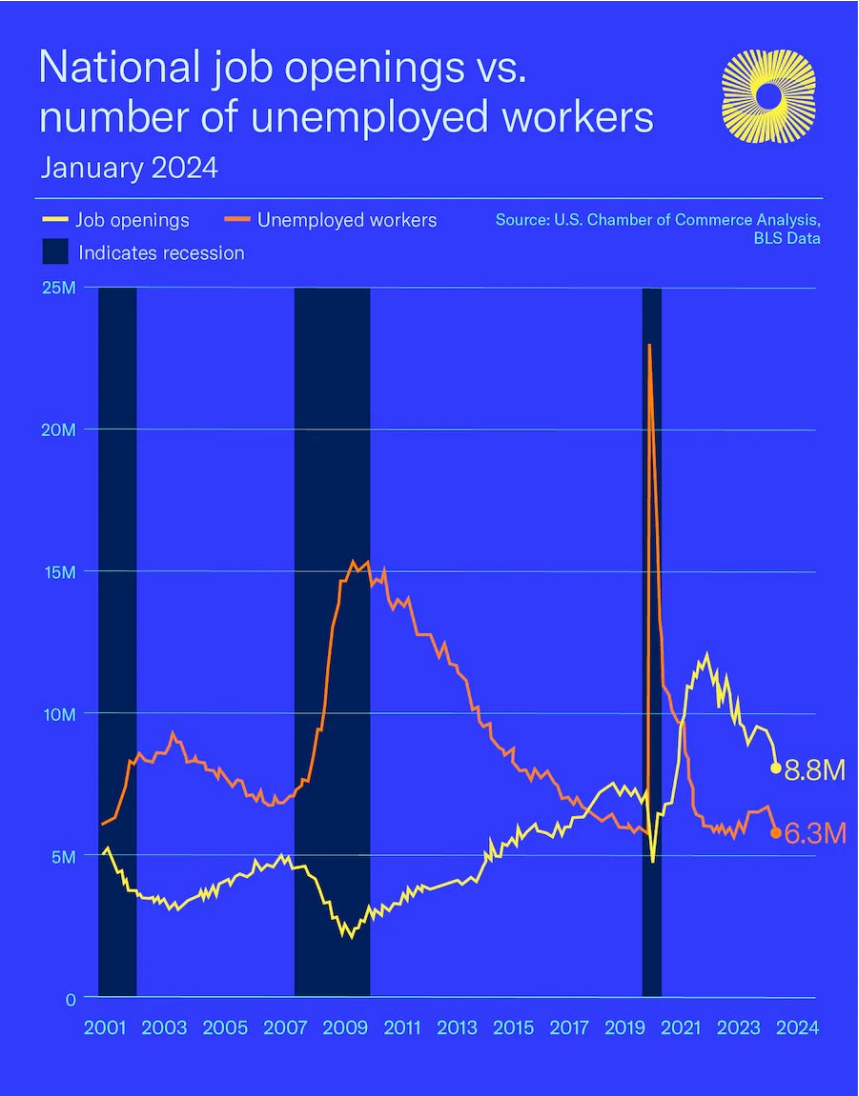
Post and Pole Producer Map



Discussion on Information Discovered during the Survey

- The primary limitations to production were **Raw Material Supply** and **Labor**.
- **Generational Change** is occurring and will continue.
- Producers reported **Strong Demand**.
- **Markets for Firewood, Shavings** and other **By-Products** are important to the industry.
- Philosophy on **Product Pricing** varies.
- Access to **Broader Market Information** could help all producers.
- **Communication** between producers on industry practices across supply regions could help all regions.

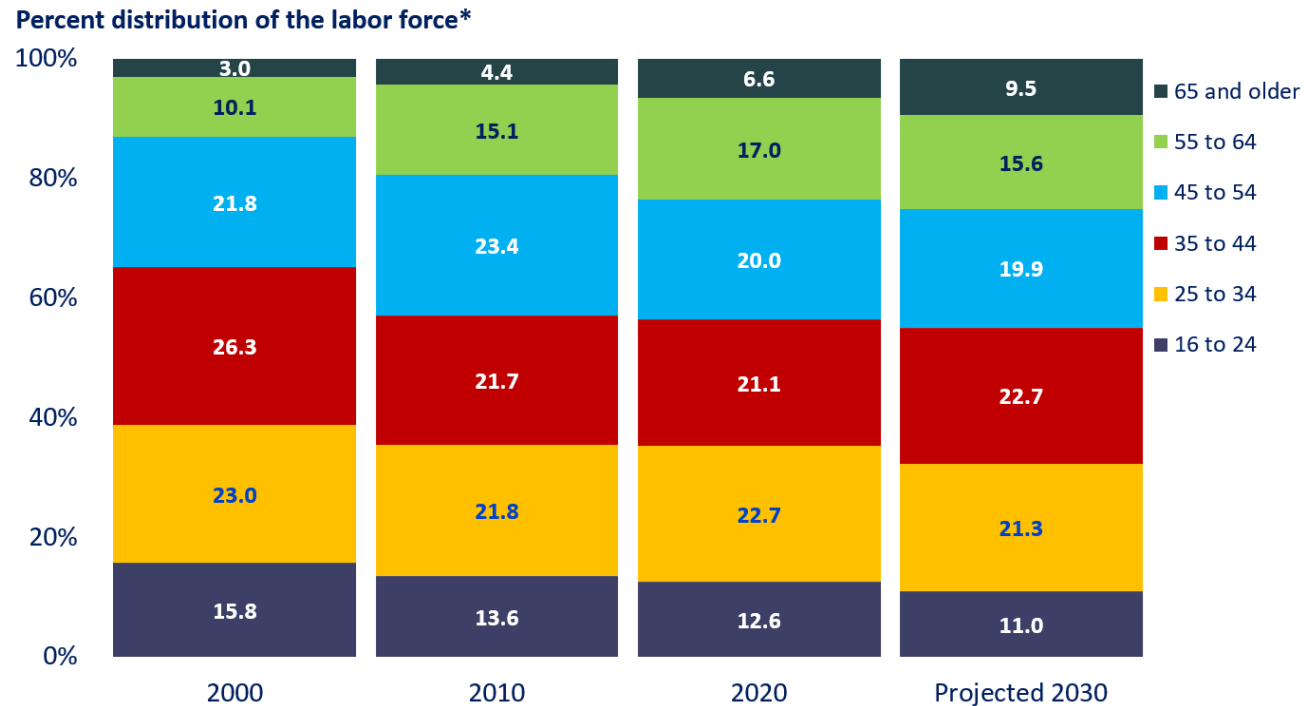
Labor Shortage



Source: U.S. Chamber of Commerce

Workforce Age

Labor Force Share, by Age Group, 2000, 2010, 2020 and Projected 2030

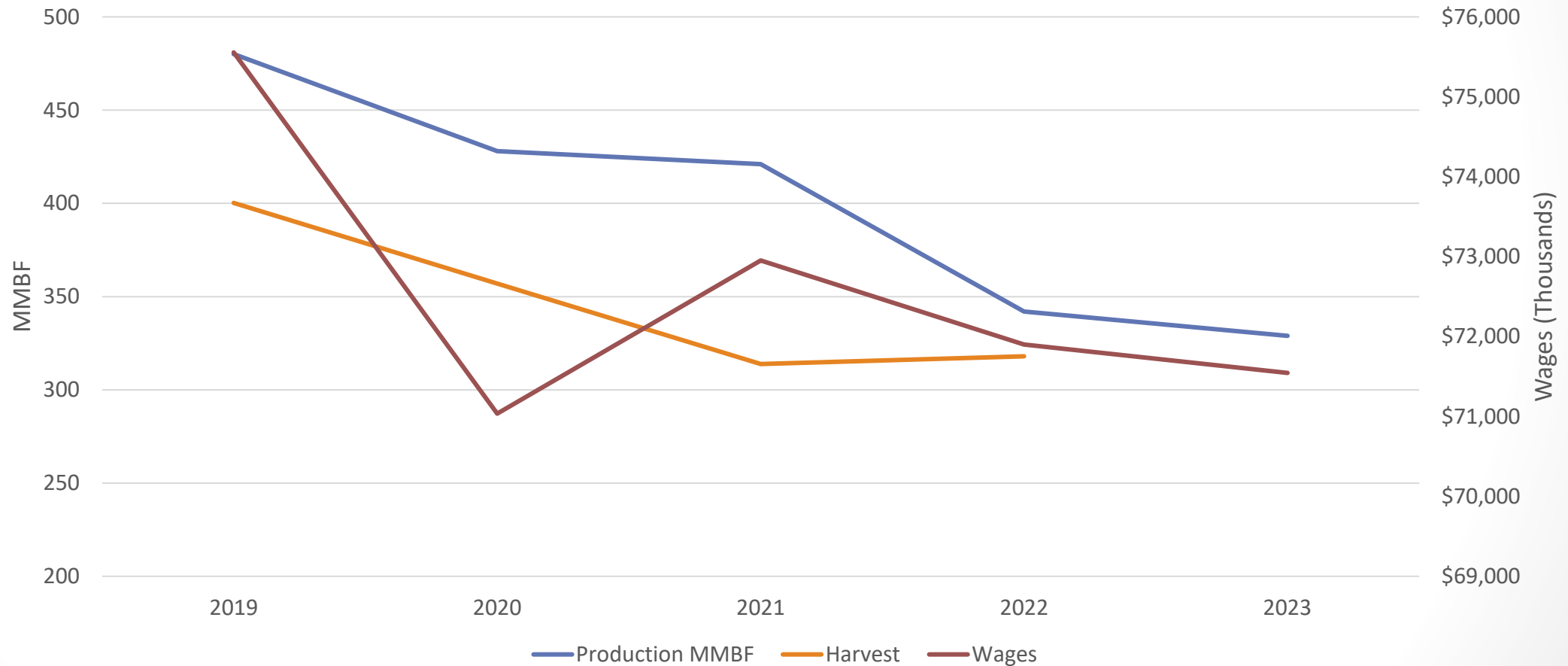


*Data may not sum to 100 percent because of rounding

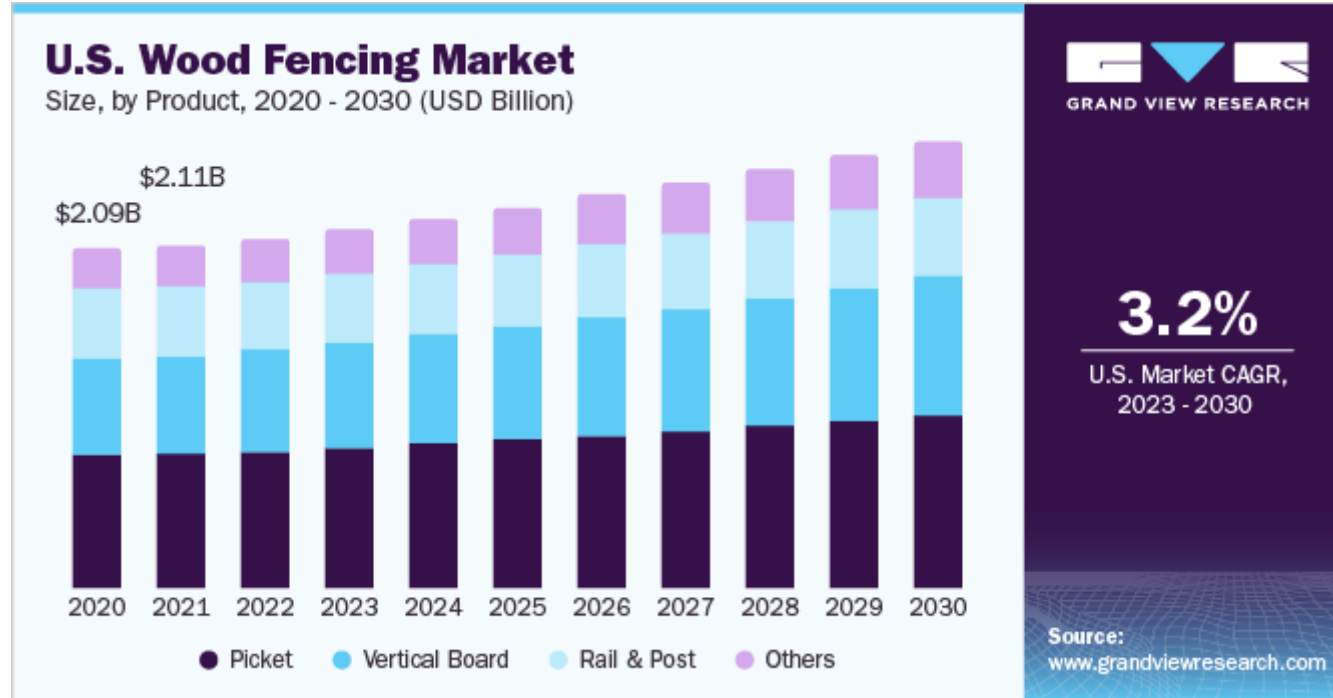
Source: Bureau of Labor Statistics

Montana Wood Products Industry

Montana Wood Processing Production and Wages

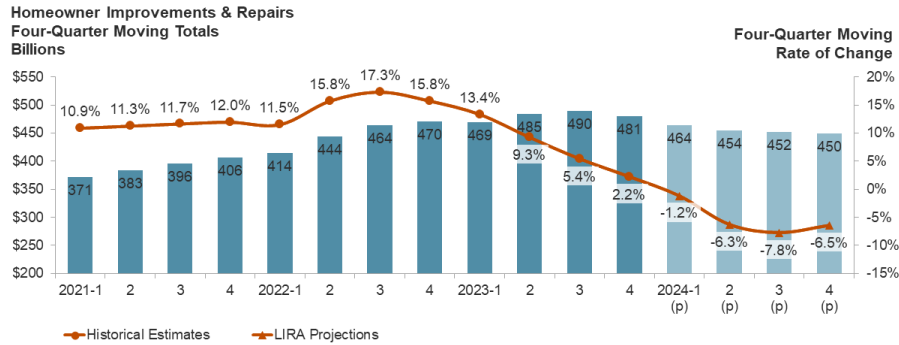


Demand



Demand

Leading Indicator of Remodeling Activity – Fourth Quarter 2023

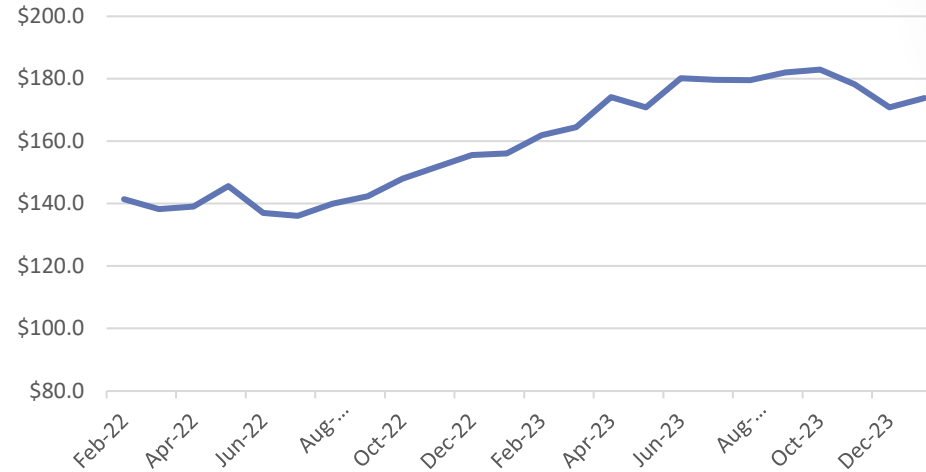


Notes: Improvements include remodels, replacements, additions, and structural alterations that increase the value of homes. Routine maintenance and repairs preserve the current quality of homes. Historical estimates since 2021 are produced using the LIRA model until American Housing Survey benchmark data become available.

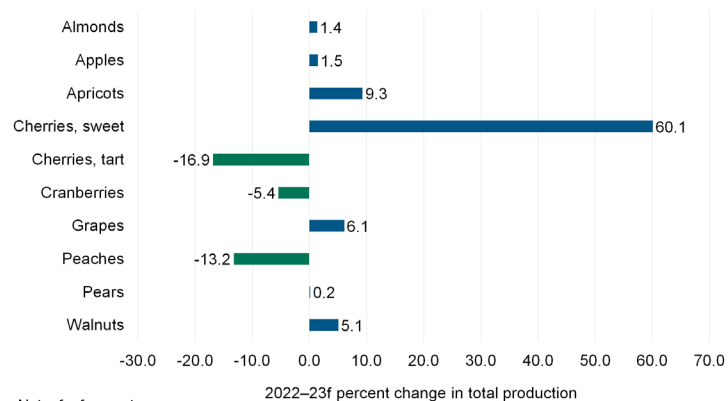
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Joint Center for Housing Studies of Harvard University JCHS

5-market steer price



Year-to-year production changes for selected fruit and tree nuts, 2022–23f



Note: f = forecast.

Source: USDA, Economic Research Service based on data from the USDA, National Agricultural Statistics Service, *Crop Production* (June, July, and August 2023 issues).

For 2024, USDA’s National Agricultural Statistics Service (NASS) forecast predicts almond, apple, apricot, grape, pear, sweet cherry, and walnut production up while peach, tart cherry, and cranberry production are expected to decrease.

Firewood



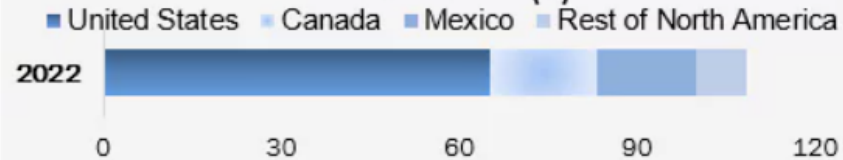
45%
North America Firewood Market
accounted the largest share in
2022



5.7% CAGR
Firewood Market is
expected to grow at a CAGR
of 5.7% during 2023-2029

Firewood Market

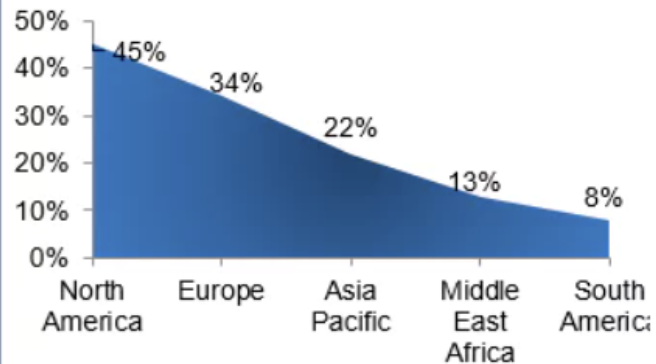
North America Countries Share in the Firewood Market
Market in 2022 (%)



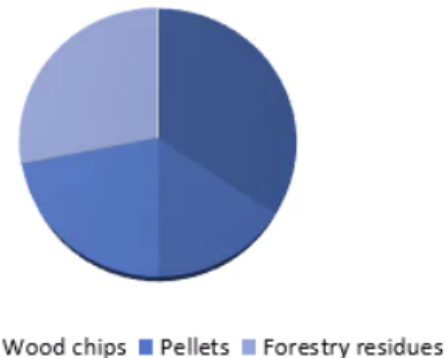
Firewood Market Size

Year	Market Revenue in Million
2022	US\$ 925.5 Mn
2029	US\$ 1355.3 Mn

Global Firewood Market by Region (2022)



Firewood Market Wood Type Segment
Revenue Share (%), 2022

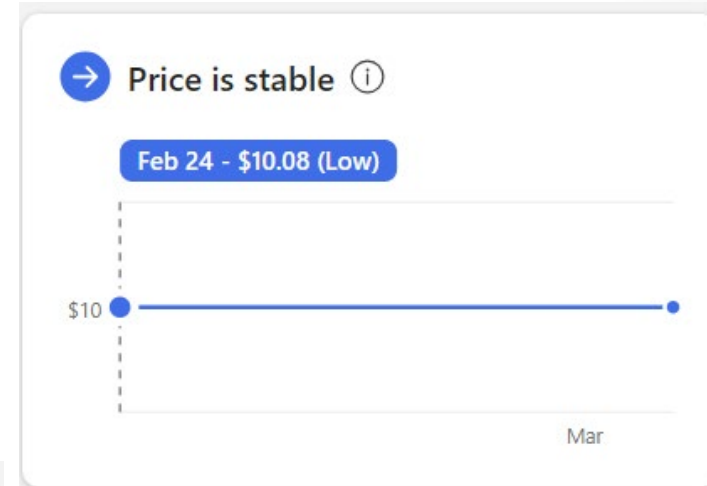


Cost Comparison

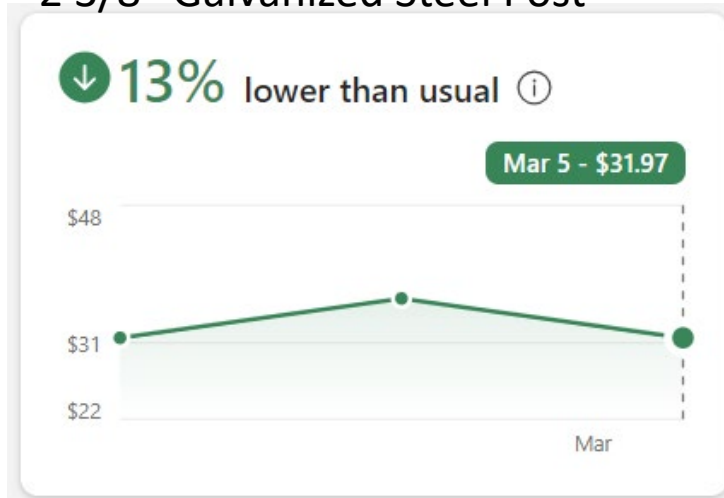
Pressure Treated 4"x4"x8'



4"x8' Pressure Treated Round Wood



2 3/8" Galvanized Steel Post



Sharing Information on Industry Standards

Subject: Regional Provisions RO-C6.825# - Scaling as Presented (Sales by Load Count)

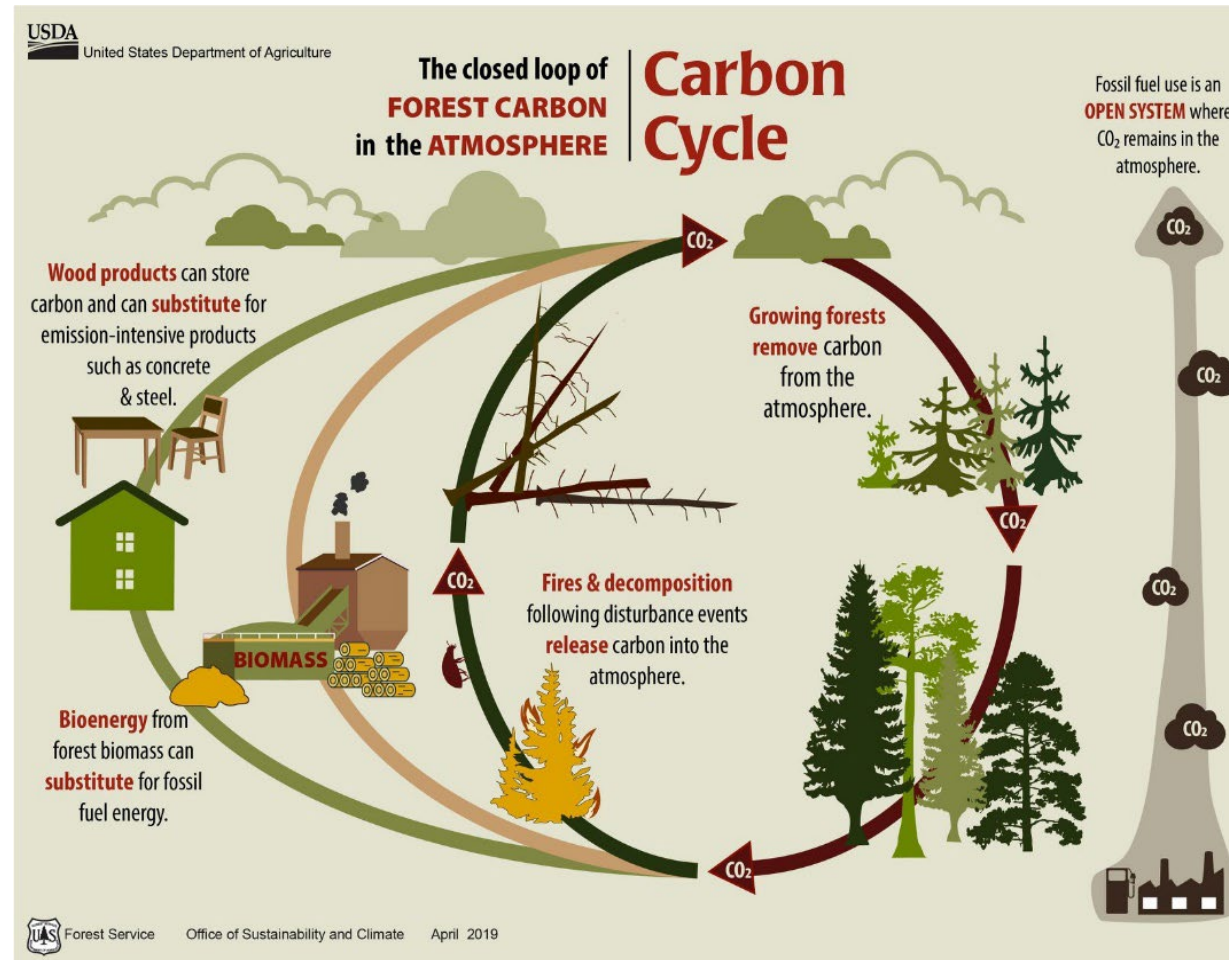
To: Forest Supervisors

Enclosed for your immediate use is the following regional contract provision. This new provision is to be used in conjunction with scaled (3S, 6 or 13) contracts in which a suitable scaling facility is unavailable and when it is determined scaling by load count is an appropriate method of measurement. Volume removed will be paid based on a predetermined conversion factor (tons/load) based on maximum gross vehicle weight and purchaser equipment configurations. Per B6.84, Accountability Agreement – Load Count Timber Sale will be signed and effective prior to hauling. This provision is approved for use on sales appraised at \$4.00/Ton or less.

Total sale volumes for load count sales will be calculated using Cruise Processing. Work with your Regional Timber Measurement and Sale Administration Specialist to determine truck volumes and weights by trailer configuration. Please confirm that adequate and updated weight factors are available for the products being sold. In addition, during the early rollout and use of load count, work with your Regional Specialist's to determine if a load count weight sale is the right tool for use.

Opportunities

- The Roundwood Industry Needs to Join the Story of Reducing Fire by Removing Small Trees and Sequestering Carbon in Long-lived Products



Thank You

Western Wood Preservers Institute
Intermountain Roundwood Association
United States Forest Service
Post & Pole Producers



Questions?



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