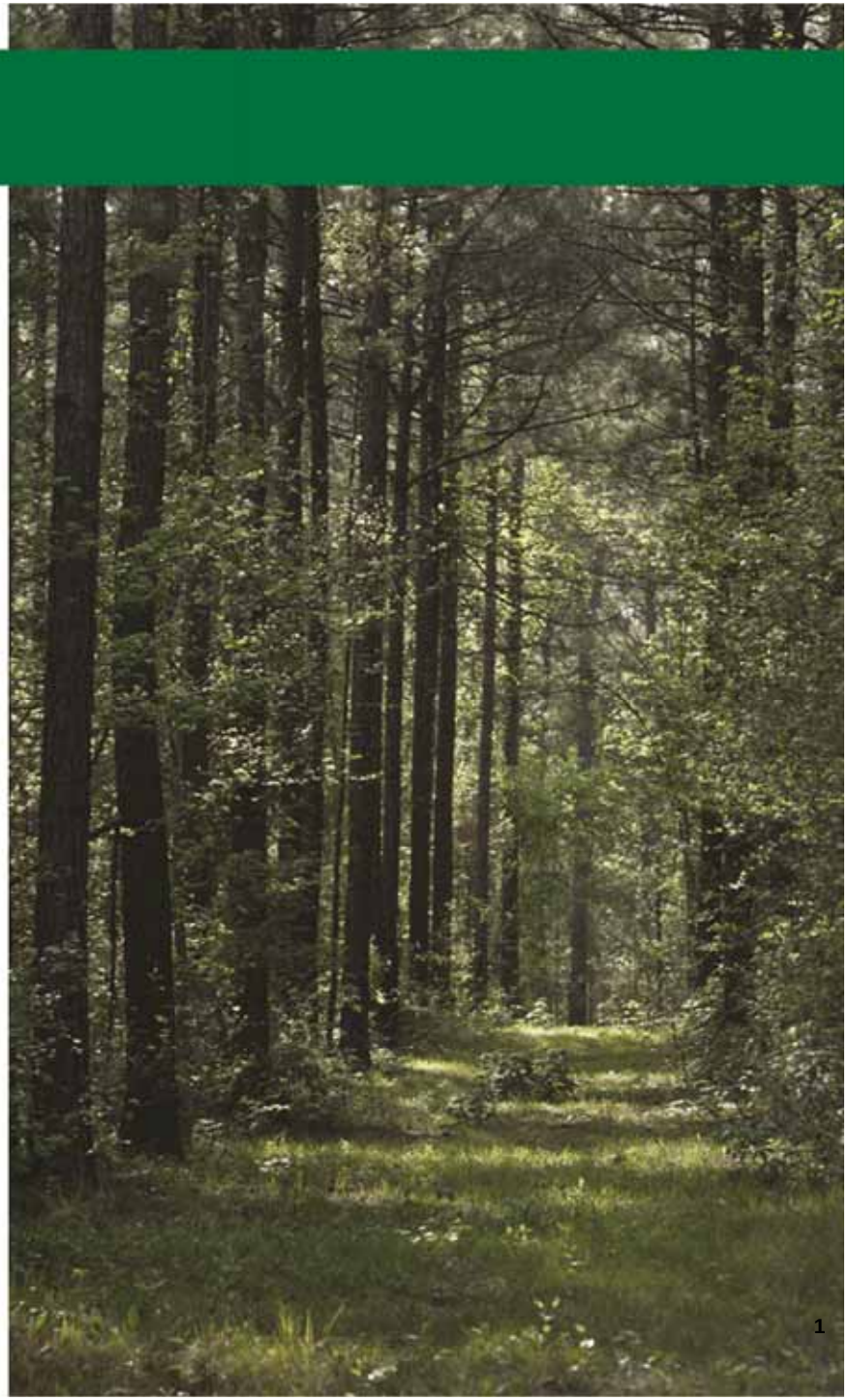
The right log,
at the right mill,
at the right price,
at the right time . . .



- **There is nothing more important from a financial stand point than the most profitable sourced log.**

- **Logs constitute 50% plus of Capital Outlay for an operation or <u>more</u>.**

- Log taper relationships
- Log diameter relationships
- Log length relationships
- Species
- Residual values

- **Influence and set**
  - ✓Mill production
  - ✓Mill overrun
  - ✓Mill efficiency
    - – wood to wood time
  - ✓Mill conversion costs
  - ✓Mill moral
  - ✓Mill Safety
  - ✓Mill flow/tempo/rhythm

Potlatch Land & Lumber, LLC

Wood Products Division

St. Maries Plywood

Doug/Red Fir Log Tests

Test Type - Deck Camp Run

Test Number Test Run Date	Test #1	Test #2	Test #3	Test #4	Test #5	Test #6	Test #7	Test #8	Test #9	Test #10	Test #11	Test Summary
Peel Thickness												
Log Scale Volume MBF-Gross												
Log Scale Volume MBF-Net												
Log Defect												
Scanner Block Scale												
Average Small End Log Diameter (Inches)												
Average Log Length (Feet)												
Average Block Diameter (Inches)												
Veneer Recovered-3/8's												
Lathe Run Time (in minutes)												
Lathe Production Rate (M-3/8's Per Hr)												
Dryer Run Time												
Dryer Production Rate												
Gross Veneer Recovery												
Market Value of Green Veneer Recovered												
Market Value of Dry Veneer Recovered												
% 54's of Veneer Peeled												
Projected Net Recovery												
Projected Veneer Yield												

St. Maries Plywood
Doug/Red Fir Log Tests
Test Type - Diameter Test

	Pre-Project				Post-Project			
Diameter Class	10-14	15-19	20+	Weighted	10-14	15-19	20+	Weighted
Diameter Weighting (2013 Distribution)	0%	0%	0%	Average	0%	0%	0%	Average
Number of Tests								
Log Scale Volume MBF-Gross								
Log Scale Volume MBF-Net								
Log Defect								
Average Small End Log Diameter (Inches)								
Average Log Length (Feet)								
Gross Veneer Recovered-3/8's								
Lathe Run Time (in minutes)								
Lathe Production Rate (M-3/8's Per Hr)								
Gross Veneer Recovery								
% 54's of Veneer Peeled								
Net Veneer Recovered-3/8's								
Projected Net Recovery								
Projected Veneer Yield								

Sawmill
Cut
Setup (All)
Log
Length
Class (Multiple Items)

St. Maries Lumber

Return to Log Test Summary

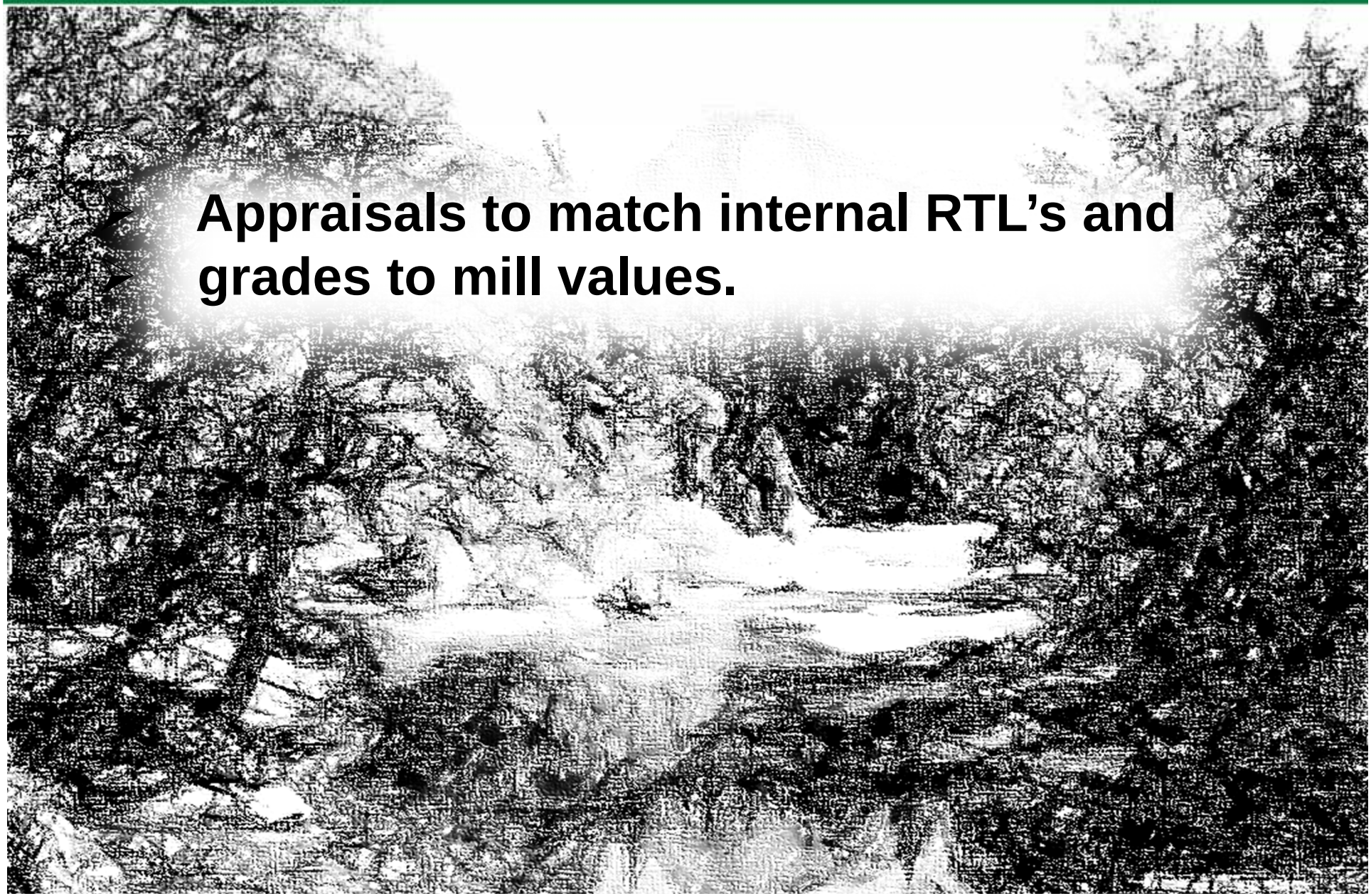
	Number of Tests	Net Log Volume	Grs Lumber Prod	MBF Prod/Hr	Waste %	Net Lumber Prod	Net Overrun	$ Sales Value	Sales Value P/MBF	Net Fiber Cost P/MBF	Processing Costs P/MBF	Sales & Admin Exp P/MBF	Net Profit	Profit/MBF (Log Scale)	Profit/Hr	Breakeven Log Cost $/MBF	Cash Breakeven Log Value
Cedar																	
6-7																	
8-9																	
+10																	
Doug Fir																	
6-7																	
8-9																	
+10																	
ESLP																	
6-7																	
8-9																	
+10																	
Hem Fir																	
6-7																	
8-9																	
+10																	
Larch																	
6-7																	
8-9																	
+10																	

- **Don’t Test Camp run**

- **Test diameter groupings**
  - The more granular the better

- **Test for Regional differences**
  - Shake in areas/elevation bands
  - Depth of grade. Can be differences in black knots/grade for same diameter groupings.

- **Internal log grades to match-up fit product grades/builds etc.**
  - Quadrant faces/sorts to needs.
  - Number of indicators to determine deck sorts to correlate to market pull and demands.


Appraisals to match internal RTL’s and grades to mill values.

- **Real world – use RTL's to set pricing matrix to encourage the higher value logs to be sorted for delivery and discourage lower value logs coming in – Optimize you mix!**
- **Get the right logs on the bus and the right logs off the bus and the right logs in the right seats.**