



Forward Thinking

Soper-Wheeler stays viable in a rough market

By Kathy Coatney

Don't harvest more than you can grow is the philosophy of Soper-Wheeler LLC, based in northern California's Strawberry Valley.

Following this philosophy, the company expanded their holdings, and in a few short decades, they went from 14,000 acres to 80,000 acres.

Ahead of Its Time

Paul Violett, chief forester with Soper-Wheeler, said the company's business model has been to acquire cutover lands and follow a policy of sustained yield forestry.

Plantation forestry was another forward thinking move the company made early on, but natural regeneration of conifers wasn't as simple as it looked. They quickly discovered that weeds and brush would outcompete seedlings.

"There is a real art to plantation forestry," Violett says, adding what they learned was that the forest had to be managed versus just planting the trees and walking away.

Soper-Wheeler became a leader in plantation forestry, and by 1973, they were the first company in California to plant 1 million seedlings. Currently, they've planted over 11 million.

Drought

In California, drought is a real threat. While most of California experienced a dry winter last year, in the Strawberry Valley they were within five percent of average. "The snow pack was good, and the late rains helped," Violett says.

Eight inches of rain in early May nearly filled the local reservoir, Violett adds. "We're enjoying much less drought conditions than the coast. Sonoma and Mendocino are still well below average for the third year."

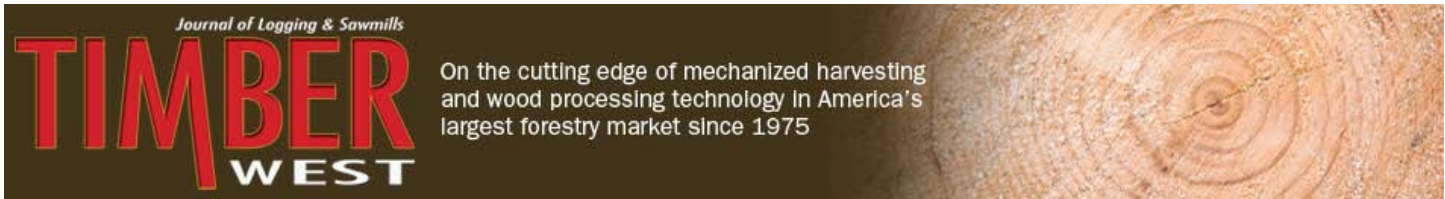
Shrinking Market

Violett, however, is more concerned about the future of the forest products industry in California than the drought.

In 2008 the California Department of Forestry (CDF)/Fire and Resource Assessment Program (FRAP) reported that approximately 25 percent of the solid wood consumed in California was produced in California. The other 75 percent was imported from Oregon, Washington, and Canada.

"There was a time when California led the nation as a producer of sawed lumber," Violett says.

As recently as 1993, California produced 4 billion board feet of timber, and half of that wood came from federal lands. In sharp contrast, only about 1.5 billion board feet has been produced in the current decade.



“We are a shadow of what we were,” Violett says, adding he’s not certain California will cut a billion board feet in 2009.

Salvage

In the past, Soper-Wheeler has salvaged their diseased trees and sold the wood. Due to the poor timber market this year, and a glut of timber from last year’s wildfires, the company hasn’t been able to sell their salvaged timber.

For the first time in the 23 years Violett has been with the company, they won’t be salvaging timber, even with beetle outbreaks.

Generally, beetle populations are a concern, particularly in a drought year; however, they don’t have any place to send the timber if they remove it, Violett says. “If it weren’t for the rain, I think we probably would have had to go out and treat those (beetle populations) for fear of further spread, but right now we’re not.”

California has seen growth in its forests statewide, but there has also been tremendous loss from wildfires. There is no infrastructure to take the salvaged lumber from those fires for either saw logs or biomass.

Another sign of a struggling industry is the decreasing number of biomass plants. California had more than 70 stand alone biomass energy plants, but now there are only 30 in operation. Biomass should be a growth industry as the needs for energy in a growing society increase, Violett says, but that clearly isn’t the case.

Diversification

This is the first year Soper-Wheeler has had to lay off employees. “We’ve seen bad markets before, but there was always enough of a margin that we were able to go full time with our crews,” Hague says.

“We’re trying to be optimistic, and we’re getting some work,” he adds.

In a normal year, Soper-Wheeler’s equipment would be moving logs, and their crew would be working the maximum number of hours to meet logging contracts. But with the downturn in construction, they are doing a limited amount of logging.

To combat the sluggish log market, the company has signed up their equipment with Cal Fire and the United States Forest Service to fight fires.

“In the past, we’ve only been signed up with the Forest Service, and the main reason was so that we could help them help ourselves if we had a fire on our land, or adjacent to our land,” Hague said, adding this is the first year they signed with Cal-Fire.

In addition to the fire contracts, the Forest Service has received stimulus money for road maintenance. “We’re going to be doing about 45 miles of mastication for road clearing on the Forest Service roads. That’ll be a nice revenue generator for us,” says Hague.

“It’s all what they call fuel reduction, whether it’s on the roads, or out in the forest where there’s diseased trees, brush clearing, or whatever,” says Hague. “In this low market year, we’re trying to find anything that will generate revenue, and that’s [mastication] one of the projects that we’re looking forward to.”