

# Measuring and pricing models for sawmill chips in Sweden

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Area 185 000 km<sup>2</sup>  
Population 6.4 million



Area 255 000 km<sup>2</sup>  
Population 3.7 million

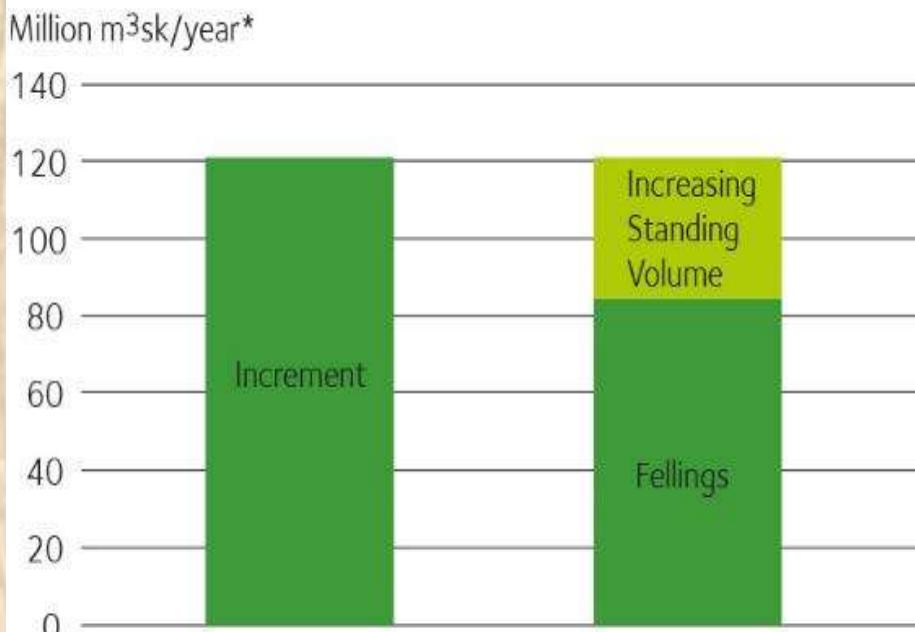


Area 450 000 km<sup>2</sup>  
Population 9.6 million

Sweden has about the same area and population as Washington

# Growing forests and expanding industry

## Growth is Larger than Fellings 2012



\*) m<sup>3</sup>sk = Forest Cubic Meters

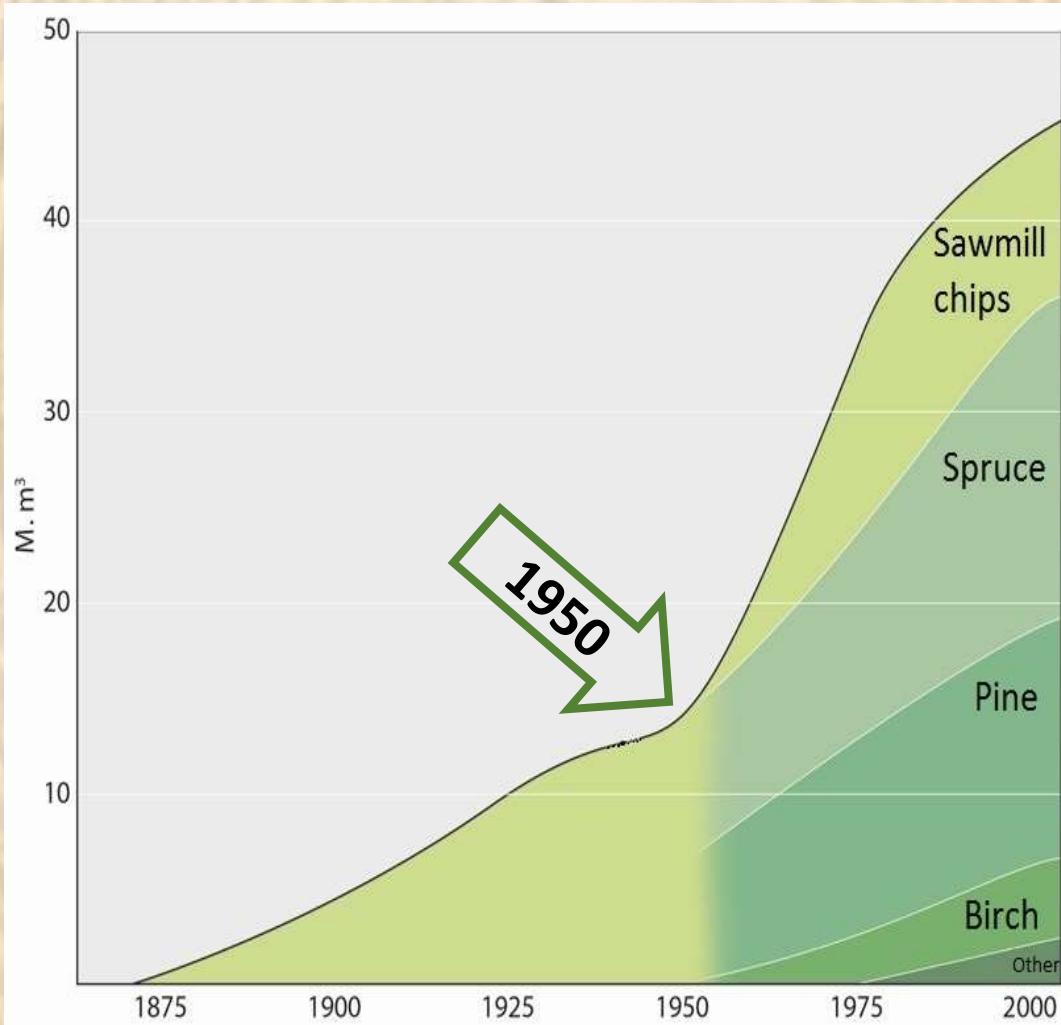
Source: Swedish National Forest Inventory

# Sweden

- 41 Pulpmills
  - Production: 12.6 million tonnes per year
- 130 Sawmills
  - Production: 17 million m<sup>3</sup> sawn wood per year

# Raw material supply

75 % Pulpwood 25 % Sawmill chips



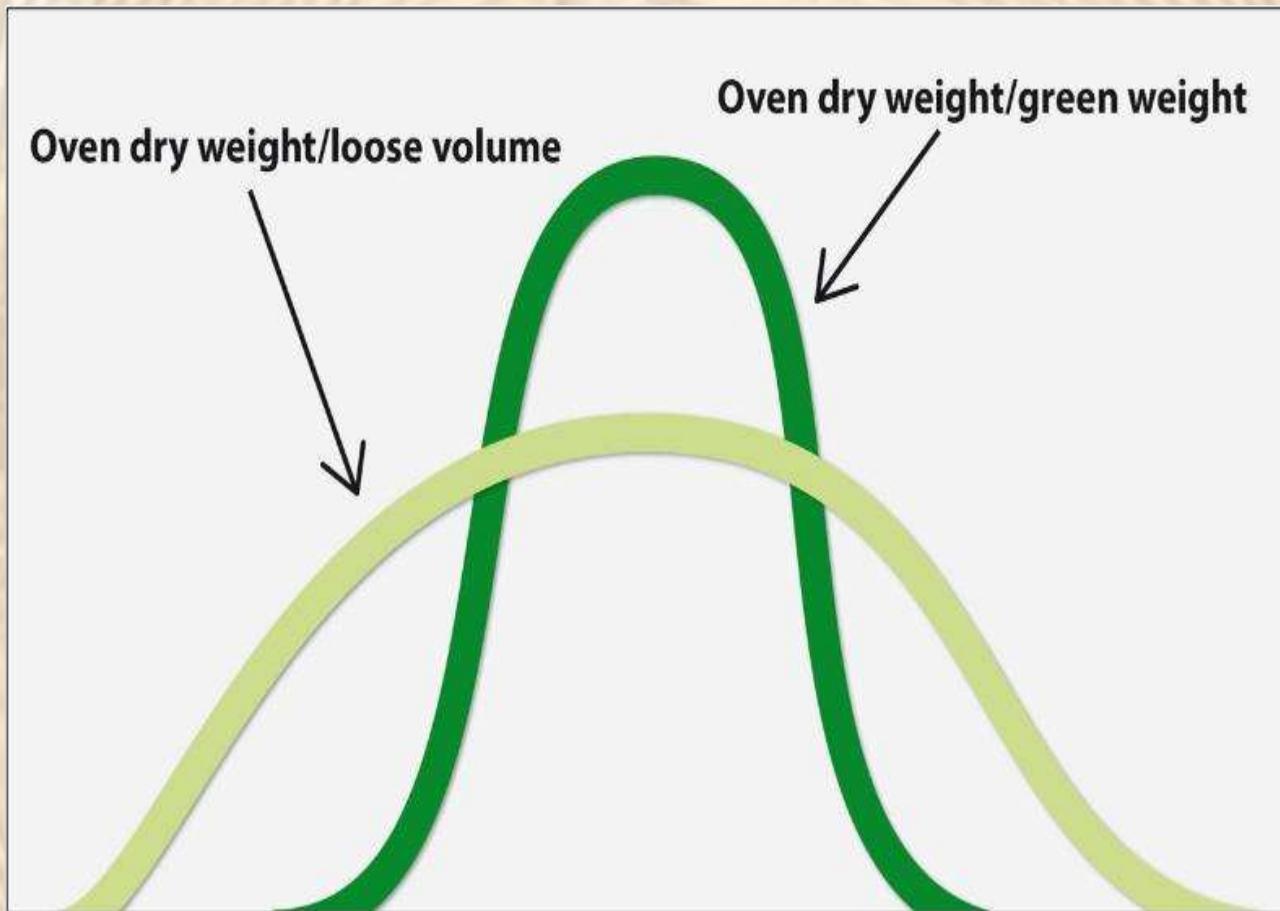
# Transport



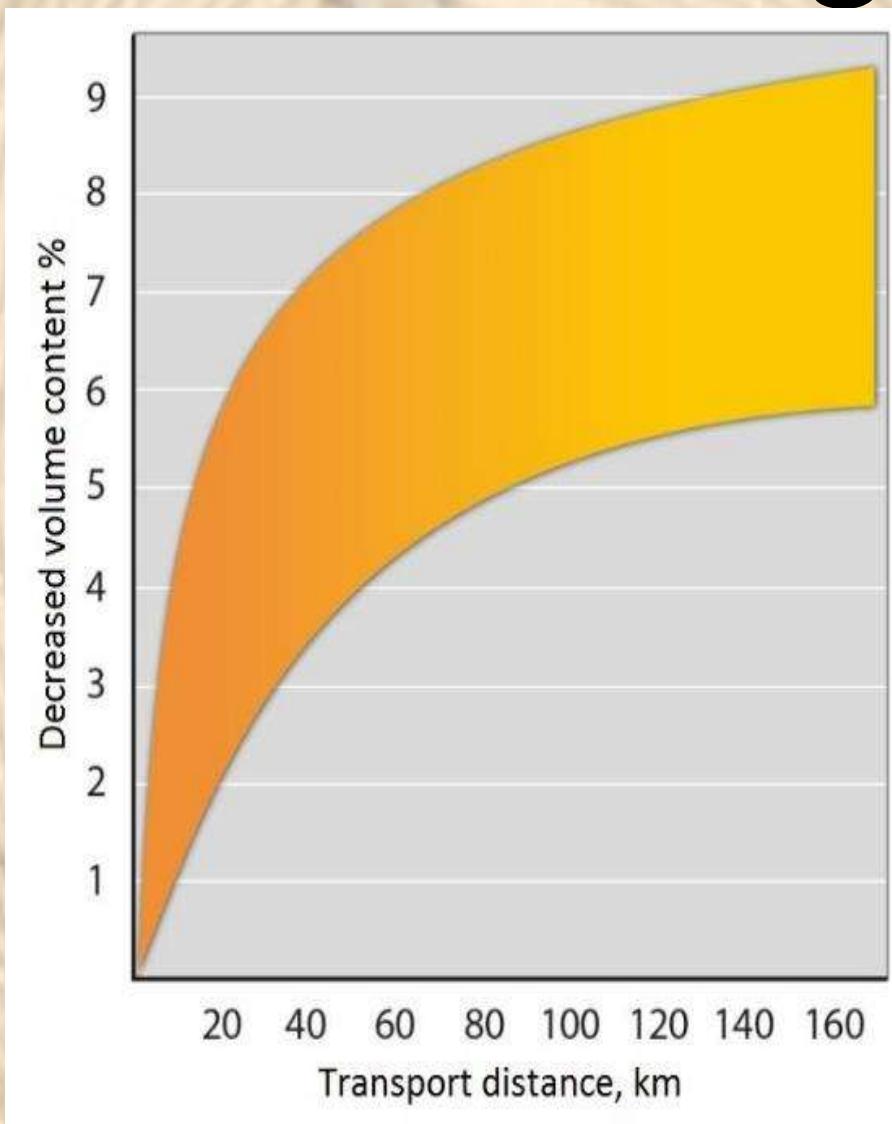
# Transport



# Measuring Quantity



# Volume to weight



# Measurement today



All trucks are weighed

- 25 trucks, samples are taken out of all trucks
- 100 trucks , samples are taken out of 30%
- 1 000 trucks, samples are taken out

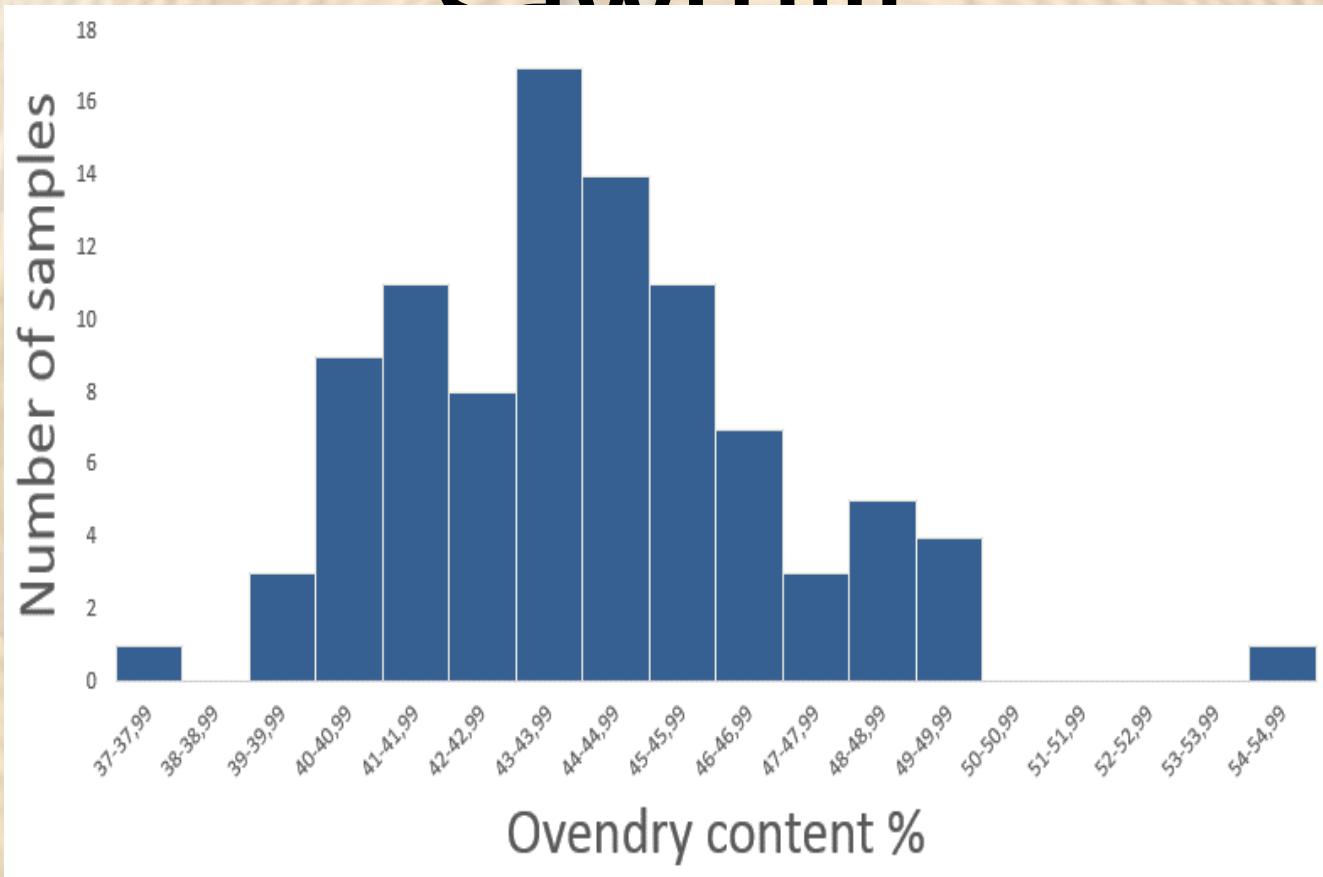
# Sampling for moisture content and screening



# Moisture content



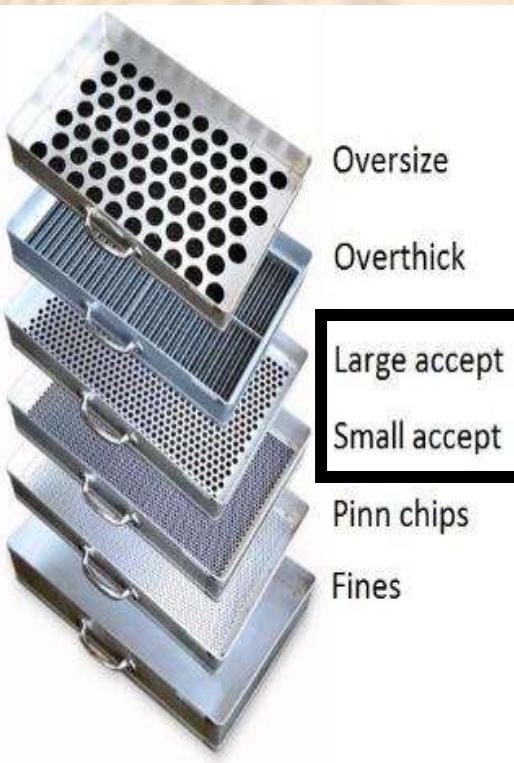
# Example on output from a sawmill



Average for a year: 44%

95% Confidence interval for the mean 43.44% – 44.56%

# Screening



# Bark and rot content



2015/2/11

# Bark content

Jan- March:	<span style="border: 1px solid black; padding: 2px;">0.26%</span>
April – June:	0.21%
July- Sept:	<span style="border: 1px solid black; padding: 2px;">0.12%</span>
Oct – Dec:	0.18%

# Result of screening

	Bark	Over size	Over thick	Large accept	Small accept	Pin chips	Fines
Average %	0.2	0.3	7.4	70.5	19.4	1.9	0.3
Standard deviation	0.2	0.4	7.4	6.3	4.7	0.9	0.2
Coefficient of variation	104	117	100	9	24	50	61

# Pricing model

Fraction	Value factor 1	Limit	Value factor 2	Cull limit	Cull value factor
Bark	-1.00	1.5%	-5.00	3%	0.45
Oversize	0.00	3%	-2.00	4%	0.45
Overthick	0.70	15%	0.30	20%	0.55
Large accept	1.20				
Small accept	0.00				
Pin chips	0.30	10%	0.0	20%	0.55
Fines	0.00	2.5%	-0.50	3%	0.45
Rot chips	-0.20	0.5%	-3.00	1%	0.45

# Pricing model for sawmill

**Table for value factors and screening limits**

Fraction	Value factor 1	Limit	Value factor 2	Cull limit	Cull value factor
Bark	-1.00	1.5%	-5.00	3%	0.45
Oversize	0.00	3%	-2.00	4%	0.45
Overthick	0.70	15%	0.30	20%	0.55
Large accept	1.20				
Small accept	0.90				
Pin chips	0.30	10%	0.0	20%	0.55
Fines	0.00	2.5%	-0.50	3%	0.45
Rot chips	-0.20	0.5%	-3.00	1%	0.45

# How to calculate

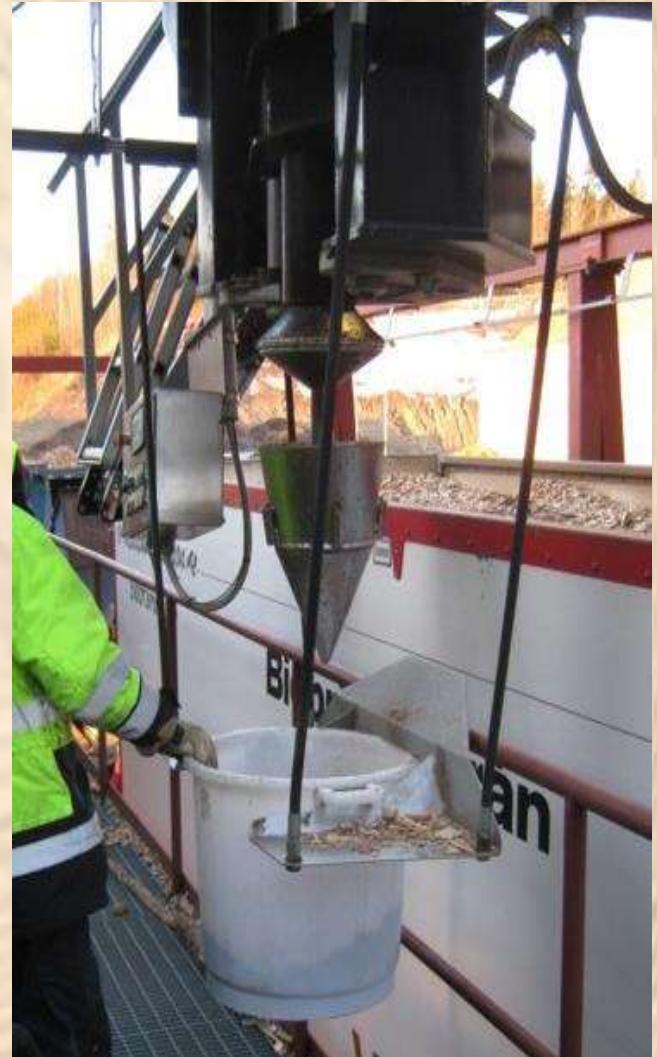
Year delivery \* price/ton OD \* price factor =  
Total price

100 000 tonnes OD \* 78 USD \* 1.1 = **8.58**  
100 000 tonnes ~~OD~~<sup>million</sup> \* ~~78~~<sup>USD</sup> \* 0.9 = **7.02**  
million USD

The price factor will on average for a year be between 0.9 – 1.

?

# New techniques



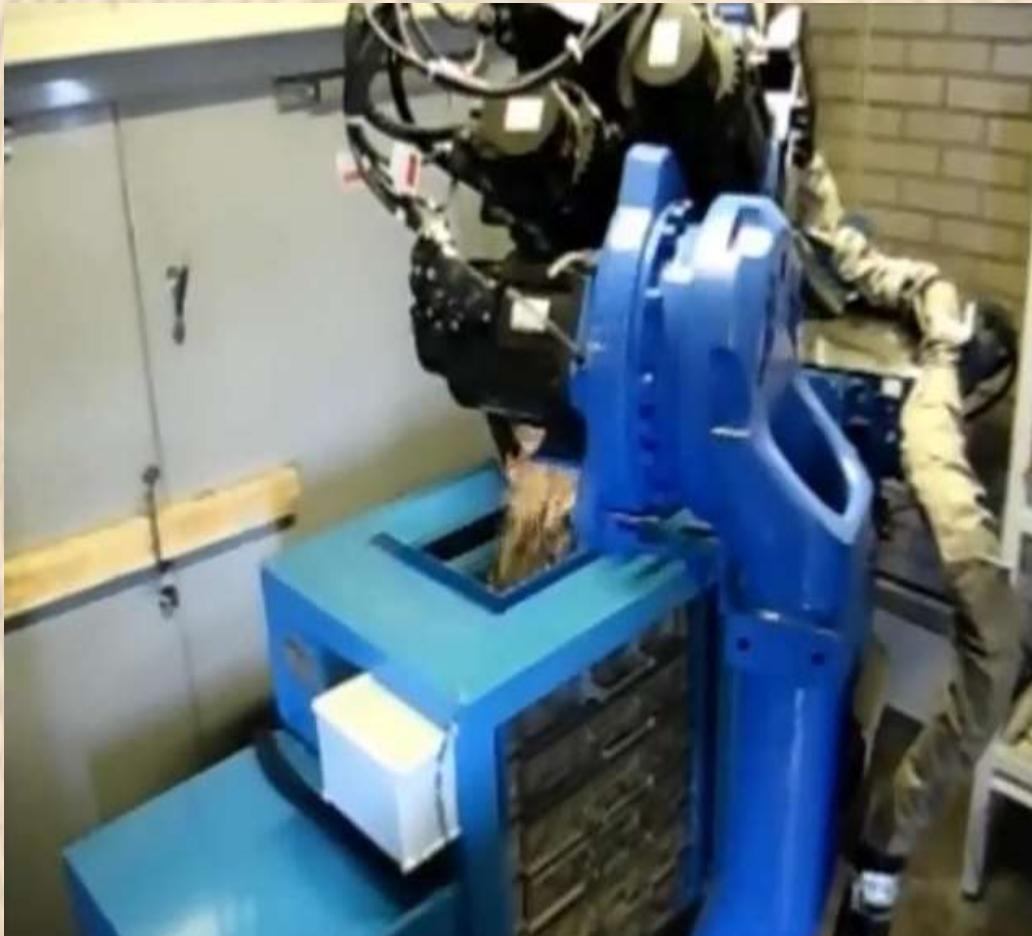
# New techniques



# New techniques



# New techniques





# Thank You

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