

Annual Report CY 2008



Minnesota Master Logger Certification
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Preface

This annual report summarizes the accomplishments and activities of the MMLC for calendar year 2008.

The MMLC program provides added confidence to customers and the public that the person performing a harvest has the education and experience to do the job correctly. It is an independent, third-party verification of a logging business's harvest, safety and business practices.

Logger certification provides formal recognition of those logging businesses who have met the high standard required for certification. Demand for certified forest products continues to increase. Timber harvested from family forestland by Minnesota Certified Master Loggers can be marketed to mills and other customers as certified wood. While we have much to celebrate, there are more challenges ahead including long-term funding and expanded market recognition.

The MMLC program would not exist if not for the support of our Minnesota Certified Master Loggers and our partners. We greatly appreciate their support and contribution to MMLC's success.

Sincerely,



David T. Chura
Program Administrator

Minnesota Master Logger Certification Certifying Board

Andrew Arends
Minnesota Dept. of Natural Resources

Doug Appलगren
Minnesota Forestry Association

Chris Dunham
The Nature Conservancy

Mark Johnson
Minnesota Deer Hunters Association

Mike Kilgore (Chair)
University of Minnesota

Bob Krepps (Vice Chair)
St. Louis County Land Dept

Tim O'Hara
Minnesota Forest Industries

Warren Suchovsky
Suchovsky Logging(MI Master Logger)

Ron Beckman, Jr.
Ron Beckman Timber Harvesting LLC
(Ex-officio member)

STAFF
David Chura
Program Administrator

Chris DeRosier
Program Executive Assistant

Why is Certification Needed?

Several mills in Minnesota and across the country have been asked to meet a target that more than 80% of the resource going into their product be certified. Minnesota has 15 million acres of timberland. Of that 15 million, 37% is controlled by family forest landowners and these family forests provide 45% of the timber harvested each year. Logger certification addresses this challenge by providing certified wood from family forestland to the market place. This means loggers and mills in Minnesota will be in a strong position to provide certified wood from family forestlands to customers like Time Inc.

Program Overview

Often, the only forest management advice a family forest owner receives is from a logger who approaches the landowner to procure wood. While many loggers are very experienced and have a professional approach to wood procurement, the Minnesota Logger Education Program (MLEP) believes that a well-trained and experienced logger with a broader vision of forestry can provide family forest landowners with sustainable forest management information. MLEP developed the Minnesota Master Logger Certification (MMLC) program to address the challenge of providing certified fiber from family forestlands to the marketplace.

Minnesota Master Logger Certification, administered through the MLEP, is a performance-based program for loggers that recognizes training, experience, and the application of sound business and sustainable logging practices. Logger certification has been recognized as a way to independently verify the harvest, safety and business practices of participant loggers against specific standards designed to ensure forest are managed and harvested responsibly. MMLC has been endorsed by Time Inc. as meeting the requirements of their Certified Sustainable Forestry program.

Many Minnesota loggers already meet the standards and criteria required for certification, but they do not have a way to authenticate that their customers. Loggers who become certified are able to provide certified wood to the market place. This means loggers and mills in Minnesota will be in a strong position to provide certified wood from family forestlands to customers like Time Inc. that require certified wood in the products they purchase.

A working group representing the broad forestry community was established in early 2005 to develop the MMLC program and its policies, as well as set-up the certifying board. The program is comprised of eight areas of responsibility such as “Protection of Water Quality and Soils”, “Adherence to Site Specific Harvest and Management Plans” and “Compliance with Regulations Applicable to Logging Operations.” Each responsibility area includes measurable performance standards and practices.

A logger participating in the program undergoes a third-party audit of his or her business practices and harvest sites. Independent auditors who have been trained on the MMLC standard conduct field audits on a sample of sites the applicant has harvested within the last 12 months. The logging business and harvest practices are evaluated against 138 practices in eight major areas of responsibility. Based on their findings, the auditors

provide the certifying board a recommendation for or against certification. An eight member certifying board, which represents a broad range of forestry interests, reviews the audits and recommendations and makes the final determination on whether the applicant's business can be certified. To be certified, a logging business must pass all eight areas of the MMLC standard on all audited sites.

Once a logging business is certified, the certification status is good until the next recertification audit which will occur within five years. During any given year, the certified business may be randomly selected for recertification. As each year passes, the probability that the business will be selected for recertification increases. No Minnesota Certified Master Logger will go longer than five years without being recertified.

2008 Accomplishments

- Certified eight logging businesses as "Minnesota Certified Master Loggers"
- Conducted a series of four focus groups with Master Loggers and stakeholders aimed at identifying ways to improve the program and add value to members
- Delivered calibration training for auditors and certifying board members
- Implemented electronic forms for audit reporting
- Developed a revised recertification model

Minnesota Certified Master Loggers

As of December 31, 2008, there were 46 Minnesota Certified Master Loggers in Minnesota. They include:

2006 Cohort

B & B Logging of Aitkin LLC
Aitkin, MN

Douglas Hustad Logging
Gilbert, MN

Benes Brothers Logging
Hill City, MN

Filipiak Logging LLC
Cohasset, MN

C.O. Johnson Logging Inc.
Blackduck, MN

Greg Cook Logging Inc.
Bigfork, MN

D. Hill Logging
Bovey, MN

Haley Logging Company
Bigfork, MN

Dean & Bob Walsh Logging
Park Rapids, MN

Hughes Timber Inc.
Kelliher, MN

Detzel Forest Products
Isabella, MN

John Nylund & Sons
Marcell, MN

Dick Walsh Forest Products LLC
Park Rapids, MN

Rasmussen Forest Fuels Inc
Virginia, MN

Kimball's Logging Inc.
Park Rapids, MN

Richard Dukek Logging Inc.
Bagley, MN

Lindquist Land & Timber Co
Kelliher, MN

Rieger Logging Inc.
Northome, MN

M & R Chips, Inc.
Grand Rapids, MN

McCabe Forest Products Inc.
Duluth, MN

Pittack Logging Inc.
Park Rapids, MN

2007 Cohort

Andy Michalek Logging Inc.
Blackduck, MN

Bruce Kainz Logging
Ely, MN

Central Pine Lumber Co.
Brook Park, MN

DeLack Logging Inc.
Littlefork, MN

Dukek Logging Inc.
Bagley, MN

Fjeran Forest Products
Two Harbors, MN

Glenn Erickson Logging
Orr, MN

Knaeble Timber Inc.
Northome, MN

Ron Beckman Timber Harvesting
Grand Rapids, MN

Scheff Logging & Trucking
Marcell, MN

Neumeyer Logging
Barnum, MN

Rice River Logging
McGregor, MN

S & H Forest Products
Pine City, MN

Sawyer Timber Co.
Backus, MN

Stecker Logging
Gilbert, MN

Craig Turnboom
Meadowlands, MN

Weijo Logging
Ely, MN

2008 Cohort

Big H Logging
Blackduck, MN

Fletcher Trucking Inc.
Brainerd, MN

Johnson Timber Harvesting
Alborn, MN

Jouppi Forest Products
Isabella, MN

M & S Timber
Hinckley, MN

Patzoldt Brothers Inc.
Pine City, MN

Stan Olson Trucking
Duluth, MN

Venhuizen Forest Products
Isle, MN

Minnesota Certified Master Logger (MCML) Demographics

Minnesota Certified Master Loggers vary in size and type of operation from a smaller hand felling operation to larger multi-crew mixed operations.

Annual Harvest Volume

Total MCML	New in 2008	Volume
17	0	annual harvest of >15,000 cords
9	0	annual harvest of 10,001-15,000 cords
7	3	annual harvest of 5,001 - 10,000 cords
4	0	annual harvest of 2,501 - 5,000 cords
4	3	annual harvest of 1,000 - 2,500 cords
5	2	annual harvest of <1,000 cords

Type of Logging Operation

Total MCML	New in 2008	Operation Type
11	0	Cut to length
21	3	Conventional
1	0	Hand-felling
13	5	Mixed operations

2008 Field Audit Activity

In 2008, 24 field audits were conducted to assess the harvest operations and practices of 8 logging businesses. MMLC Field Auditors must have a four year degree in forestry, complete MMLC field auditor training, maintain confidentiality and avoid conflicts of interest. The sites audited represented the following ownership:

Audits Sites by Ownership

2008 Audits	Ownership
12	Family forestland (NIPF)
3	State land
7	County land
1	USFS land
0	Tribal land
1	Industrial land

Audit Findings

In general, auditors were able to verify that appropriate business management and harvest practices were being implemented. However, the audits identified several practices where applicants received minor non-conformance (MNC) or serious non-conformance (SNC) ratings. It is important to note that some of the practices included in the MMLC Standard were new expectations and many of the sites that were audited had been harvested before the MMLC Standard was in place.

During the recertification and random compliance audits, auditors will pay special attention to these practices and the certifying board expects to see that improvement has

been made. Further, the same will be true for any practices where audit findings for a specific company revealed a MNC or SNC.

Continuous Improvement Areas

Area One

I-B.1 RMZ's are properly established and marked on the sale site.

Area Four

IV-A.2 Check with county to ensure property taxes have been paid before any cutting begins.

IV-A.4 Federal and state laws concerning cultural resources are followed to ensure that significant resources are taken into consideration.

IV-A.5 Awareness of responsibilities under the U.S. Endangered Species Act and Minnesota's "Protection of Threatened and Endangered Species" statute.

Area Five

V-A.1 Harvest plan is required for properties with less than 100 contiguous acres.

V-A.7 Plan identifies and protects known important habitat elements for wildlife including critically imperiled and imperiled species and communities, threatened and endangered species, and cultural resources on the harvest site.

V-B.4 Harvest contract includes landowner verification of legal ownership of property and timber.

Area Six

VI-A.2 Subcontractor contracts are honored, contract has been completed, and payments are timely, up-to-date, and complete.

Financial Challenge

The actual cost to certify a logger is in the range of \$2,500 - \$3,000, while the current application fee is \$350. The program has been able to make up the difference through financial support from grants and industry support. However, we realize we cannot continue to rely on grant funding to provide such a significant amount of our income.

CY 2007 – CY 2008 MMLC Revenue and Expenses

Revenue streams:

Initial application & field audit fees	26%
Industry support	25%
Grants	49%

Expenses:

	CY 2008	CY 2007-2008
Audits	\$5,189	\$22,214
Auditor Training	\$3,083	\$3,083
Operating expenses	\$5,643	\$10,792
Staff	\$19,417	\$37,509
Meetings & travel	\$3,525	\$4,570
Misc.	\$622	\$2,196
Total Expenses	\$37,480	\$80,365

MMLC Program Staffing

David Chura, MMLC Program Administrator

Chris DeRosier, MMLC Program Executive Assistant