



**GEORGIA'S LOGGING CONTRACTOR SURVEY – 20 YEARS OF CHANGE**

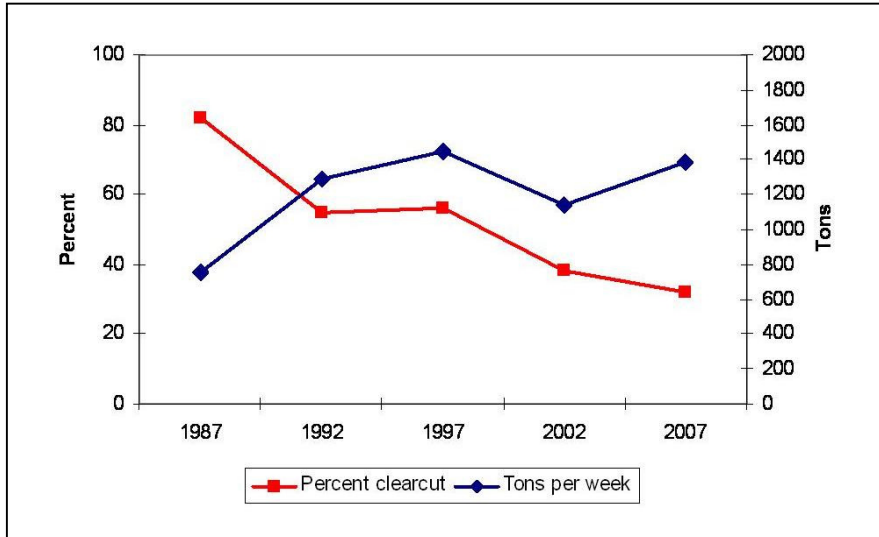
Surveys/Studies: logging

February 2008

[www.forestresources.org/members/serpub/08-R-5.html](http://www.forestresources.org/members/serpub/08-R-5.html)

**INTRODUCTION:** Researchers with the Center for Forest Business at the University of Georgia have been

conducting surveys of Georgia's logging business owners and operators every five years since 1987, conducting the fifth survey in this series in early 2007. The surveys gather information on owner demographics, logging firm production, and timber harvesting practices. Data from the surveys provide interesting information on trends in the industry over the past twenty years.



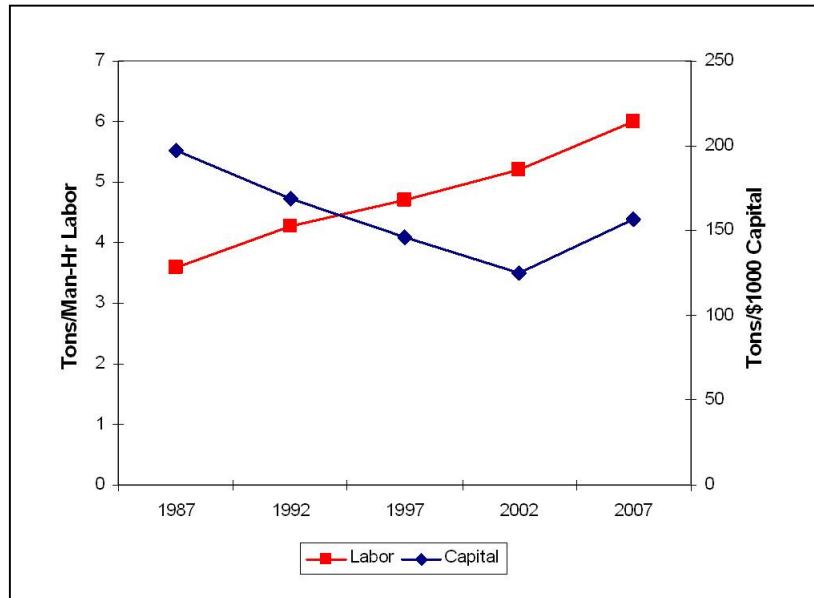
**Fig. 1:** Average weekly production of logging contractors in tons and percent of contractors reporting predominantly clearcut harvests from 1987 through 2007.

**RESULTS:** In 2007, we mailed a survey to 878 logging businesses and received a response from 211—a 24%

response rate. Production figures reported by the respondents represent 33% of annual roundwood production in

Georgia. The average weekly production of a logging business in Georgia has increased 80% since 1987, to roughly 1400 tons per week. Most of this growth is a direct result of increased labor efficiency. The amount of wood produced per employee has increased over 65% in the same period. The opposite trend has been observed for capital efficiency; the amount of wood produced for every \$1000 (1987 dollars) invested in equipment has declined 20%.

The majority of logging contractors (85%) use a feller-buncher/grapple skidder harvesting system. Weekly production for these systems averaged 1,457 tons and has not changed significantly for 15 years. Tree-length products were delivered by 95% of respondents, compared to 74% who delivered log-length material. Cut-to-length systems remain rare (3%), largely because the market is configured around tree-length products. An average logging firm consisted of eight employees: four woods workers, two truck drivers, one office worker, and one owner/foreman. Subcontracting for some trucking was common and accounts for the other truck drivers.



**Fig. 2:** Tons of wood produced per man-hour worked and tons per \$1,000 invested in equipment for Georgia logging contractors, 1987-2007.

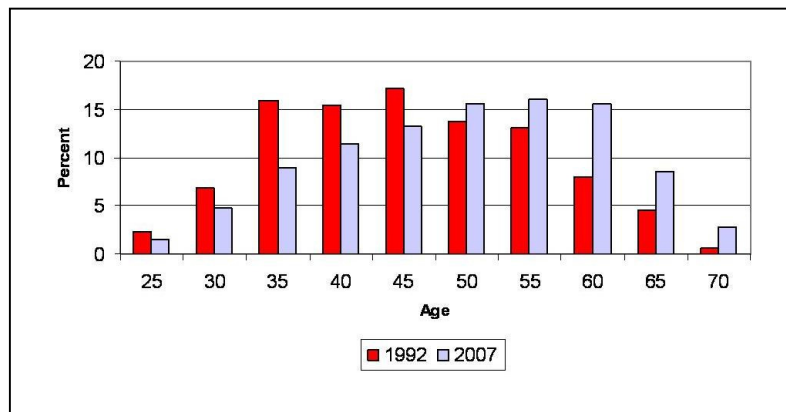
Slightly over half of logging contractors reported working through a wood dealer. Roughly 60% follow written harvest plans, and just under half prepare the plans themselves. Only 70% of contractors reported using written contracts for timber harvests. The Internet and e-mail were used in just under half of the logging businesses, while GIS and GPS were used by less than one-quarter of respondents.

In 1987, an overwhelming majority (82%) of logging contractors reported using clearcutting as their primary harvesting method. Today only 32% of contractors give that answer. The average size of harvested tracts has not shown any significant change over the duration of the surveys, remaining around 100 acres. However, this fact, considered along with the move away from clearcuts toward thinnings, suggests that harvested volume per tract has probably declined substantially.

Beginning in 1992, we have asked contractors about their compliance with Best Management Practices (BMPs) to protect water quality. Respondents rated their compliance with BMPs (a self-assessment) at over 95% in 2007. Their self-assessed score closely matches the overall timber harvesting BMP compliance reported by the Georgia Forestry Commission from its last statewide audit of harvested sites—94% of BMPs in compliance and 99% of harvested acres in compliance.

OSHA-reportable accidents have dropped 90% since 1987. This dramatic improvement testifies to the efforts of the entire industry. While contractors in the state reported having their log trucks inspected by the Department of Public Safety an average of 2.5 times per month, they were only cited for a violation once every four months. Additionally, contractors received one overweight fine per month, averaging approximately \$200. The average overweight fine has doubled since 1987, due at least partly to an increased fine rate structure.

The average age of a logging business owner has been steadily increasing since the survey was first performed in 1987. Since 1992, the average owner age has increased by approximately five years to just over 50. One of the most alarming trends, however, has been the lack of any growth in the younger age classes of owners. In 1992, roughly 25% of the logging owners were age 35 or younger. In 2007, only 14% of owners were in this age category. Meanwhile, 26% are currently 60 or older, compared to only 13% in this age category fifteen years ago. This aging owner and workforce issue has been mentioned often, and our numbers reiterate its importance.



*Fig. 3: The age distribution of Georgia logging business owners in 1992 and in 2007.*

The problems loggers cite as most problematic have shifted significantly over the years. In 1992, insurance was the most important factor, listed by 41% of respondents. In 2007, it was listed by only 10% of respondents and was the seventh most cited factor. Taxes were also listed as somewhat problematic in 1992, but were not listed by any respondents in 2007. Fuel prices and trucking concerns have become important issues in 2007, while they were relatively unimportant in 1992. Two issues that continue to be among the top three most frequently cited each year are labor and logging rates. Some things don't change.

Georgia's logging contractors have gained productivity despite facing pressure from increasing fuel and equipment costs. Labor remains difficult to find, and the industry has responded by improving the production of wood per logging employee over the past 20 years. These substantial improvements are good news for the entire industry, but the lack of interest in logging by younger generations is a disturbing trend which must be addressed if the forest products industry is to remain competitive.

Shawn A. Baker, Research Professional, [sbaker@warnell.uga.edu](mailto:sbaker@warnell.uga.edu)

W. Dale Greene, Professor, [greene@warnell.uga.edu](mailto:greene@warnell.uga.edu)

Center for Forest Business

Warnell School of Forestry & Natural Resources

University of Georgia

Athens, Georgia 30602-2152

*Reviewed by:*

Rick Meyer

Appalachian/Southeastern Region Manager