



SOCIAL IMPACTS OF WOODY
BIOMASS - TIMBER HARVESTING,
CERTIFICATION & RURAL
IMPACT

DANA DORAN

JANUARY 20, 2021



IN 1995

A GROUP OF LOGGERS
CREATED PLC TO PROVIDE

**PROFESSIONAL
LOGGERS**

A VOICE IN A RAPIDLY
CHANGING INDUSTRY.



MEMBER MISSION

Our members are dedicated to promoting logging as a profession, advocating for logging professionals, cultivating responsible forest management, and sustaining a strong forest products industry.





OUR MEMBERS ARE...

Highly Skilled Business Professionals Who Are An Integral Part Of Maine's Economic Engine, 200 Contractors Including:

- 1) Timber Harvesting Contractors From Stump To Roadside;
- 2) Affiliated Contractors;
- 3) Forest Contractors (Timber Hauling & Forest Construction)





Loggers Serving Loggers

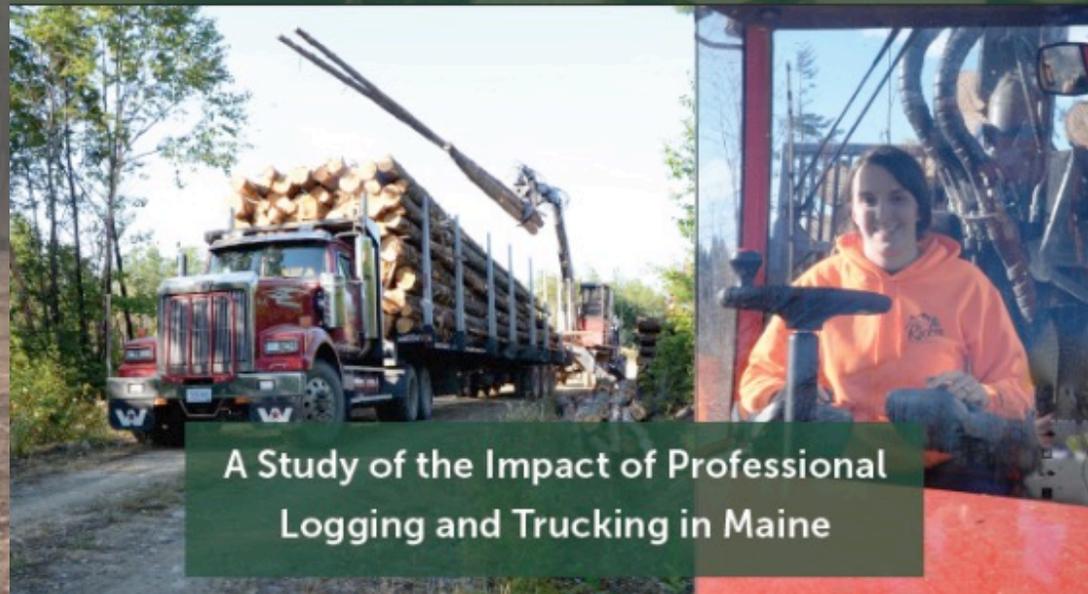
THE PLC

PLC MEMBERS ARE COMMITTED TO:

- LOGGER ADVOCACY
- BUSINESS INNOVATION
- RESPONSIBILITY
- QUALITY HARVEST OPERATIONS
- EDUCATION & TRAINING
- COMMUNITY IMPACT



The Economic Contribution of Logging and Trucking in Maine



**A Study of the Impact of Professional
Logging and Trucking in Maine**

MAINE LOGGING & TRUCKING

Economic Impact 2017

Employed
3,954
Workers



Created An
Additional
5,412
Indirect
Jobs

State & Local
Taxes Paid:
\$25 million



Supported
Maine's
\$7.7 Billion
Forest
Products
Economy

Labor
Income
Generated
Exceeded
\$340 Million



Workers
Earned An
Average Of
\$47,289
Per Year

Maine Logging & Trucking Contributed

\$619 MILLION

To The State's Economy

Economic Overview of Maine's Logging Industry

Megan Bailey

Margaret Chase Smith Policy Center

Ryan Wallace

Maine Center for Business and Economic Research

2017 Results: Key Takeaways



\$619 million in
output

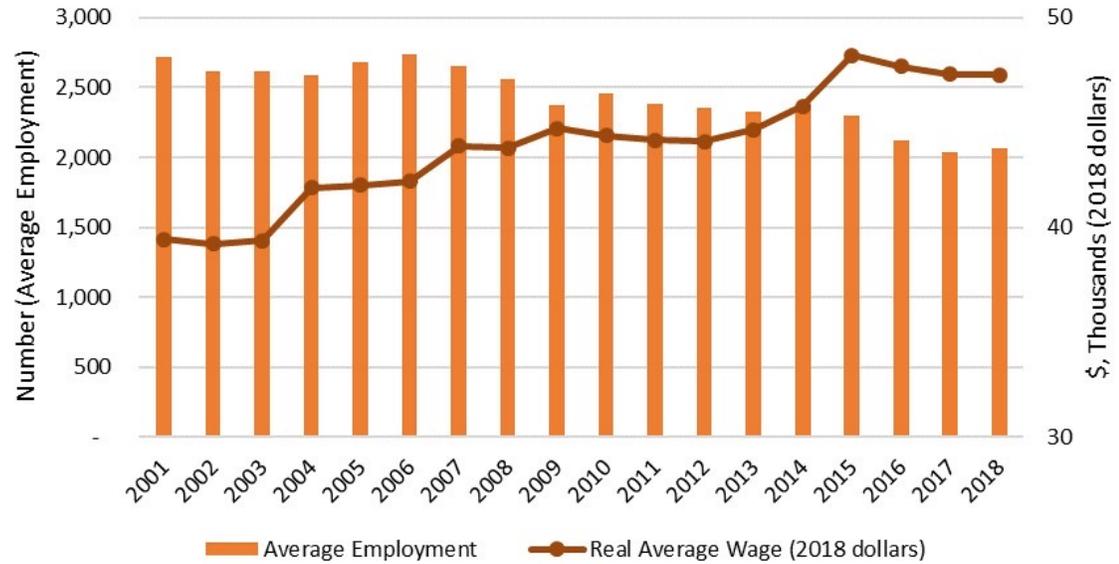
9,000 full- and
part-time jobs



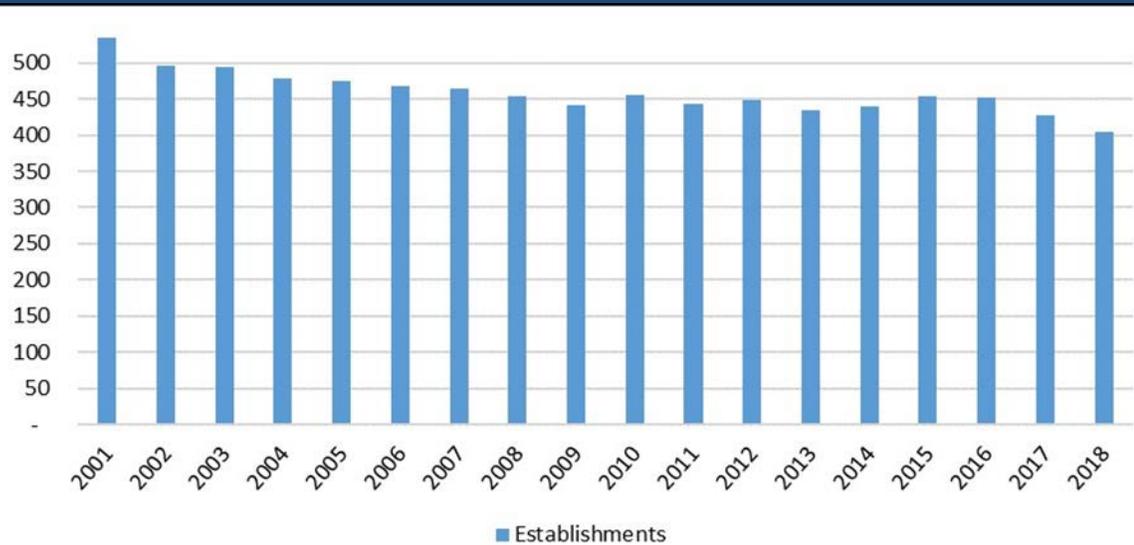
\$342 million in
labor income



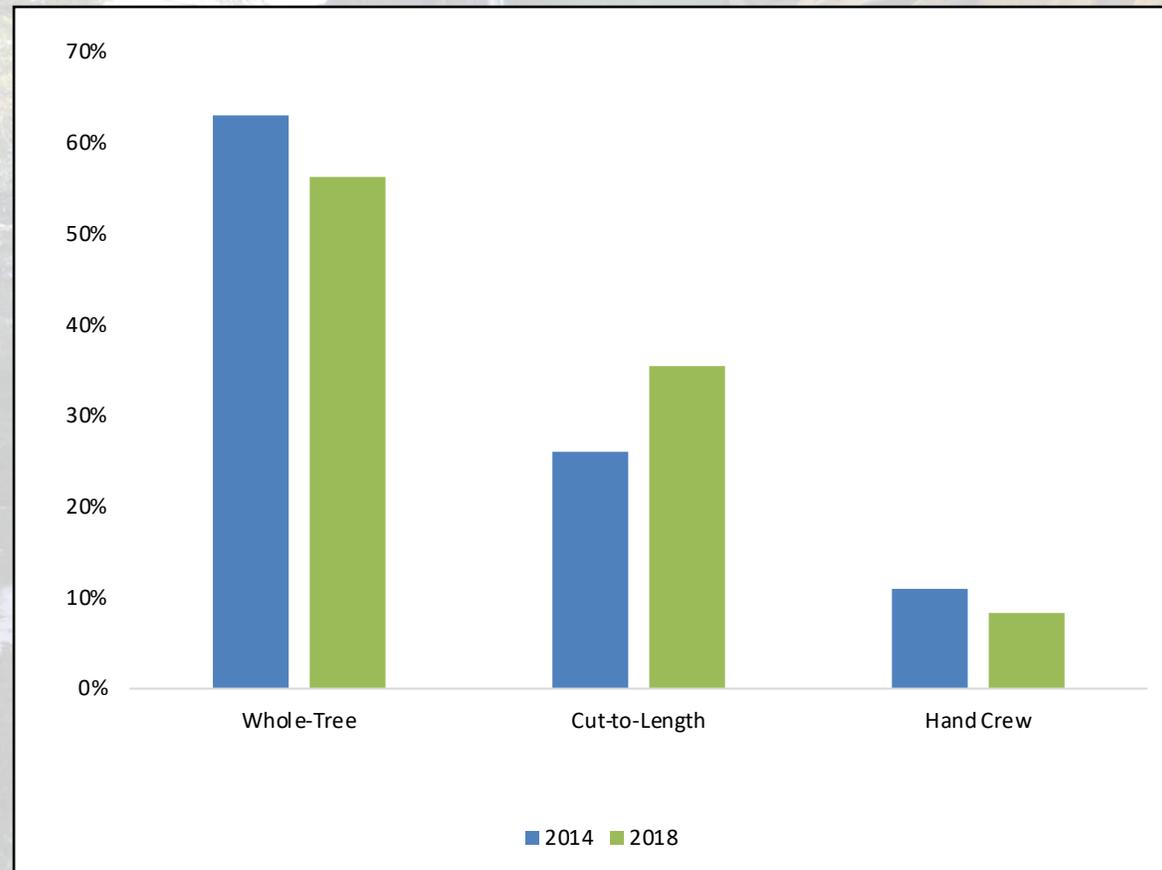
Trends in Forestry and Logging Employment and Average Annual Wages for Covered Employers, 2001 - 2018. Source: U.S. Bureau of Labor Statistics, Quarterly Census of Labor and Wages



Trends in the Number of Forestry and Logging Establishments for Covered Employers, 2001 - 2018. Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages



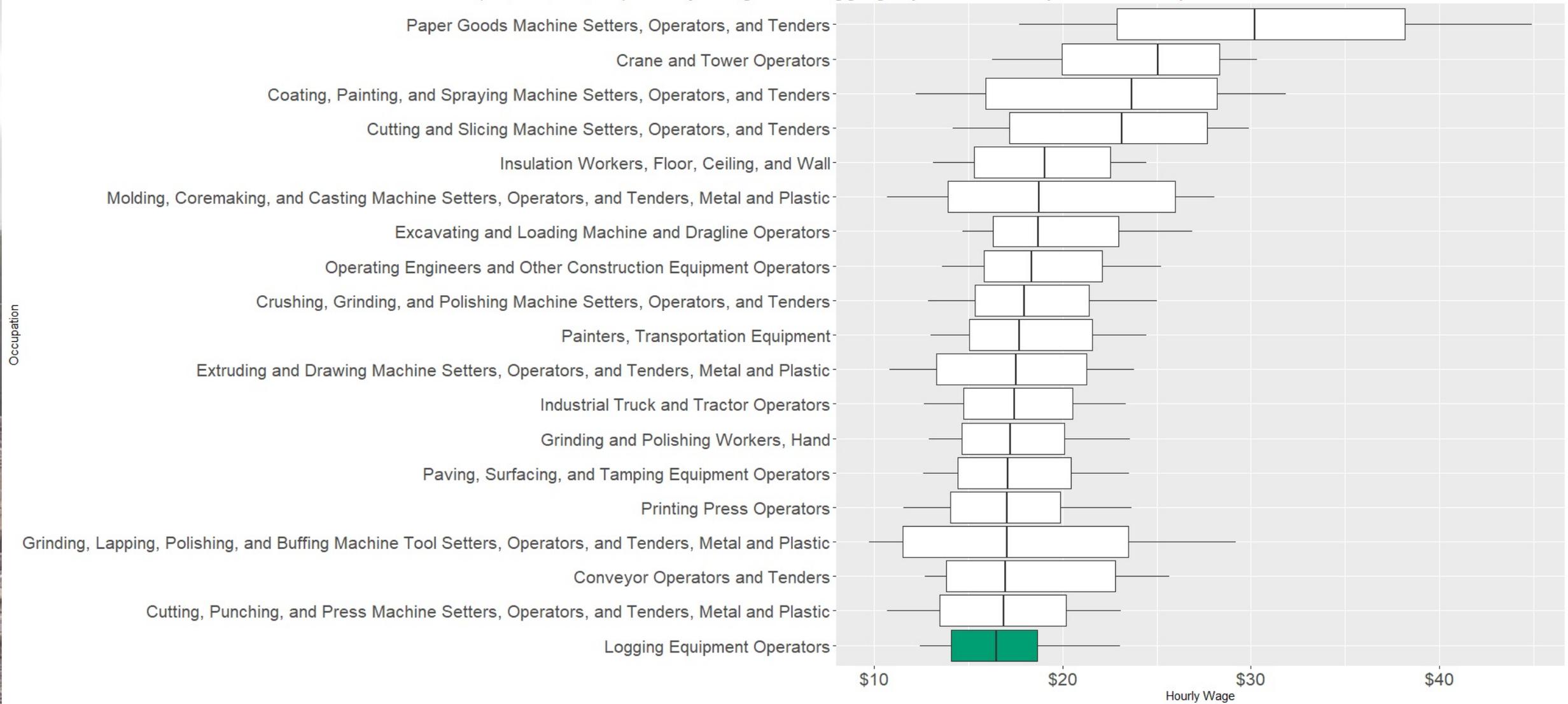
Survey Respondent Firm Crews by Type



Logging Equipment Operators – Compatible Occupations

Figure 11: Wages of compatible production occupations for logging equipment operator skill sets, 2018

Median and Percentile (10, 25, 75, 90) Hourly Wages of Logging Operators Compatible Occupations, 2018



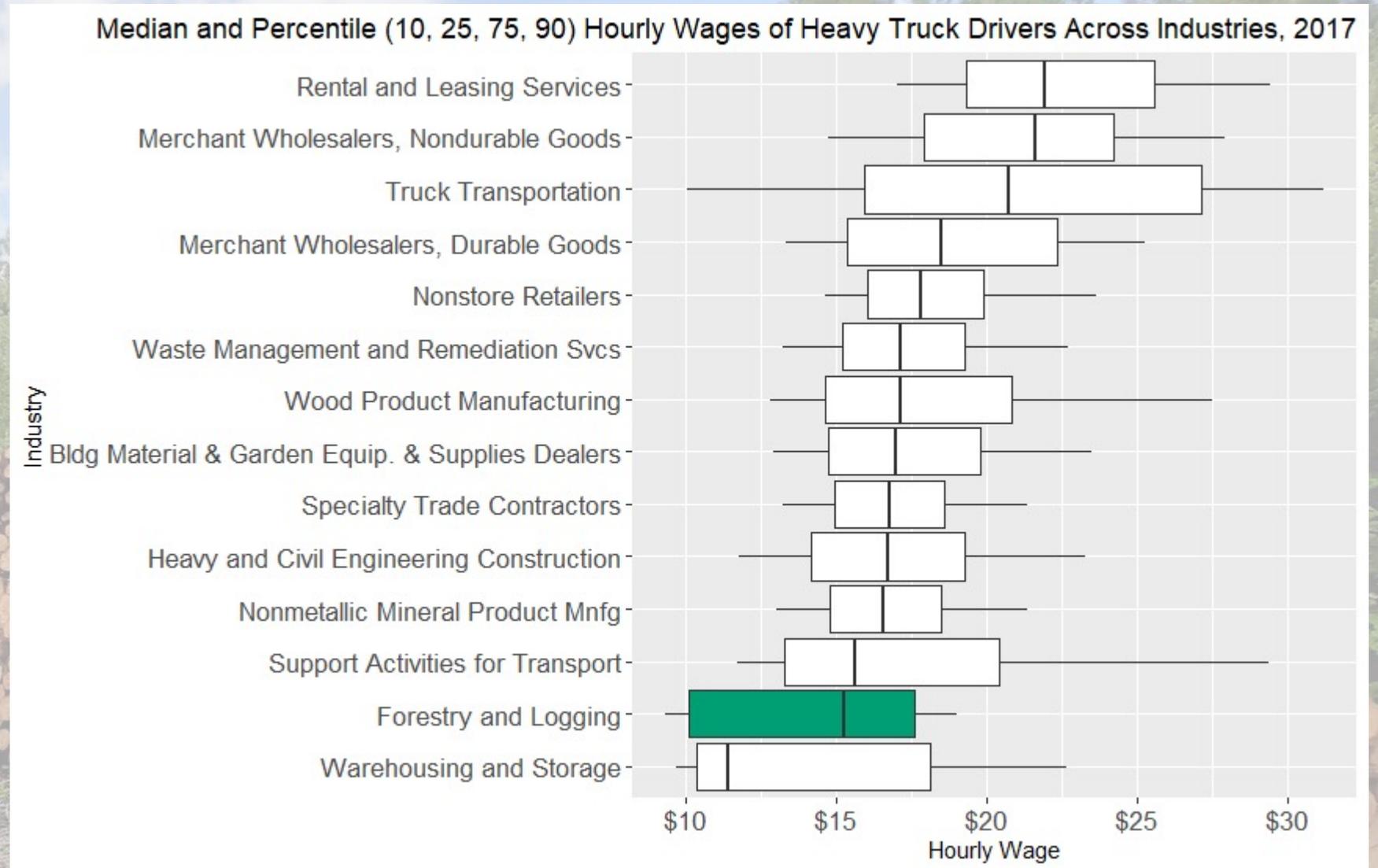
Source: EMSI dataserries 2019.1 – Includes QCEW, Non-QCEW, and Self-Employed workers

Competitive Wage Analysis: Heavy Truck Drivers Wage by Industry

Across industries that employ heavy truck drivers, workers in the forestry and logging industry earned an hourly median wage ranked second lowest compared to other industries (Figure 16). This presents serious challenges in trying to recruit and attract truck drivers in the industry under current wage rates.

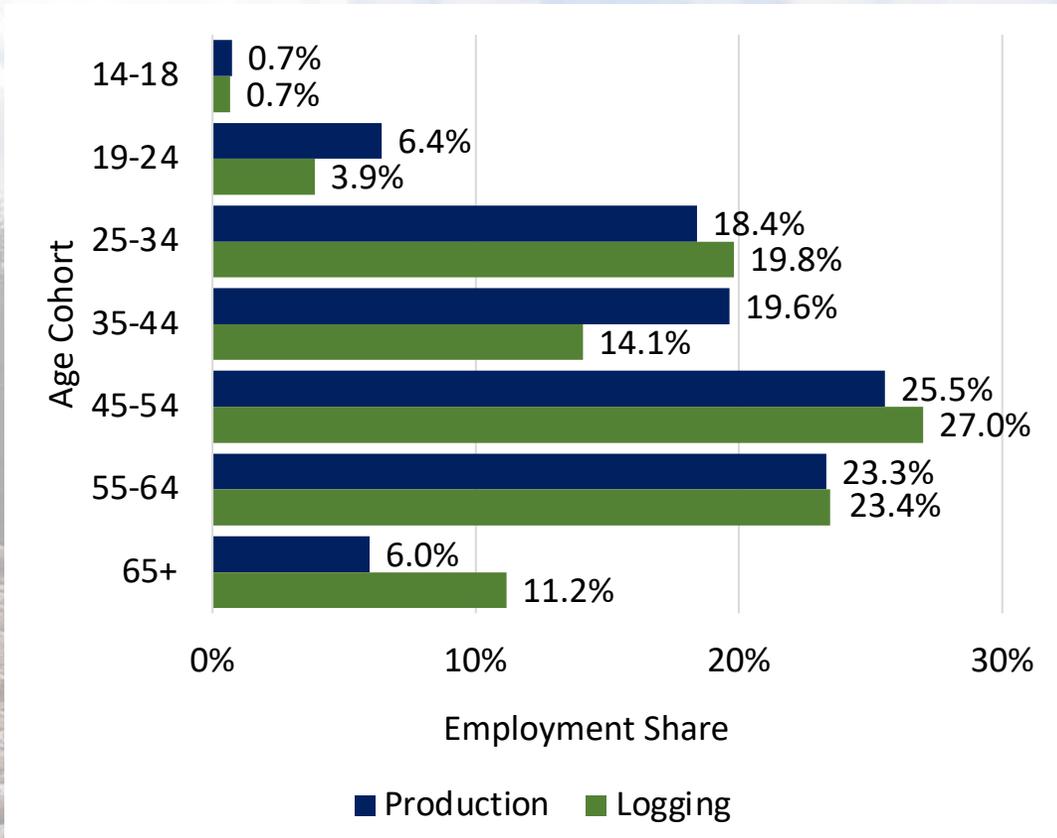
Occupational industry wage data is only provided at the state level and is not reported by sub-state region or county.

Figure 16: Hourly wages of heavy truck drivers by industry, 2017



Age Trends and Project Replacements in the Logging Industry

Figure 18: Age distribution for employment in the logging industry, 2018



The age structure of the logging industry is older than other production oriented industries, including manufacturing (Figure 18). **Sixty-two percent of logging industry workers are 45 or older**, compared to 55% for all production employment and 50 percent for all industries. Over 400 workers in the industry are in retirement age (65+), while 850 workers will be reaching retirement age within the next 10 years. Attracting younger generations of workers will be critical in replacing the retiring workforce. Likewise, there is a disproportionately smaller share of younger age workers (25-44) able to offset the aging older cohorts.

Labor Demand and Projections

- For every 2 jobs in a sawmill or pulp mill, 1 job in the logging industry is supported.
- For every 4 jobs in paper manufacturing, 1 job in the logging industry is supported.
- Several expansions have been announced beginning in 2018 at the Verso mill in Jay, Nine Dragons mills in Rumford and Old Town, and Pleasant River which collectively will add about 340 jobs. ^[2]
- These expansions will in turn require just over 100 jobs in the logging industry; 52 of which will be logging equipment operators and about 25 heavy truck drivers, among a number of other jobs in the industry. ^[3]
- Under the assumption that a new cross laminated timber manufacturing facility producing 50 MBF at full capacity will be cited in Maine, an estimated 29 jobs in logging will be needed.
- Occupational forecasts by the Maine Department of Labor project an average annual number of job openings of 984 for Heavy Truck Drivers across all industries and 195 annual job openings for Logging Equipment Operators through 2026. Openings are largely a result of replacements of the current workforce.

^[2] Associated employment estimates are sourced from media news reports and announcements. Sources are included in the Appendix.

^[3] Calculations are based off of industry spending pattern multipliers produced under the US Bureau of Economic Analysis RIMS II industry spending patterns and Economic Modeling Specialists Inc (EMSI) dataserie 2019.1.

HISTORY OF CERTIFICATION

- Timber harvesting companies are critical to the supply of forest products globally.
- Timber harvesting companies impact from a social, environmental, and economic perspective is vast as they represent the people and economies of forest communities.
- Forest certification has been in existence for close to 30 years.
- To date, timber harvesting companies have never been recognized formally by certification.
- Food and Agriculture Organization of the United Nations (FAO) defines “forest certification as a voluntary market mechanism used to promote the sustainable use and management of forests and to identify “sustainably produced” products for the consumer.
- The goal should also be to reward all supply chain participants who voluntarily pursue sustainable forest practices rather than practices with the potential to cause negative economic, social and environmental impacts.



LIMITATIONS OF FOREST CERTIFICATION

According to the UN FAO,
“Forest managers may choose forest certification in expectation of better prices for their products or to maintain or increase access to markets for their products, to improve their public image, and to achieve social and environmental goals.”



SHORTCOMINGS OF CERTIFICATION FOR TIMBER HARVESTING COMPANIES

- Some Certification Systems (i.e. SFI) have used **worker training** as both a benchmark for qualification of logging services to comply with certification standards as well as a requirement to sell forest products.
- This has had some degree of success in supporting classroom training and attendance but no verified improvements in field performance.
- The system **disempowers** the owners of harvesting companies and promotes cost cutting and unsafe working conditions.

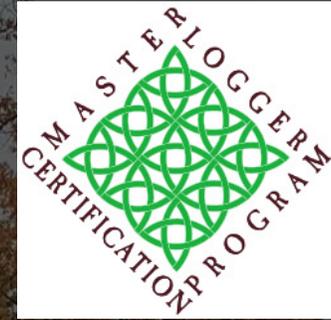




THIRD PARTY HARVESTING COMPANY CERTIFICATION

- ❑ While Forest Certification has had a positive impact by changing behavior, it has not improved the overall benefits to the supply chain because it doesn't focus on those who do the work.
- ❑ To improve the forest from a holistic perspective (social, economic and environmental), timber harvesting companies must be recognized as equal partners.
- ❑ To do this, third party performance-based company certification must be participants.
- ❑ Audits of performance on the ground will recognize and reward those who voluntarily pursue the most responsible harvesting practices, ensuring positive economic, social, cultural and environmental impacts.

- ❑ Increased attention on the circular economy.
- ❑ Attention is on legality, social values, economic livelihoods, living wages, communities, indigenous groups, occupational health and safety, rare/threatened/endangered species, chemical use, water & soil resource protection.
- ❑ Timber harvesting professionals can have negative and positive impacts upon all of these issues.
- ❑ Certification should incentivize good behavior, not facilitate further control.
- ❑ Efficiency and cost cutting is valued more than performance which undermines the credibility of timber harvesting.
- ❑ This is not the fault of harvesting companies, but the business environment in forestry which promotes it.
- ❑ This must change so that the focus is not just on cost but on the benefits of the value proposition.



TIMBER HARVESTING PROFESSIONALS AT THE TABLE



MASTER LOGGER - *a performance-based logger certification*



The Purpose:

- ❖ Recognize high achieving logging companies
- ❖ Raise the bar in the timber harvesting industry
- ❖ Provide **benefits** for those who achieve the status or utilize the service.

The Process:

- ❖ A **performance standard**- Not training based
- ❖ **Meet or Exceed Nine goals**
- ❖ **Internal Audits** performed by Independent Professional Foresters Annually
- ❖ **Third-Party Certification** by the Rain Forest Alliance.

Benefits:

- ❖ **Empower** the largest, most critical, and often overlooked segment of the forest products chain;
- ❖ Create **market incentives** for loggers that meet high standards - these will not necessarily be higher prices for the service provided, but could be in economic viability for the company, lower workers' compensation insurance rates, access to lower cost capital, or company marketing;
- ❖ **Create a culture** where extraction of forest products is based on quality and volume, rather than just volume;
- ❖ Provide forest managers an opportunity to **reduce the criteria** that they are audited against for forest certification.
- ❖ **Improve harvesting practices** in countries with large amounts of uncertified forests.
- ❖ **Reduce risk** for worker injury, mitigation of environmental harm and machinery damage = more productivity and lower operating costs.
- ❖ **Improve the socio-economic** conditions in rural areas for the people that live there - not just the corporate forest management companies and mills.
- ❖ **Increase** the uptake of certified fiber so consuming mills can meet consumer demand; and,
- ❖ **Increased respect** by the public for responsibly sourced products as a result of point of harvest verification.



Master Logger improves the overall practice of forestry and harvesting while also enhancing the opinion of landowners and the public.

**STANDING
STRONG
FOR
LOGGERS**

**YESTERDAY,
TODAY
&
TOMORROW**

PROFESSIONAL
LOGGING
CONTRACTORS