

How We Got To

'Not Where We Were Going'



Paul Harlan, VP – Collins Pine



Collins History

- ▶ Started in 1855 with TD Collins in NW Pennsylvania
- ▶ 2nd Generation looked west - California, SW Washington, Oregon
- ▶ 3rd Generation wanted to do something different
Truman Collins w the CAF
'Jobs in perpetuity'
- ▶ Today 310,000 acres, 625 employees, four sawmills, two panel plants, one retail store and some other



Collins and FSC

- ▶ Looking for something to reward Collins for their conservative forestry
- ▶ FSC taking shape in 1993. Actually Green Cross certified with SCS before FSC existed
- ▶ Collins first industrial FSC operation certified in North America



- ▶ First FSC products were 1x12 pine boards into Home Depot

More, More, More !!

- ▶ Hardwoods and specialty brands were next
- ▶ Then plywood, particleboard, exterior siding, dimensional lumber, chips
- ▶ Changing FSC Standards with FSC Mix Labeling made the supply side workable



What we found

- ▶ HD and others wanting distribution and volume
- ▶ Some high end hardwood had an initial market
- ▶ Dimension lumber and panels were marginal at best
- ▶ Our forestry informational systems had to update, but not necessarily materially change our forestry
- ▶ It consumes large quantities of time and resources (but every certification program now does)



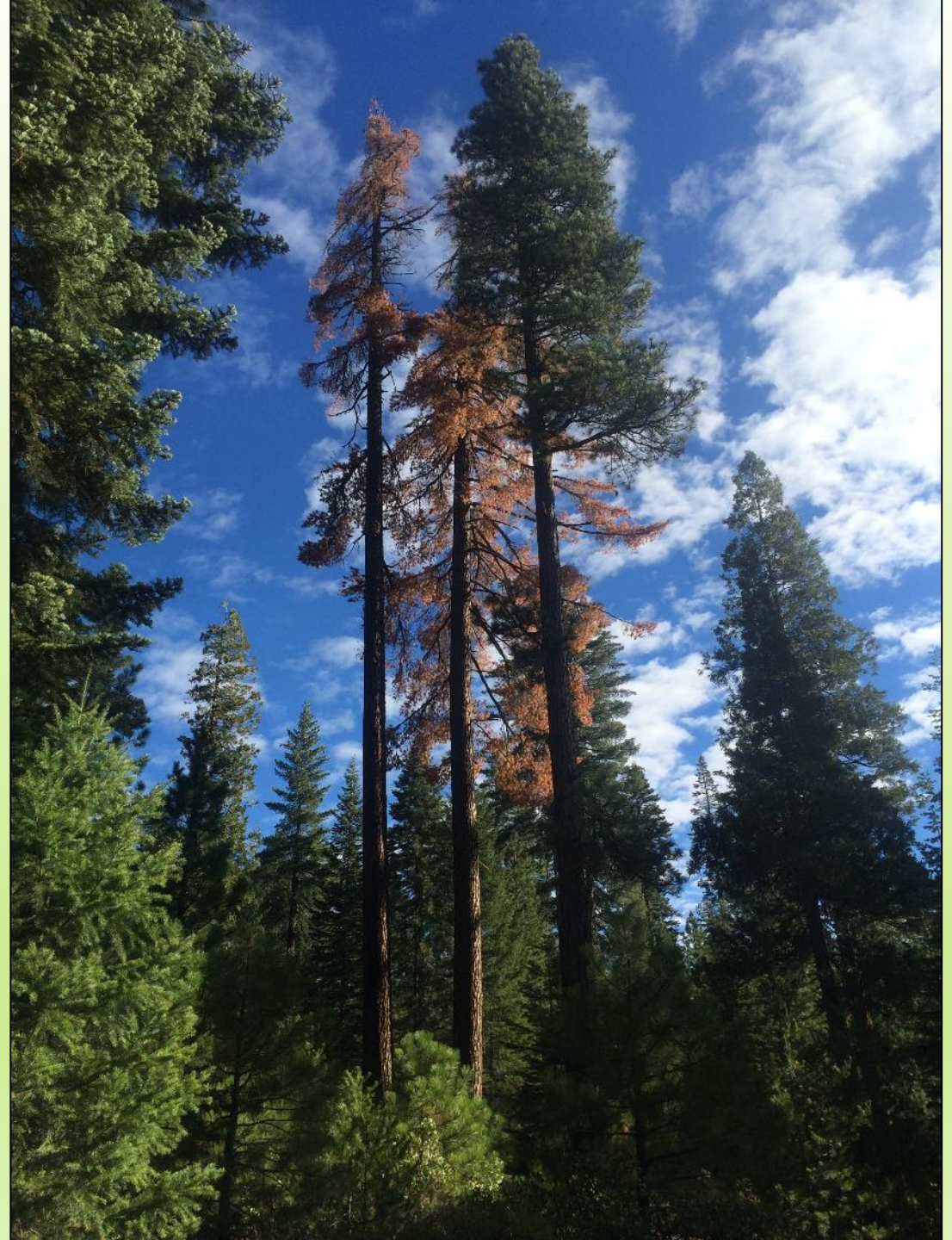
Reality



- ▶ Financial incentive is minimal except in certain narrow markets
- ▶ Today everyone has to work towards some level of certification
- ▶ It is now driven by corporate responsibility (originally it was consumer driven)
- ▶ It no doubt has brought about changes in the forest products industry

What it means in relation to healthy forests

- ▶ We are going to have to reduce carbon standing in the forest in some cases
- ▶ Managed Forests can mimic the 'Burn It' craze that we are going through AND be productive
- ▶ The winners are those who can pay the highest price
 - You cannot ignore the economics
 - Somehow you must leverage the economics
 - Value back to landowner is a tough proposition





Where did we get to?

Solidified the Collins philosophy

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