



CWFC Facts 006

## Canadian Wood Fibre Centre

### Fibre Facts

#### Identifying and segregating veneer grade hardwoods can earn logging contractors extra revenue

"If you are not identifying, segregating, and selling veneer logs when logging tolerant hardwoods you could be losing up to \$100 per day for each skidder running in the bush," according to Peter Hamilton of FPInnovations. Peter has been studying tolerant hardwood operations in eastern Canada and the north-eastern United States with the intent of finding extra value in the wood fibre supply chain. Collaborators include Steve D'Eon of the Natural Resources Canada-Canadian Wood Fibre Centre and Tom Fisher Logging Inc. of Huntsville, Ontario with support from the Ontario Ministry of Natural Resources.

Veneer quality logs are the highest value logs in eastern North America with prices four to ten times higher than sawlogs of the same species and size. Unfortunately, because veneer quality logs generally make up a small percentage of a bush run, some logging contractors may not consider it worthwhile to identify and segregate veneer from the more common sawlogs. Veneer mills have specific requirements regarding size and allowable defects, which can complicate the segregation process. On the benefit side of the equation, veneer mills are willing to pay a premium price making it feasible to truck veneer logs longer distances and to move smaller loads.

A recent study in the Huntsville, Ontario region demonstrates the potential returns of segregating and marketing veneer logs from a bush run. The study was conducted in a Crown-owned tolerant hardwood forest which had been

harvested by diameter limit cutting some decades ago. The stands are dominated by sugar maple with the usual associations of yellow birch, soft maple, beech, and conifers. Prior to harvest all stands were tree-marked following standard Ontario procedures for tolerant hardwoods. Approximately two-thirds of the stands were partial cut under the shelterwood system; the remaining one-third was cut using the individual tree selection system. Harvesting was done in the late summer/early fall of 2008 by a feller buncher; tree length skidding followed, with slashing at the landing. Over a two week period potential veneer logs were identified, segregated and moved to a central location. Identification of veneer logs was made by the slasher operator after some initial training.

At the central location all potential veneer logs were laid out and evaluated using a veneer buyer's standard price list. A second veneer buyer's price for each log was independently obtained. Of a total of 138 logs that were selected, 88 were identified as veneer by veneer buyers. Core rot and less than acceptable log form were the most common reasons that logs were rejected. The logs were also trucked to a local sawmill for pricing as if they were part of a bush run of sawlogs. Comparative pricing was obtained for 73 logs (Table 1). Some sawmills will separate and forward veneer logs that come to their yard and pass along the extra revenue to the logging contractor. The pass along process was ignored for this exercise.





Inspecting hardwood log pile for potential veneer logs

**Table 1: Price comparison of veneer grade logs from two-week study period**

Species	No. of logs	Small end diameter (cm)	Length (m)	Sawlog value	Veneer value (buyer A)	Veneer value (buyer B)
Sugar maple	33	30-48	2.4-3.0	\$1043	\$4202	\$4474
Yellow birch	40	28-46	2.4-3.0	\$857	\$3978	\$3523
<b>Total</b>	<b>73</b>			<b>\$1900</b>	<b>\$8180</b>	<b>\$7997</b>

The difference in gross revenue between the bush run sawlogs sold on a weight basis and veneer logs sold at the average veneer mill price was \$85 per veneer log. Identifying and segregating veneer logs translated to a gross increase in revenue of \$7500 to the logging contractor for the two week period. The extra cost of administering, slashing and handling reduced the net revenue to the logging contractor.

The forests of central Ontario are complex with multiple tree species that can be turned into many products ranging in value from firewood to figurewood such as birds-eye. The next steps in the study are to establish a merchandizing yard where multiple suppliers can broker their logs to multiple purchasers. The merchandizing yard should increase the overall recovery of veneer and higher value logs as logging contractors too small to undertake segregation can combine their efforts in a single yard. A merchandizing yard can accumulate loads quicker than a single logging contractor and move full loads to the mill prior to spoiling during the summer season. Purchasers will benefit by being able to accumulate suitable loads of the species, size, and quality of logs they want for their mill. A tracking system will be tested to meet regulatory and accounting procedures. Results should indicate benefits to both the suppliers and the purchasers.

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