



## Profile of Logging Contractors

There are two general types of logging contractors - corporate harvesting crews and independent contract loggers. Most corporations have discontinued company logging operations except for specialized logging areas such as in swamps or other environmentally sensitive areas and where there are insufficient independent loggers. Logging in swamps and mountainous areas requires specialized equipment, usually expensive, which the independent logger is unwilling or unable to purchase. Corporations also justify small logging divisions for research and development purposes to test new harvesting equipment and to evaluate current logging costs in order to deal with the contract loggers. Of the major timber holding companies operating in the study area, Weyerhaeuser Company, Union Camp Corporation, and Hiwassee Land Company maintain the largest corporate logging divisions and tend to purchase the more mechanical and larger harvesting equipment. Each corporation generally has one knowledgeable person who has the authority to purchase equipment or who deals directly with his corporation's independent loggers and can influence their purchase of equipment. A list of those identified during interviews is included in Appendix 2 of this report. Marketing efforts, to be effective, must reach these individuals.

The two main reasons corporations have employed increasing numbers of contract loggers are the reduced numbers of individuals who are willing to work in the woods and the extremely high cost of Workman's Compensation Insurance. Table 6 is a summary of Workman's Compensation Rates by states for Logging and Lumbering Workers. Texas actually reduced rates intentionally to encourage employment.

Table 6 - Summary of Workers' Compensation Insurance Rates by  
State for Logging and Lumbering Workers  
(\$ per \$100 of Payroll)<sup>1</sup>

<u>State</u>	<u>1974</u>	<u>1978</u>	<u>1980</u>
Alabama	\$ 9.37	\$10.52	\$12.42
Arkansas	15.26	18.26	22.00
Florida	13.60	32.59	27.69
Georgia	13.52	16.10	22.16
Louisiana	29.90	39.68	52.10
Mississippi	23.24	34.59	44.36
North Carolina	10.47	16.54	28.59
Oklahoma	26.34	32.26	53.35
South Carolina	9.23	16.03	22.29
Tennessee	14.08	19.61	17.43
Texas	27.06	41.90	14.98
Virginia	8.86	15.37	23.69

The American Pulpwood Association conducted a survey of Southern pulpwood producers in 1981 and came up with the following profile which is significant when determining marketing approaches. The survey purposely excluded high volume producers with multi-product capability when pulpwood made up less than fifty (50) percent of the company's total output.

<sup>1</sup> American Pulpwood Association Technical Release, 81-R-9.