

## NEWS

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### **Ground-Breaking Program Launched to Aid Timber Harvesters and Haulers**

- **Weyerhaeuser is the first company to sign agreement; urges others to join**

**U.S. Endowment for Forestry and Communities, Greenville, SC**

For IMMEDIATE RELEASE (**May 15, 2014**)

One of the best-known names in tree-growing and forest stewardship is the first forest products company in America to participate in a new program that will boost the economic vitality and sustainability of the nation's 10,000 independent timber harvesters and haulers. Weyerhaeuser has teamed up with the Southern Loggers Cooperative, the U.S. Endowment for Forestry and Communities and the Natural Capital Investment Fund to launch a program that will significantly improve access to cost-effective diesel fuel.

Under terms of the new program, Weyerhaeuser has agreed to provide a financial guarantee that will assist the Southern Loggers Cooperative in expanding its network of logger-owned and operated diesel fuel depots in areas where the company has a significant operating presence. The guarantee is designed to mitigate the cost risk associated with establishing fuel depots. It specifies that should any of Weyerhaeuser's mills in an identified region close within seven years, the SLC would recoup all or part of its establishment costs. After the agreement is signed, the level of commitment will decline each year until the end of year seven, when the agreement sunsets.

"Our primary business is growing trees and providing raw materials to our converting mills and others in the forest products industry," said Adrian Blocker, Weyerhaeuser's senior vice president, Lumber. "But we're totally dependent upon the network of mostly family-owned small businesses to get raw materials from forests to the mill. The SLC's ten-year history of developing and servicing diesel fuel depots and passing significant financial savings on to its members is one of the most exciting and beneficial developments we've seen. We are happy to do our small part to help them advance their model, and we hope other companies also will consider participating in this innovative program."

"We are a true membership cooperative working to assist our members in dealing with purchases of needed products and services," said Todd Martin, Executive Director for the SLC. "Diesel fuel is the life blood for timber producers. It is one of the largest and most volatile expenses for our members, often causing them to go into the red over this one cost alone. Under our coop model, loggers pay a one-time membership fee of \$100 and then can purchase fuel from the depots at a discount of 10 cents or more per gallon. Some of our members report saving \$20,000 annually. Weyerhaeuser's commitment provides a financial backstop to ensure depots located near their major facilities won't be threatened with financial default."

The U.S. Endowment for Forestry and Communities and the Natural Capital Investment Fund began supporting the SLC program in 2013, when they underwrote loans to support the organization's first fuel depot venture in South Carolina.

"Since our inception just seven years ago, we've reviewed a number of ways that we might offer assistance to America's timber harvesters and haulers," said Carlton Owen, President of the U.S. Endowment for Forestry and Communities. "Last year, the Endowment and NCIF spent a day in Alexandria, LA, with SLC's leadership team exploring ways to help them more rapidly expand their model to reach more loggers. After that collaboration, we established South Carolina as a pilot state using a 'quasi-franchise' model that allowed the SLC to formally partner with the South Carolina Timber Producers Association to test ways to expand their diesel depot network."

One of the challenges the groups identified was the major concern that a critical paper mill or sawmill would close after a fuel stop was established in its region.

"We accepted the challenge to see if mill owners would provide a non-cash loan guarantee that would mitigate this risk, and that's the basis for this new program being launched with Weyerhaeuser," Owen said. "We asked Weyerhaeuser to consider being the founding partner for the corporate guarantee program. They saw the benefits to their own operations and to strengthening the nation's timber harvester network and quickly agreed to help."

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The **U.S. Endowment for Forestry and Communities** (the Endowment) is a not-for-profit public charity working collaboratively with partners in the public and private sectors to advance systemic, transformative, and sustainable change for the health and vitality of the nation's working forests and forest-reliant communities – [www.usendowment.org](http://www.usendowment.org)

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**Southern Loggers Cooperative** (SLC) is an association which provides expertise in negotiation and contract formulation for its membership of harvesters of timber, haulers of forest products in the natural state, finished products or products for recycling, forest road contractors, silvicultural contractors, forest landowners, farmers, ranchers, horticulturist and viticulturist – [www.southernloggers.com](http://www.southernloggers.com)

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**South Carolina Timber Producers Association** is an independent association dedicated to representing and servicing South Carolina's professional timber harvesters as well as timber dealer and timber trucker operators – [www.scloggers.com](http://www.scloggers.com)

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**Natural Capital Investment Fund** (NCIF) supports the forest products and other natural resource-based businesses with flexible, affordable capital. Through its Southeast Logging Initiative, NCIF partners with other lenders to provide timber harvesters with the financing they need to replace equipment and expand operations. NCIF is the green business lending arm of The Conservation Fund ([www.conservationfund.org](http://www.conservationfund.org)) and a certified Community Development Financial Institution – [www.ncifund.org](http://www.ncifund.org)

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