

Value Management

Independent swamp logger maximizes product value using a deck processor.

By Jennifer McCary



ROPER, NC

Billy Corey's approach to the logging profession is driven not so much by production as it is by value. As one of a small number of logging operators in eastern North Carolina who buy, harvest and market their own timber, the independent owner of Tim-Con Wood Products asserts, "We think the key to any harvesting operation is value management. You've got to get every dollar that's out there, from the tree to the end user."

Corey, 60, started his logging career working on company logging crews where he advanced to supervisor of logging operations. In the mid-1980s when company crews were phasing out, Corey opted to strike out on his own, naming his company after his children, Timmy and Connie. A fitting acknowledgement, he observes, since they're the reason he works so hard anyway.

Initially, he started as a contract logger. "It didn't take long for us to realize that for us to succeed we

had to become independent,” he states. “In this business, as in life, it’s the buyer who controls everything. We could see that we were missing a lot of opportunities by not handling the whole process.”

Competition for timber was fierce so in the late 1990s Corey elected to narrow the field by focusing on the swamps. As a result, his competition for stumpage fell from 30 or 40 vendors to just two or three. “It’s harder work and it’s not for everybody,” he concedes. But it has provided more opportunities for him to control his own destiny.

Today Tim-Con Wood Products operates two sides with an equipment investment of roughly \$2.5 million. The larger crew deploys eight men and works exclusively in the swamps. The second is a three-man team that primarily works sandy swamps and hills.



Swamp Processor

“We’ve always felt like we have to stay right on the edge of technology,” he emphasizes. “We’ve got to stay on top of it and decide if it is good for what we’re doing. In this business you’re either a hero or a zero. To be a hero, you’ve got to take a calculated risk.”

That was what led Corey to add a processor at the deck of the swamp crew last year. In order to merchandise logs for maximum value, Corey needed a more accurate, reliable measuring system. He notes that with a loader and ground saw, the operator is 30 to 45 ft. away and trying to visually

measure down to an 8 or 10 in. log.

The businessman traveled throughout the country to see various processor systems operating, but it only took a couple of visits to see the advantages it could provide. He purchased a Waratah HTH624 processor head mounted on a Timberjack 850 carrier supplied by R.W. Moore Equipment Co. in Greenville. Corey notes he is the only operator in the area using a Waratah processor head.

“This machine does the job two machines did before and it will measure that log for you.” he states. “It’s just a lot more efficient than the human eye can be. Now the technology isn’t where I’d like it to be. I’d like for it be able to scan and merchandise the whole tree.”

Remaining equipment on the swamp job is Tigercat machinery supplied by A. G. Lassiter Equipment Corp. of Chocowinity. Lineup includes a 2006 Shovel S860, 2006 model 822 feller-buncher, 2006 and 2004 635 bogie skidders, and two tracked loaders – 2005 model 250 and 2004 model 245.

Crew men include company namesake and son Timmy Corey, M.L. Elliott, Steve Arrants, Chris Furlough, Freddie Stevenson, Shawn Moon, Sherman Jackson and Curtis Young.

Corey generally doesn’t trade in equipment until its useful life is spent or improvements in technology offer a significant advantage. The second loader on the swamp crew was added in April when he replaced it on the other crew with a 2008 John Deere 437C loader to reduce fuel costs. The older loader is used to add loading capacity as needed, making them capable of simultaneously loading as many as three trucks or trailers at the 200 ft. wide deck.

The 437C loader consumes three and a half gallons per hour compared to seven gallons per hour on the older machine. With fuel costs at roughly \$3.50 a

gallon, it doesn't take long to figure out how much savings is generated with a loader that is bucking and loading logs all day.

"If I can divert money the fuel company was getting to buy that piece of machinery and it takes me four or five years to pay for it, even at the end I'm still going to have at least 25% of that value in a piece of equipment," he reasons. "At least I will get something back, even after depreciation. If I spend that money on fuel, I get nothing back."

Equipment on the hill crew includes the new loader which is mated to a CSI delimber, a 1998 Timberjack 850 feller-buncher, which has over 16,000 machine hours, and a 2006 Tigercat 630C skidder. Charles Simpson runs the loader and oversees the job assisted by Johnny Carter and Gary McCray.

Together, the crews produce an average of 125 loads per week.



Operations

The company hires consulting foresters to purchase timber and flag buffer strips in compliance with all federal and state requirements. As a general rule, Corey buys tracts with at least 80% grade timber. Even then, he says, about half of the volume produced is fiber products.

For the past 15 years, Corey has used his airplane to pre-cruise timber from the air, which saves him a lot of time. The licensed pilot has found that he can

fly over 10 tracts in a day and tell his foresters which tracts are worth cruising and bidding on. He continues to fly over the tracts as they are harvested to keep up with progress on the ground.

Swamps are normally clear-cut, except for the BMP buffer zones along creeks and rivers. Production is mostly hardwood with the occasional pine growing on a sandy hill. Species are predominantly cypress and gum.

The crew was finishing up a 700 acre tract when SLT visited the jobsite this spring. The tract was located about one and a quarter miles off the paved road. Signs are posted on the highway and the entrance to the access road is graveled to prevent mud on the highway. The rest of the distance is matted with 16 ft. wood mats positioned end to end all the way to the deck.

On average mats can be reused three times with a lifespan of about six months, meaning the company is constantly buying and replacing them. They normally keep 60 to 100 mats in inventory. It is expensive but Corey views it as good insurance. Most contracts, he notes, include a clause requiring them to repair damaged roads and mats help prevent costly road repairs.

Most of the time, they are working down in the swamp so the feller-buncher operator lays logs down to make the roadside deck as well as the skid roads. The shovel follows the feller-buncher, accumulating drags for the high capacity bogie skidders. Corey deploys two because skid distances up to a mile long are not uncommon when crossing the swamps.

Skidders drop their loads in a long staging line along the interior of the wide deck. The processor walks back and forth processing and stacking logs in a line nearer to the road. Loaders walk back and forth on the second line to load incoming trucks. A Maxi-Load platform scale is positioned at roadside

to weigh trucks before leaving the deck. Corey has used scales ever since they emerged on the logging scene; finding their value in being able to consistently haul maximum payloads. He strives to get a 26-ton payload on every truck that leaves either job.

Quotas have been a fact of life in eastern North Carolina this last year but the company has not been as severely impacted because they are able to market their wood to several outlets in the region. It does, however, add more handling cost because unlike hill logging, you cannot pick and choose the stems that are in demand at that moment.

“When you’re swamp logging, you’ve got to start on one side, build your roads and work across it, just like a windshield wiper,” he explains. “Everything that is out there has to come out. It costs twice as much to be on quota as it does in regular production because you have to handle your wood a couple of times—dragging it out and decking it on a hill until you can haul it.”

Fiber markets include Domtar Inc. in Plymouth, NC and International Paper in Franklin, Va. Tim-Con hauls some timber to Franklin, but International Paper has recently set up a contract trucking operation that hauls fiber from several locations. They supply four trailers for Tim-Con’s job. These are loaded and spotted near the paved road for pick up by that company. That has worked out well, Corey reports.

“We like to be preferred suppliers to our customers,” he notes, which is why he pays special attention to buying heavy to grade timber tracts. The company is the preferred supplier for Edwards Lumber Co., Jamesville, NC, which makes railroad ties and wood mats; Mackeys Ferry Lumber Co., Roper, which receives sawlogs; and Whitley Lumber Co., Plymouth, a crosstie manufacturer.

Trucking operates under Tim-Con Trucking Co. and

includes four haul trucks— 1995, 2007 and 2008 Kenworths and 2006 International. The older truck is used for ferrying spot trailers. Subcontract haulers include Willie Congleton, Congleton Trucking, and employee Charles Simpson who provides four contract trucks.

Making A Difference

Corey is a charter member of North Carolina Assn. of Professional Loggers (NCAPL), organized last year. Doug Duncan was hired as executive director and they are currently working to get the word out to loggers across the state. Corey sees it as an opportunity to network with other professional woodsmen and help each other solve problems the industry faces.

“Some of the biggest problems and opportunities right now are making sure everybody in this industry understands the cost of logging. That’s more critical now than it ever has been,” he states. “This association we’re trying to get up and running will help tremendously with that.”

The businessman is also in his second year as Chairman of the Washington County Commissioners. He says he was one of those people who sat around complaining about high taxes until one day he decided maybe he could make a difference so he ran for office. When he became a member of the Board of Commissioners nine years ago, the county had seen tax increases nine years in a row and it had the highest tax rate in the state. The new board made some changes that allowed them to increase services and lower costs so they didn’t need to raise taxes further. The county did do a reevaluation, he adds, which increased taxes for some and lowered it for others, but the total dollars the county collected stayed the same.

Looking to the future of logging, Corey says they need to develop a market for the tremendous

volume of biomass that is currently left on job sites. “I think the next stage in logging is for companies like mine and others, rather than investing millions in equipment, to start investing in a power plant or some other biomass facility to utilize this fiber ourselves—kinda like farmers did with the cotton gin. You can get more for your product using it yourself than you can selling it to someone else, especially at today’s fuel prices.”

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