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Marketing of Aspen

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MARKETING OF ASPEN

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LAKE STATES FOREST EXPERIMENT STATION

JUNE 1949
FOREWORD

During and since World War II, there has been increasing interest in aspen (Populus tremuloides) in the Lake States, its availability and supply, properties and uses, and management. Aspen is a tree of primary importance in 20 million acres or 40 percent of the total forest area of the three Lake States - Michigan, Minnesota, and Wisconsin.

At an informal meeting at Madison, Wisconsin, in January, 1947, forestry representatives of several federal, state, and industrial groups in the Lake States agreed that it would be desirable to bring up to date what is known on aspen and make it available to anyone interested. The job of preparing this information in the form of reports was assigned to each of the groups listed below. The reports will be duplicated as rapidly as completed, and the entire project should be finished by the end of 1947. Each report will concern one aspect of the subject. Copies will be available from the Lake States Forest Experiment Station or from each contributor.

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aspen Properties and Uses</td>
</tr>
<tr>
<td>2</td>
<td>Aspen Availability and Supply</td>
</tr>
<tr>
<td>3</td>
<td>Logging Methods and Peeling of Aspen</td>
</tr>
<tr>
<td>4</td>
<td>Milling of Aspen into Lumber</td>
</tr>
<tr>
<td>5</td>
<td>Seasoning of Aspen</td>
</tr>
<tr>
<td>6</td>
<td>Aspen Lumber Grades and Characteristics</td>
</tr>
<tr>
<td>7</td>
<td>Mechanical Properties of Aspen</td>
</tr>
<tr>
<td>8</td>
<td>Machining and Related Properties of Aspen</td>
</tr>
<tr>
<td>9</td>
<td>Aspen Lumber for Building Purposes</td>
</tr>
<tr>
<td>10</td>
<td>Aspen for Containers</td>
</tr>
<tr>
<td>11</td>
<td>Aspen for Core Stock</td>
</tr>
<tr>
<td>12</td>
<td>Small Dimension and Other Industrial Uses of Aspen</td>
</tr>
<tr>
<td>13</td>
<td>Aspen for Veneer</td>
</tr>
<tr>
<td>14</td>
<td>Aspen for Pulp and Paper</td>
</tr>
<tr>
<td>15</td>
<td>Aspen for Cabin Logs</td>
</tr>
<tr>
<td>16</td>
<td>Aspen for Excelsior</td>
</tr>
<tr>
<td>17</td>
<td>Aspen Defiberization and Refining of Product</td>
</tr>
<tr>
<td>18</td>
<td>Chemical Utilization of Aspen</td>
</tr>
<tr>
<td>19</td>
<td>Preservative Treatment of Aspen</td>
</tr>
<tr>
<td>20</td>
<td>Marketing of Aspen</td>
</tr>
<tr>
<td>21</td>
<td>Possibilities of Managing Aspen</td>
</tr>
</tbody>
</table>

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REPORT NO. 20

MARKETING OF ASPEN

By
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Lake States Forest Experiment Station 1/

INTRODUCTION

The Lake States timber industry did a creditable job of producing and using considerable volumes of aspen during the war years. At that time it was shown that aspen could fill a variety of uses satisfactorily. However, improved marketing techniques are needed if present aspen stands are to be fully and profitably utilized. The aim of this paper is to call the attention of owners and producers of aspen to some of the points to be considered to improve marketing.

It is more difficult to market aspen than most other Lake States timber species. One limiting factor in its use is its small size. Even under optimum growth conditions, aspen does not attain the size of the virgin pines and hardwoods of the Lake States. On many sites aspen never reaches sawlog size. This, together with the common light stand density, often prevents it from being harvested economically under present logging and milling methods used in virgin stands of other Lake States species. Its small size limits the amount of high-grade lumber it yields. The lumber trade has built up a prejudice against aspen because of low interest in harvesting it, shortage of accurate information on this species, misuse of the lumber, and lack of any great supplies.

KNOW YOUR PRODUCT

A prerequisite to good marketing is to know the good points as well as the limitations of the species concerned. The reports sponsored by the Lake States Aspen Committee can acquaint producers and users with the qualities of this wood, indicating where and how it can best be used. Further research and experience are needed to promote better marketing of aspen.

SALE OF STANDING TIMBER

The aim of timber owners is to market their standing timber at a profit. To do this, potential buyers must be informed of the timber supply available, its location, quantity, and quality. Although forest survey figures for the Lake States show that there is a large acreage and volume of aspen, there is little information as to exact location and

1/ Maintained by the U. S. Department of Agriculture, Forest Service, in cooperation with the University of Minnesota, University Farm, St. Paul 1, Minnesota.
availability of supplies for a specified period. Information is needed, on at least a county basis, as to the extent and quality of aspen stands, before industries which could use aspen can become interested.

It is important that owners of aspen timber recognize that aspen develops into a tree suitable for sawlogs and veneer logs on good sites, whereas on poorer soils maximum tree size and life span of aspen decrease. In many locations, aspen will not even yield merchantable products. Also, much aspen is harvested before it attains its highest value. Furthermore, much mature aspen goes to waste because the owners are not familiar with the growth characteristics of the species.

Many forest owners could make profitable sales by furnishing prospective buyers with the following type of information on their timber:

1. The amount of timber in board feet or cords, and exact area involved.
2. Kind of timber, its quality, and size. In aspen, size is an important selling factor because larger trees yield the higher grades.
3. Location of timber, distance from town, railroad siding, and wood-using plant.
4. Accessibility - highways, woods roads, and trails which pass through or near the timber tract.

Forest owners who can furnish the above information are in a good position to make a sale. Sellers inexperienced in timber marketing should contact their local forester as to current prices and outlets for aspen.

Aspen stumpage is usually purchased by local loggers, timber brokers, and nearby wood-using industries such as sawmills, paper mills, veneer plants, etc.

Sales of stumpage or converted products should be covered by written agreements between the buyer and seller, with at least one witness. Such a contract will enable both parties to avoid many misunderstandings that may arise. (See sample contract form in appendix.)

SALE OF ROUGH PRODUCTS

Aspen is usually converted into rough products for sale as sawlogs, box bolts, pulpwood, veneer bolts, short logs, excelsior wood, tie cuts, cabin logs, cooperage stock, posts, or fuelwood. Every manufacturing plant has its own specifications for these products. Loggers should obtain these specifications and use them in cutting timber so as to get the highest value.
The marketing of aspen begins at the tree. Money can easily be lost by improper felling and log making. The operator should know, before cutting operations begin, the kind of products he is after. His cutters should be informed of specifications for all products to be harvested. Cutters should be trained and supervised to turn out products according to specifications. Cutting scant lengths may eliminate a high-priced product or make the logs worthless. Excess log lengths, on the other hand, not only result in waste of timber, but also a waste of time in manufacturing.

The present widespread practice of cutting aspen into 100-inch log lengths does not always result in getting the most value out of the timber for lumber, and limits the use of the lumber produced. To get maximum quality out of a tree, its merchantable length should determine the length of logs to be cut. In doing this, operators should take into consideration the clear portion of the tree as distinguished from the defective portion. Crooked trees should be cut so as to eliminate crook as far as possible.

Aspen lumber offers possibilities for use in building construction. Where such a market exists, loggers should cut logs which will provide a balanced stock of building lumber items. This means working up random length logs of 8-foot, 10-foot, and 12-foot sizes.

Aspen loggers have the problem of timing their operations to fit in with the use of the wood at the manufacturing plant. Rough aspen products going into lumber, mechanical pulp, wood fibre, excelsior, and veneer are wanted in green condition. Plants manufacturing these products expect to use the wood soon after it is received. When it is necessary to stock-pile aspen, it is usually stored for only a few months. For stock-piling, winter-cut wood is preferred to that cut in the summer. Aspen is a highly perishable product in log form. In selling aspen in this partly finished form, the forest owner and logger should be certain of his market. Aspen logs deteriorate rapidly in summer, and may be valueless to the producer if stored too long.

Pealed aspen is needed for pulpwood and excelsior wood. The usual peeling season for aspen lasts about three months in the spring. The peeled aspen market is seldom filled, and production for this market is not as great a risk as for unpeeled material. When suitable equipment is developed for peeling aspen, operators will have a wider market for their output, regardless of cutting season.

In many parts of the Lake States there is now a varied market for aspen. Such demand includes use as pulpwood, sawlogs, fibre wood, and veneer bolts. Therefore it may pay the timber owner or logger to market his aspen logs according to size, the small logs going into pulpwood and fibre bolts, and the large logs into veneer logs and sawlogs. However, before he "skims off" his best stock, the owner should make certain that he can sell the remainder at a fair price. Also, if the owner plans on an integrated operation, producing tie bolts, veneer logs,
sawlogs, and pulpwood, he should be sure that making all these products will bring him more money than if he were to make only one product.

Aspen is at a disadvantage in comparison with many other tree species because, from the standpoint of good forest management, it should be clear-cut when mature. At that time all trees should be cut regardless of size. This is necessary in order to start another crop of aspen. This type of cutting produces a volume of small wood suitable only for pulpwood, excelsior wood, or fibre bolts, for which there is only a limited market. On the other hand, full utilization yields a greater production per acre and cuts logging costs.

Wood manufacturing plants using aspen usually buy rough aspen direct from the loggers. Some of these concerns buy the stumpage and contract the logging to individuals living in the vicinity of the timber. Plants securing rough products from a long distance usually buy through a timber wholesaler.

In some instances small producers have formed marketing cooperatives to sell their logs. Such organizations give the producers a larger volume of timber for sale and can often secure them better prices than if they marketed separately.

SALE OF ASPEN LUMBER

A large volume of aspen is marketed in the form of lumber for boxes and crating, for juvenile and painted furniture, novelties, bee supplies, and a variety of other wooden articles. The building industry, through retail yards and contractors, is now using aspen lumber to a limited extent.

Because most lumber is sold a long distance from the mill and in a variety of ways, it is important to the sawmill man that he understands how lumber is marketed and what is involved in the marketing transactions. Wood-using plants in the timber supply area may buy their lumber from a sawmill man or from a wholesaler, depending on which can supply his needs more efficiently and at lower cost. Lumber users located a long way from sawmills usually will buy lumber from wholesalers or commission men.

More attention should be given to the manufacture and methods of distribution of aspen lumber if it is to hold its expanded markets and obtain wider use. Some lumber users have objected to introducing aspen lumber into their plants because they have not been able to obtain it in the form they want. Aspen has been sold largely as rough lumber, ungraded, often not seasoned, and many times mis-manufactured. It has been difficult to buy aspen lumber in a continuous reliable supply. Accordingly it has often been more costly for the consumer to use aspen than competing species.
To promote the marketing of aspen, the small sawmill man must make good lumber. Too much of the present aspen lumber produced by small sawmills is not sawed accurately, and is poorly edged and trimmed. Poor manufacture is wasteful and costly. Most important, poorly manufactured lumber is not attractive and lacks sales appeal.

The quality of aspen lumber can be improved mainly by proper sawing. Sawmill men should acquaint themselves with aspen grading rules. The sawmill man can be a great help or a great liability in improving the marketing of aspen, depending on his ability to turn out good grades of accurately cut lumber.

The seasoning, grading, and preparation of aspen lumber for specific uses may be beyond the means of the small sawmill man, and he may have to sell his lumber to a large sawmill, wholesaler, or concentration yard that will put it in proper condition for the market. Also, proper seasoning of lumber is often overlooked. Proper kiln drying of aspen lumber will provide a wider market in many specialized lumber uses. Piling is often carelessly done in the seasoning and handling of aspen lumber. As lumber supplies increase, buyers will be more insistent on getting properly seasoned lumber.

Grading of lumber is important to better marketing. In the past, very little aspen has been sold on a graded basis. Both the hardwood and softwood grading rules make provisions for the grading of aspen lumber. Lumber that is graded can be sold for specific uses and can be marketed according to its characteristics and qualities. Grading recognizes that some uses require better lumber than others. Lack of grading has kept aspen out of many industries. Several buyers have been interested in using aspen, but could not find anyone who could supply graded lumber.

The marketing of aspen could be improved if the lumber were better finished. Cut to size dimensions, its manufacture into siding, moulding, and similar items offers possibilities. Special markets often result in the saving of considerable material and help the users to reduce costs. Understanding the market needs and supplying them with properly manufactured lumber will result in wider use of aspen.

It has been demonstrated by some producers that aspen lumber and products can be sold successfully if well manufactured and if direct contacts are made with the consumer to point out the excellent technical qualities of the wood for specific uses.

Increased advertising, trade promotion, and research activities by the Lake States Timber Industry, its trade associations and landowners can expand the lumber markets for aspen.
Marketing of aspen is a problem confronting the timber industry and most forest landowners in the Lake States. The sooner action is taken on this problem, the sooner it will be solved. Aspen products are at a disadvantage with other species because of early prejudices due to poor manufacture and a tendency to underrate the wood. Aspen products are costly because their production has been left mostly to small operators. Any improvement in logging or lumbering of aspen which will lower costs can improve its position in competition with other species and materials.

Aspen is adaptable to many uses. It must, however, be properly manufactured, seasoned, and graded for these uses. Aspen should not be recommended for use where it is less well adapted than other species.

The producers of aspen are in good position to study its properties and learn how it works out for various uses. Continual handling of aspen and consultation with people who use it will give aspen producers much practical knowledge and help them in their marketing problems.

The establishment of concentration yards and lumber processing plants upon which users can depend for continuous supplies of well manufactured lumber will increase the use of aspen.

Well planned advertising and trade promotion by timber producers and lumber associations to publicize the true properties and uses of aspen will help expand aspen markets.
APPENDIX

Sample Timber Sale Agreement

(I or we), (Name of Purchaser), of (Post Office), (State), hereinafter called the purchaser, agree to purchase from (Seller's Name), (Post Office), (State), hereinafter called the seller, the designated trees from the area described below.

I. Description of Sale Area:
(Describe by legal subdivisions, if surveyed, and approximate, if not)

II. Trees Designated for Cutting: (Cross out A or B -- use only one clause.)

A. All (species) trees marked by the seller, or his agent, with paint spots below stump height; also
dead trees of the same species which are merchantable for (Kind of forest products).

B. All (species) trees merchantable for (kind of forest products) which measure inches or more outside the bark at a point not less than 6 inches above the ground; also other (species) trees marked with paint spots below stump height by the seller or his agent.

III. Conditions of Sale:

A. The purchaser agrees to the following:

1. To pay the seller the sum of $ for the above-described trees and to make payments in advance of cutting in amounts of at least $ each.

2. To waive all claim to the above-described trees unless they are cut and removed on or before_____.

3. To do all in his power to prevent and suppress forest fires on or threatening the sale area.

4. To protect from unnecessary injury young growth and other trees not designated for cutting.

5. To pay the seller for undesignated trees cut or injured through carelessness at the rate of $_____ each for trees measuring 10 to _____ inches in diameter at stump height and $_____ each for trees _____ inches or over in diameter.

6. To repair damage caused by logging to ditches, fences, bridges, roads, trails, or other improvements damaged beyond ordinary wear and tear.

7. Not to assign this agreement in whole or in part without the written consent of the seller.

B. The seller agrees to the following:

1. To guarantee title to the forest products covered by this agreement and to defend it against all claims at his expense.

2. To allow the purchaser to use unmerchantable material from tops of trees cut or from trees of_______ species for necessary logging improvement free of charge, provided such improvements are left in place by the purchaser.

3. To grant the freedom of entry and right-of-way to the purchaser and his employees on and across the area covered by this agreement and also other privileges usually extended to purchasers of stumpage which are not specifically covered, provided they do not conflict with specific provisions of this agreement.

C. In case of dispute over the terms of this agreement we agree to accept the decision of an arbitration board of three
selected persons as final. Each of the contracting parties will select one person and the two selected will select a third to form this board.

Signed in duplicate this_____ day of _______________ , 19___.

_________________________________________  ____________________________
(Witness)                                   (Purchaser)

_________________________________________
(Witness)

_________________________________________
(Witness)

_________________________________________
(Seller)

_________________________________________
(Witness)
LITERATURE CONSULTED

(1) Cahall, R. R.

(2) Garland, Hereford

(3) Muller, Joseph L.

(4) Rees, Louis W.

(5) Zasada, Zigmond A.

(6) Zehngraff, Paul.