

Farmers of the Forest

Notes on the Business of Logging in Vermont

by Ricka McNaughton

Taking a bird's-eye view of the forest, you could say that the fortunes of Vermont loggers today appear closely hitched to what some 80,500 private owners of Vermont forestland decide they can afford to do with it. Here's how that works.

A hundred years ago Vermont's landscape was 75 percent cleared. Now we're in flip mode, with more than 4.6 million acres worth of forested land covering more than 75 percent of the state. Of that, 80 percent is privately held by roughly 80,500 private individuals or families—not industry, not government. Those forestland owners, therefore, bear the greatest carrying costs to sustain Vermont's forests for the rest of us—as productive working landscapes, habitats, ecosystems and scenic and recreational resources. One cost offset can come from the state's Use Value Appraisal (UVA) program, which lowers taxes in return for landowner participation in state certified, long-term forest management plans. Another comes from what the market will bring any given year for sales of timber and related forest products. These activities govern, to a great extent, what jobs exist for logging contractors.

Drops in housing starts have rippled down to the forest, contributing to a 20 percent drop in the price of timber, referred to as "stumpage," in the past five to six years. But the industry has good infrastructure and contains some seeds for regrowth.

East Montpelier resident Steve Sinclair is

Vermont's director of forests. "In this state," said Sinclair, "we have a \$1 billion forest products industry, second only to electronics. A lot of people don't realize it because these operations are way out in the rural regions where the resources are." The logging industry also feeds a chain of other business from brokers to truckers to sawyers to secondary manufacturing, from custom furniture to landscaping and animal bedding. Of the estimated 100 million board feet of lumber produced in Vermont each year, about 75 percent gets turned into Vermont products. According to Sinclair, "Today no part of a log goes to waste. There's nothing left of the pig but the squeal, so to speak."

And the firewood business is back, big time. As they did in the 1970s, droves of Vermonters are reacting to the increased cost of fossil fuels by once again turning to wood as a source of heat and power. Residential firewood consumption increased from 275,000 cords per year in 1997 to 315,000 cords in 2008. From 1983 to 2008, 35 Vermont schools converted to the use of wood chips for heating, with substantial increases expected. Anticipated new demands for wood energy range from 400,000 to 2.4 million green tons per year above current levels.

Matt Peters of Plainfield is a research assistant with the Community Biomass Project and the University of Vermont's Center for Sustainable Agriculture. Peters believes that the expanding use of forest products for energy will likely drive key changes in logging and forest management in Vermont in the coming years.



Photos above and in box below left courtesy of beltramiphotography.com.

"There's a lot of excitement right now," said Peters, "about the opportunities presented by wood energy." But he cautions that the equation for demand and renewable supply is more complex than it might seem. "We're discovering that there are some important questions yet to be answered. The challenge is to balance the rate of wood energy development with the rate of understanding of the impacts involved." Two non-profits—the Northern Forest Alliance and

Vermont Family Forests—are partners in the Biomass Project. Through public input and data analysis, the project is studying a chain of related questions. Some of these are: What are the carbon inputs and outputs? How do we balance good ecology practices with fair and reasonable returns for all the biomass stakeholders?

An estimated 500 logging contractors currently do business in Vermont. To compete in certain forest product markets, you have to have a stable of big, marvelously efficient machines. Figure on a quarter of a million dollars, said one source, to tool up from scratch with new equipment. Both small and large operators face some common problems. The workforce is aging. Insurance costs reflect the high rate of risk and serious injury experienced in the logging business. As industries go in Vermont, "It's certainly among the highest risks to insure," said Ken McGuckin, deputy commissioner of the State Insurance Division.

There is even an irksome public perception problem. One logger put it roughly like this:

If you tell a person you're a farmer, you seem to get back an instant glimmer of approval, no questions asked. But if you tell somebody you're a logger, people look at you like you just clear-cut a large tropical rainforest. No wonder that some loggers choose to be seen as "farmers of the forest." There's even a T-shirt for that.

Greedy and reckless logging happens and when it does, it makes an outrageous and lasting public impression. But at least in Vermont, that sort of track record sooner or later sinks contractors. Reputable, conscientious loggers win the most landowner trust. And it's predominantly the financial and stewardship decisions of 80,500 private forestland owners that keep Vermont's farmers of the forests in business.

Jay Lackey

Natural-Born Logger, Confessed Tree Hugger



He inhaled his first breath of cool, loamy forest air—laced with the acrid tang of new sawdust and chainsaw fumes—that the forest was the place he wanted to work. Native Vermonter Jay Lackey, of Berlin, is now in his 14th year running a small, part-time, low-impact logging business, along with some forest management services for landowners. He seems hardwired for the role of cutting timber and tending forests. Although he is presently unable to make a living just logging,

that's mainly because he's also a specialist working in fire and pest control for the State Forestry Division, a full-time position he's held for 37 years and counting. When he finally leaves his state post, he'll log full time.

Jay has done some sure-footed planning for that day. He's purchased a good deal of equipment—one of the biggest expenses a logger has—by living frugally and arranging to pay off that debt by the time he retires from his state job. "I don't have machinery that can claw through ten tons of mud," he said, "but it seems

every day [in the logging business] you've got to fix something or other . . . go out and buy something new . . . all for a very speculative outcome." Profits are slim for now, but once he's running full time at logging, Jay believes he'll improve his margin.

In an average year, Jay puts out 30,000 board feet of logs and sells 25-30 cords of firewood. Jay's labor force consists of part-time helpers Jeff and Jon Lackey, his sons, and a part-time business associate, Heather Pembroke. She too has another day job, working for the Vermont Department of Environmental Conservation. Son Jon uses some of the logs to build and sell sheds and outbuildings. Jay is well-pleased with his team. "I truly love the camaraderie of working with my sons and with Heather, who's a forester by training."

But Jay most often works long hours alone in the woods, and that truly suits him. He craves plain, hard physical work. He speaks of cutting wood 6 or 7 hours a day and then topping it off with a 3- to 5-mile walk. He's 56 years old.

He strives to leave a light footprint on the land. "If you think of a logging job as just a big mess beside the road, you haven't seen my work," he said. Not seeing it is sometimes the point. "I'm proud of the fact that when I'm on a job," he said, "that I keep everything as undisturbed as possible . . . and leave the woods in good, healthy order. And yeah . . . I'm a tree hugger." And he prefers green tea to beer.

—Ricka McNaughton

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