

Turning Challenge into Opportunity

TimberLine Logging Inc.

Lindsay R. Mohlere

Not one to shy away from a challenge, Ted Hufford, owner of Timberline Logging Inc. of Sweet Home, Ore., always knew going in it wasn't going to be easy.

The First Truck

"I started logging with my dad right out of high school, but didn't stay in it," Hufford says. "I drove log truck for a small operation and then I got hired on by a big fleet but they didn't have a truck for me. They said the new rig wasn't going to be in for two or three months."

Undeterred by the strange twist in circumstance, Hufford took a bold step toward the future. He bought his own truck. "I had to do something, so I created my own job," he says.

A few years later, Hufford bought another rig to keep up with increased production. "I even put my dad to work driving that truck. He worked for us until he was two weeks shy of his 88th birthday," Hufford adds with a chuckle.

The Move to Logging

Hufford kept on trucking until he partnered with Butch Watkins to form Ridgetree Logging in 1988. "We used to meet at our son's basketball games. He was logging; I was trucking. We decided to go together and buy a yarder. We ran a skid side and a tower side."

The partnership ended in 1995 and Hufford kept the tower side and founded TimberLine Logging Inc. Since then he's bobbed, weaved and ducked nearly all the wild haymakers an entrepreneur and small businessman has to endure to survive in a rapidly changing economic environment.

Gearing Up for the Long Haul

Staying a contender in the rollercoaster timber industry means keeping equipment in top form and on the job. It also means being adaptable to the work at hand.

The company has invested in machinery to work skid sides as well as tower sides. "We do combination units where we run two sides but we're beginning to run out of flat ground for our ground skid operations. I expect we'll be tower logging from here on," Hufford says.

TimberLine runs two log loaders, an older Kobelco 290 and a 2013 Kobelco 350. A 2006 Pierce stroker on a 2006 Kobelco SK250 shares processing duties with a 2011 Log Max 12000 dangle head paired with a 2007 Kobelco 350.

The workhorse of the crew is the 172 Madill yarder brought on board in 2007. Hufford said he opted for the 72-foot Madill tower because he needed something bigger and a little stronger to handle his production.



A D7 CAT and three late model Kenworth 900L Long Hood log trucks fill out TimberLine's iron roster.

"When I started out, I had older machines. As we went along we got newer iron so they weren't in repair all the time," Hufford says.

Then the recession hit. "Never kept a machine longer than 7000 hours. When the bottom dropped out I had to keep stuff around 10,000 to 12,000 hours. In 25 years I'd never kept equipment that long. We needed to hang on to it longer to bring the debt load down and survive. I always felt like you could pay for anything as long as you were working. When you're not working, all those payments and fixed expenses don't go away."

At present, TimberLine Logging contracts out for cutting, however that may change in the coming future. "My contract cutter is 67 years old and when he decides to retire I told him I'd probably take over the cutting myself. This whole recession thing hit him pretty hard too, it was costing him money to keep his crew."

Employees Keep It Rolling

Finding and keeping experienced employees on the job and recruiting new people into the business is another challenge that must be met and overcome for success.

"Good, experienced employees are rare," Hufford says. "Not many younger people are coming into the business either. It's tough to find qualified people."

Hufford fields a crew of ten, including truck drivers. They are considered TimberLine Logging's most valuable asset.

He also believes crew experience and adaptability are just as important as machine versatility. To make sure the operation keeps rolling, most of the crew has been cross-trained to operate different machines. "The shovel operator can run the Log Max or operate the stoker," Hufford explains.

Most of the crew has worked for the company over ten years or more. Benefits include health insurance and a 401K program.

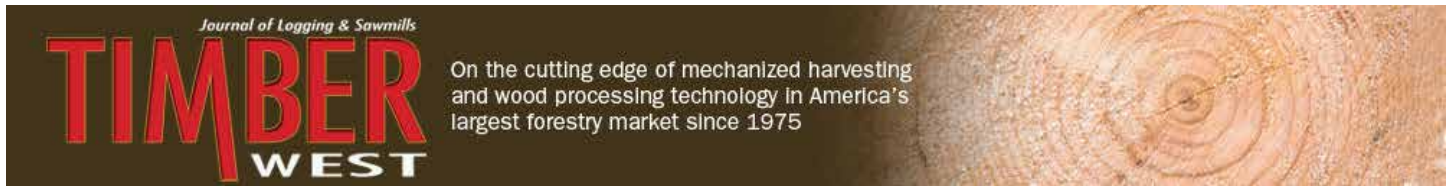
Adding Family to the Crew

To ensure the company's management keeps a keen edge and continues to push forward, Hufford brought in his son Lucas to help manage the business, with an eye on eventually taking over.

Right after he'd graduated from high school, Lucas told his dad he wanted to come logging fulltime. "I said that would be okay" Hufford says, "but he had to go to college first. At least a couple of years."

Lucas took a couple years off to go to college at Linn Benton C.C. while working part time for TimberLine. He came back to the business full time in 2001 and became a partner in 2012.

Both men are on the job on a daily basis, with Ted operating one of the log loaders and Lucas multi-tasking where needed. "Lucas is our number one hook tender, but when I have to be gone, he does double duty. He can run dangle head, operate



the stroker or run the yarder. He's pretty much an all-around good hand. I call him my Vice President of Operations," Hufford says with a slight smile. "He can pretty much do it all."

It's All About the Work

"The biggest hurdles we face are market variables that will keep us from being able to continue working," Hufford says.

When the housing bubble blew up in 2008/09, Hufford was affected like every other logging operation across the country. "When the crash hit and the housing market tanked we were told the market wasn't strong enough. We ended up working about six months a year. It's different now."

In 2013, Hufford logged over 9 million board feet and hopes to boost production to over 11 million this year. Whether that goal can or can't be met depends on several outside factors. "We work on a sustained yield. If we get close to our quota we might have to back off and slow down," Hufford says.

He's relieved the recession is over, but he still sees market conditions as one of the biggest challenges his company will have to face, now and in the future.

Last year was a good year for TimberLine and this year there's a lot more work waiting out in front. Economic indicators point to a strong recovery of the U.S. timber market thanks to the increased construction and remodeling of single-family housing. Mills have reopened and are investing to improve efficiency to boost production to meet domestic demands as well as blossoming export orders. Industry confidence is gathering strength. Still, Hufford remains cautiously optimistic. "Business looks good down the road, but I don't think we're out of the woods yet," he says.