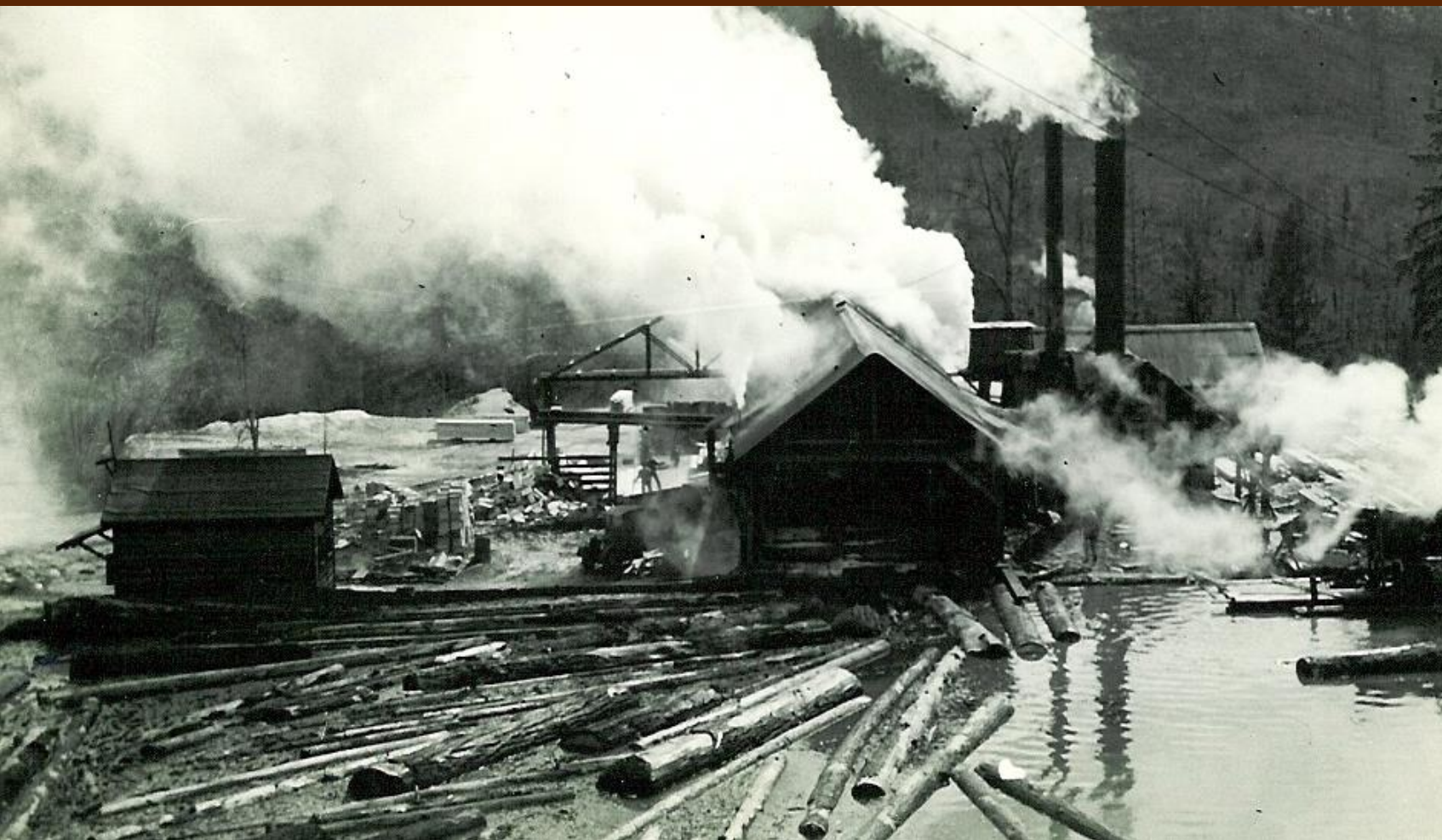




www.frereslumber.com



LUMBER CO., INC.



From Then...

Founded in 1922 by TG Freres

Sawmill on the North Fork of the
Santiam River

Moved to current location in 1950's

Converted to veneer manufacturing in
the late 1950's.



... To Now FLC Operates

Two Veneer plants

Veneer Drying Facility

Plywood Plant

Cogeneration Facility

Stud mill

Fleet of Log and Highway Trucks

Mass Ply Panel Facility

Operational December 2017





At Freres Lumber we:

Employ 430 full time people

TRYING TO HIRE 50 MORE!

Sustainably manage more than 17,000 acres of timberland

Gross Annual Sales Revenue of \$150 million

Products

- Variety of residuals
- Electricity
- Lumber
- Plywood
- Veneer

Specialize in veneer for engineered wood products





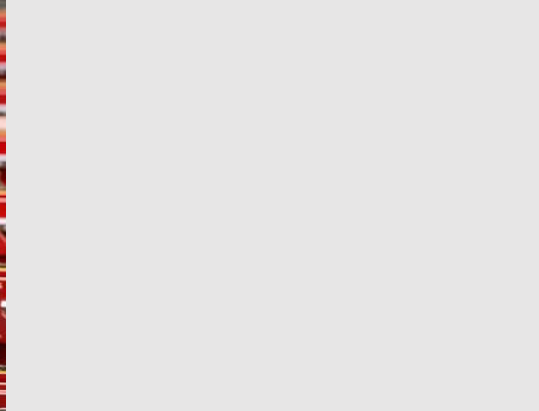
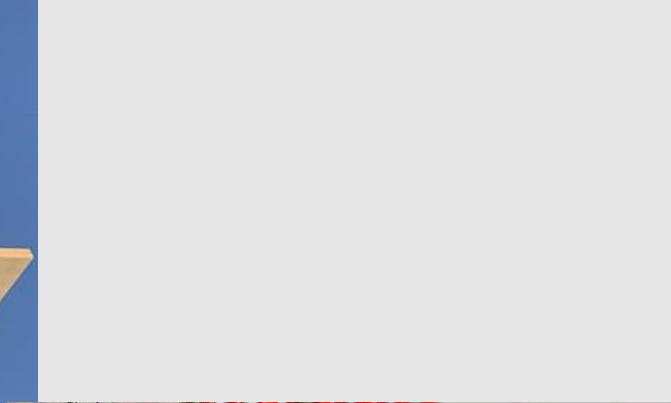
LUMBER CO., INC.

Mass Timber Panel Facility Operational December 2017



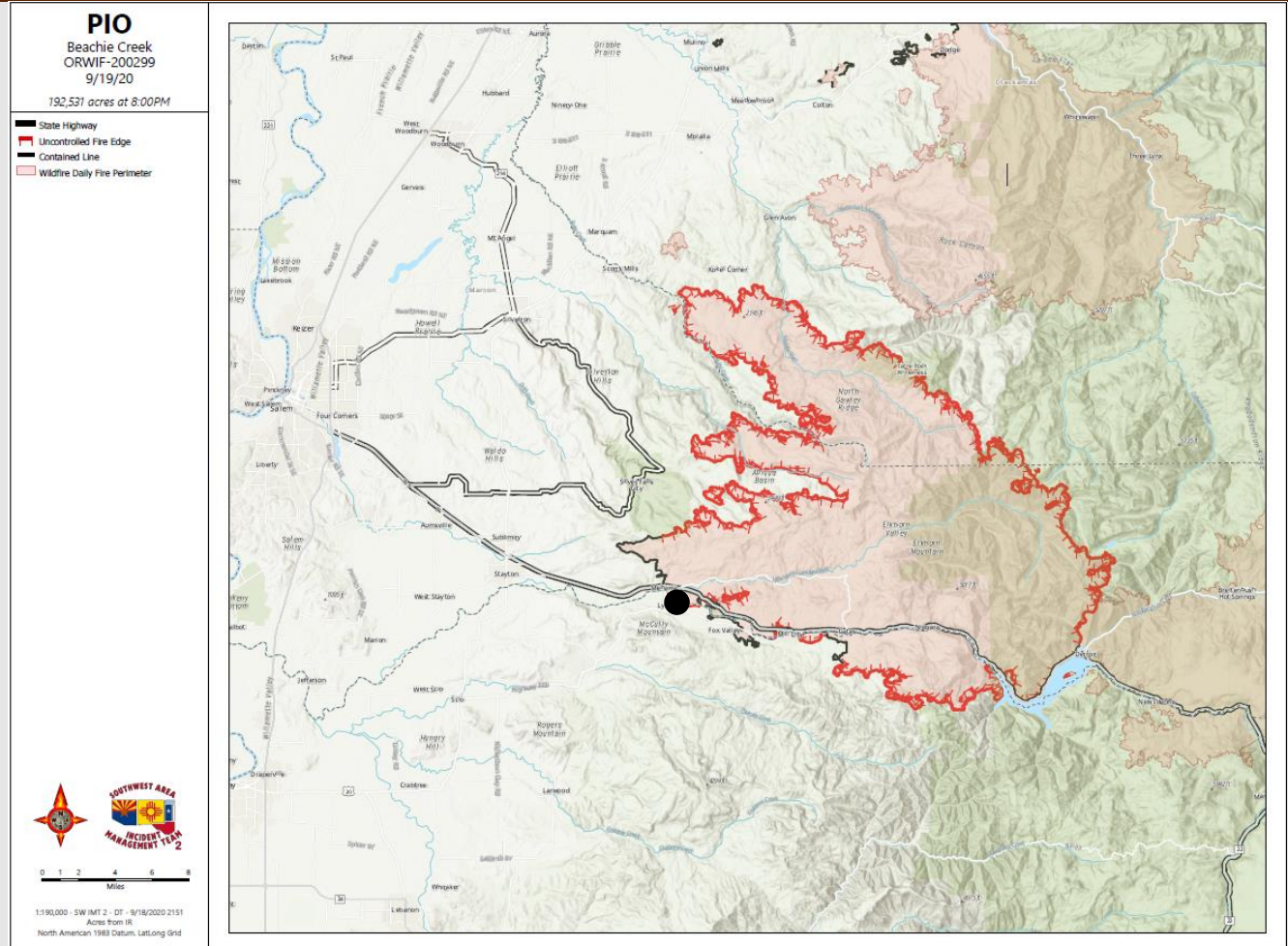


LUMBER CO., INC.



Beachie Creek Fire

- 192,531 acres at 8:00pm 9/19/20
- 32% Containment
- 60% was on Federal Land- Consistent with Federal Ownership %
- On our own land, we estimate 100mmbdf salvage volume
 - 15 months supply for Freres Lumber
 - 7 years supply at our historical sustained yield harvest rate





2018 Farm Bill

In Section 207, the FY2018 omnibus authorized FS and BLM to enter into 20-year stewardship contracts or agreements, if the majority of the federal lands are located in areas classified in Fire Regime Groups I, II, and III. The law also authorized the Secretary to give a procurement preference to a contractor that promotes an innovative use of forest products as part of the contract.



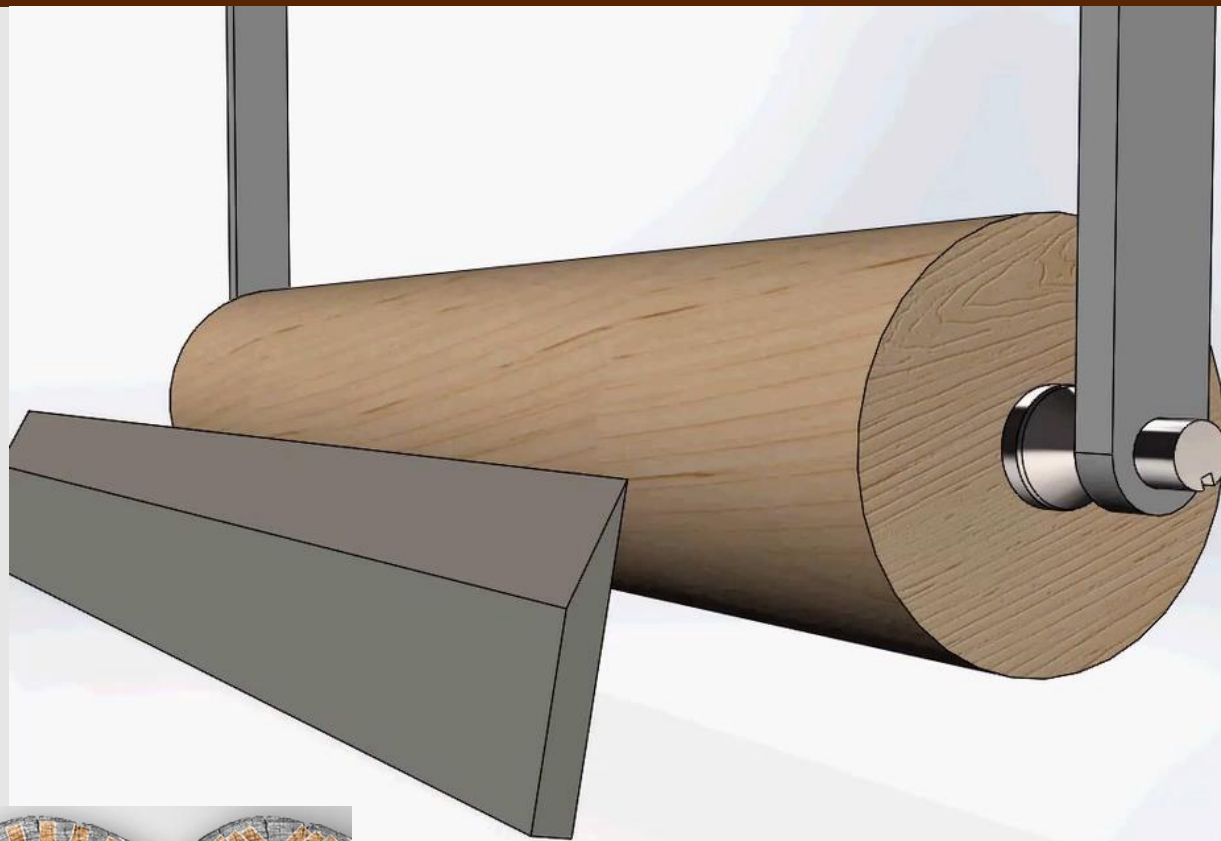
Sustainability

Fiber Recovery

- Higher Recovery of usable fiber than lumber
- Zero-waste!
 - Any non-saleable wood product is used to generate electricity!
- **Carbon Sequestration**
 - 1 cubic meter of concrete offset by 1 cubic meter of wood sequester 1 ton of atmospheric carbon!

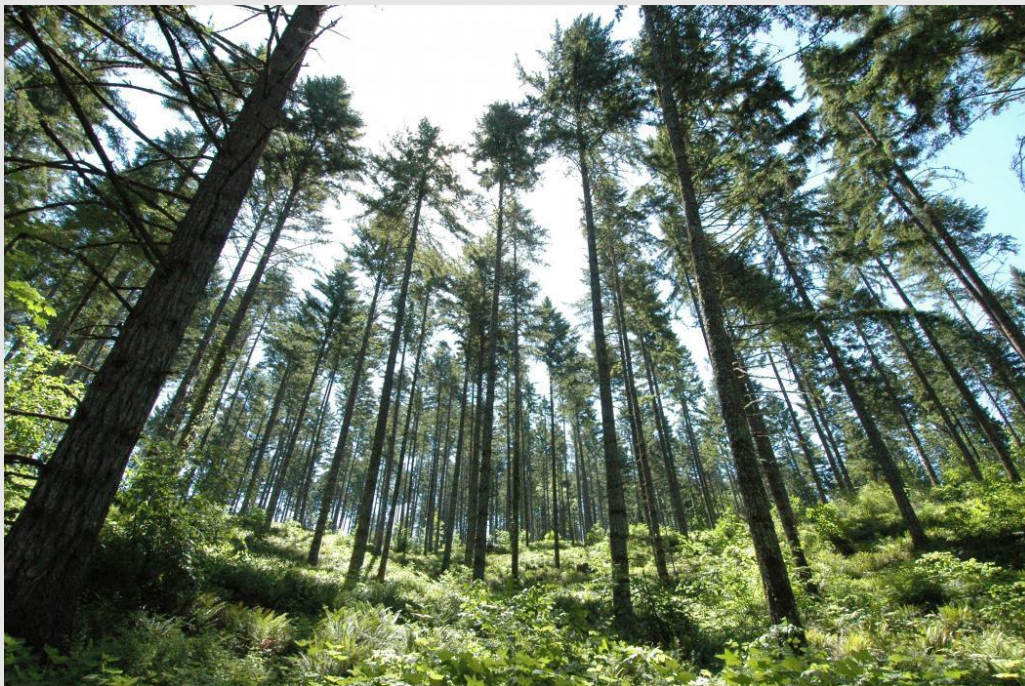
Timber Availability

- Ideal timber for engineered veneer products is suppressed 2nd growth trees
- Average block diameter for our engineered veneer plant is 9"



Our 2 biggest hurdles!

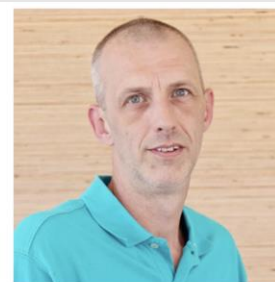
Timber



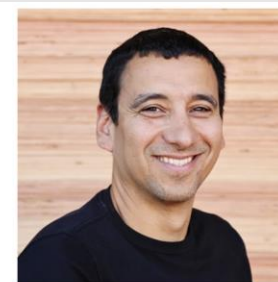
Labor



Adrian Gregory, Plywood Superintendent



Alan Kiel, Plywood Supervisor



Arturo Pelayo, Veneer Supervisor



Bill Childress, Plywood Plant Manager



Chris Harpole, Plywood Maintenance Manager



Chris Roth, Rolling Stock Manager

FORESTLAND ACREAGE BY OWNER (2015)



TIMBER HARVEST BY OWNER (2015)



FEDERAL GOVERNMENT

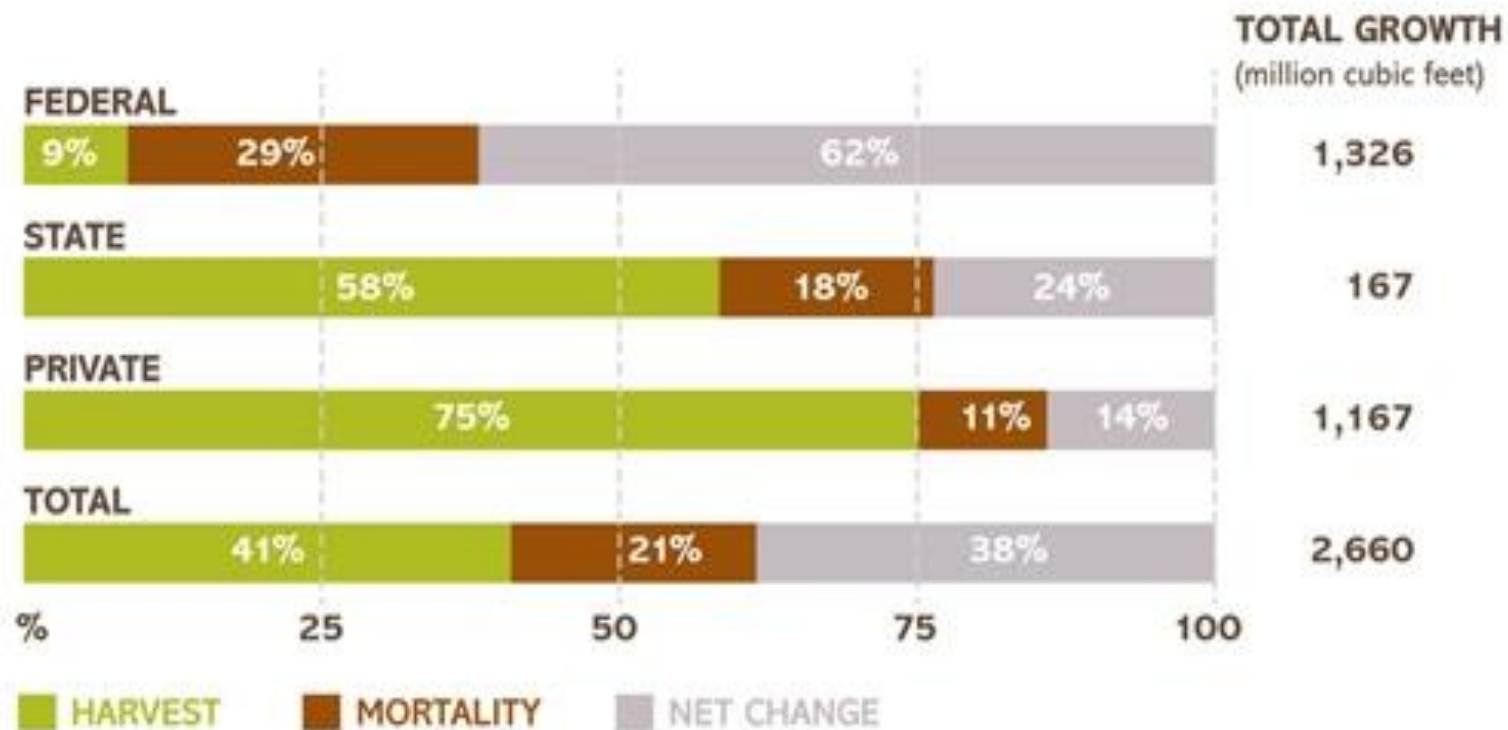
LARGE PRIVATE

SMALL PRIVATE

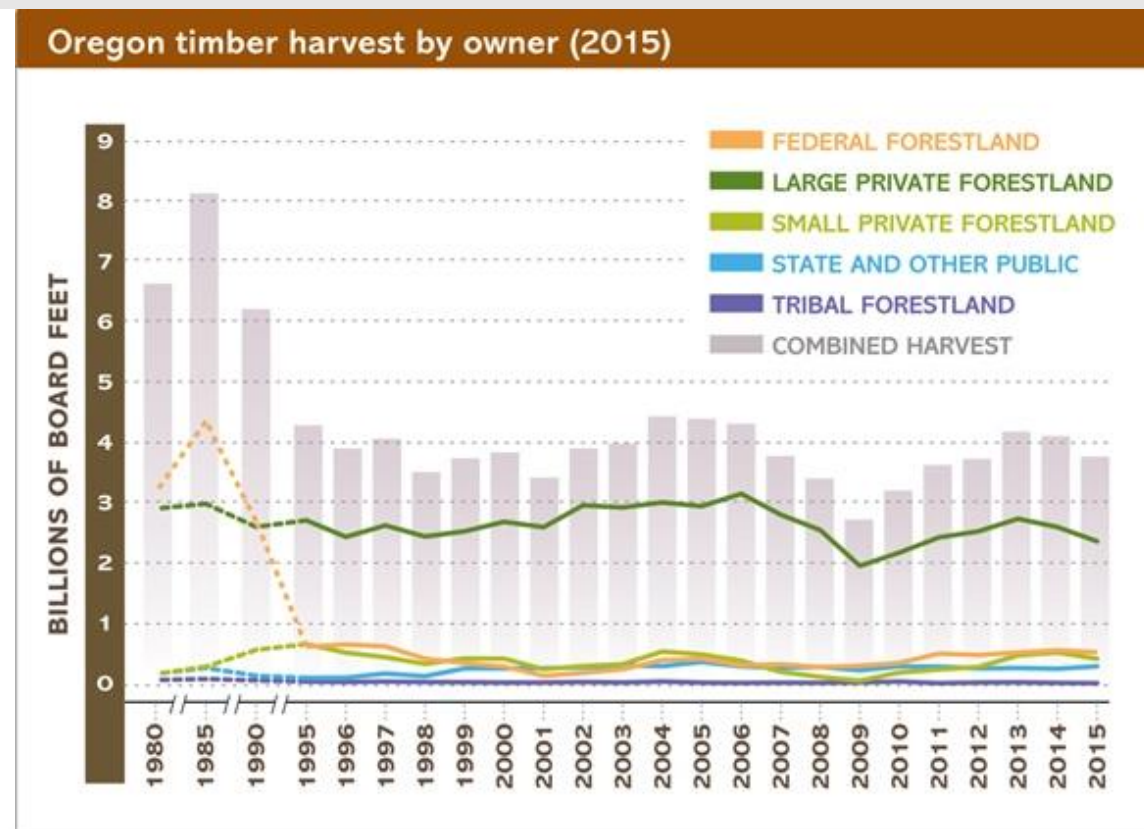
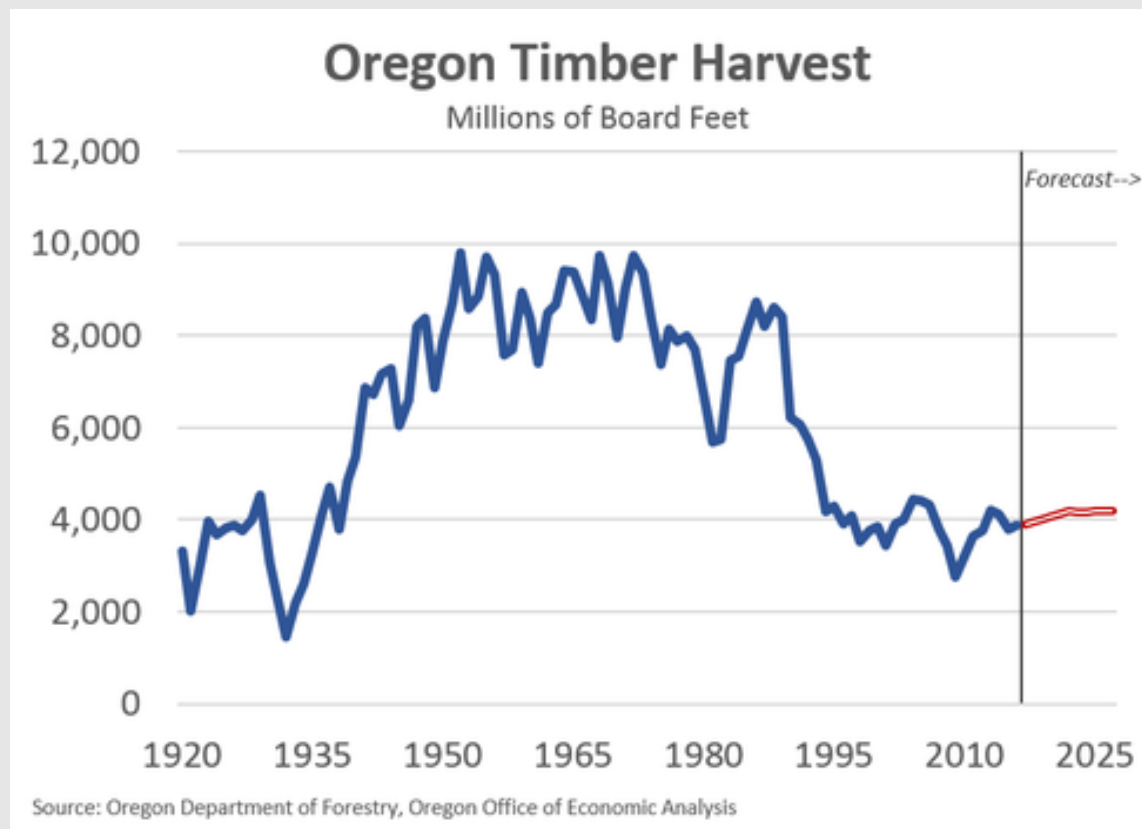
STATE AND OTHER PUBLIC

TRIBAL

Growth, mortality and harvest 2011-2015



Historical Timber Harvest



The Forest Sector Contributes:

- More than **61,000 living-wage jobs**
- An average wage of **\$50,000**
- **\$12.5 billion** in annual sales of timber and wood products

Oregon's forest sector jobs - 2015

Forest Management

Company management	1,221
Forestry and environmental consultants, researchers, academics	226
Bureau of Land Management	2,039
State of Oregon	1,063
U.S. Forest Service	3,148
Subtotal	7,697

Forestry Support

Forestry support (nurseries, machinery manufacturing, firefighting)	5,932
Logging	7,567
Subtotal	13,499

Primary Forest Products

Pulp and paper manufacturing	4,482
Sawmills and wood preservation	6,753
Veneer, plywood and engineered wood	9,009
Subtotal	20,244

Secondary Forest Products

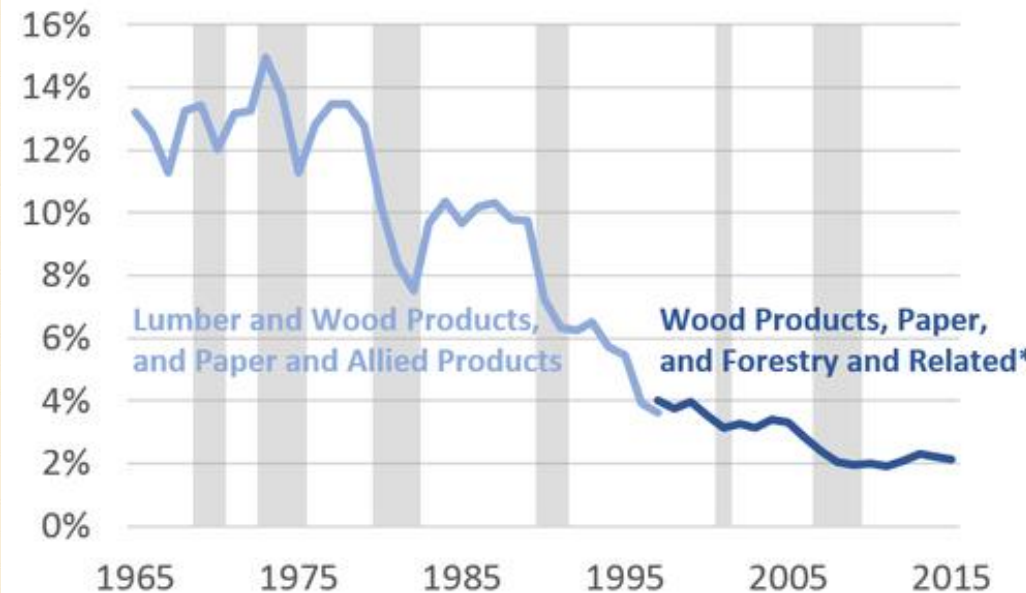
Millwork (doors, windows, custom)	5,564
Wood kitchen cabinets and countertops	3,237
Other (manufactured homes, wood buildings, pallets, furniture)	2,682
Subtotal	11,483

Distribution, Transportation and Other

Wood products wholesalers	2,369
Paper products wholesalers	762
Transportation of logs, chips, goods	4,670
Other (biomass electric power, airport operations, marine cargo handling, etc.)	286
Subtotal	8,087

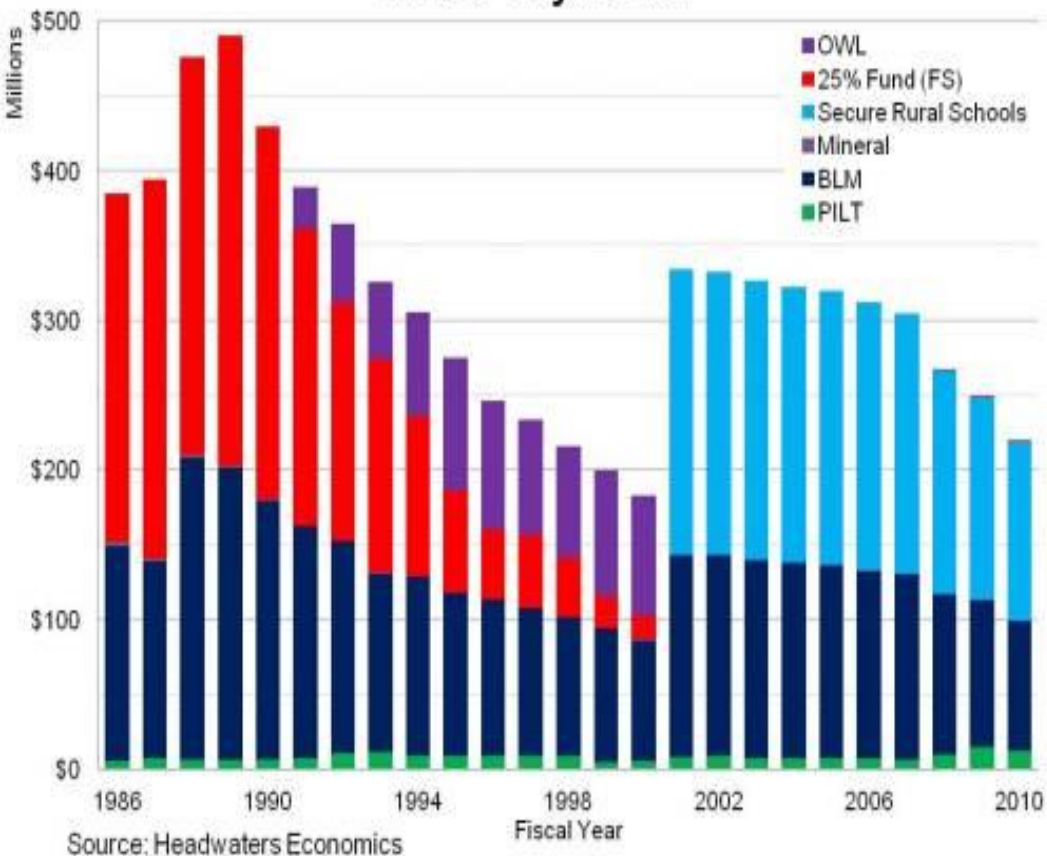
TOTAL	61,010
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Oregon's Forest Sector Percent of State GDP

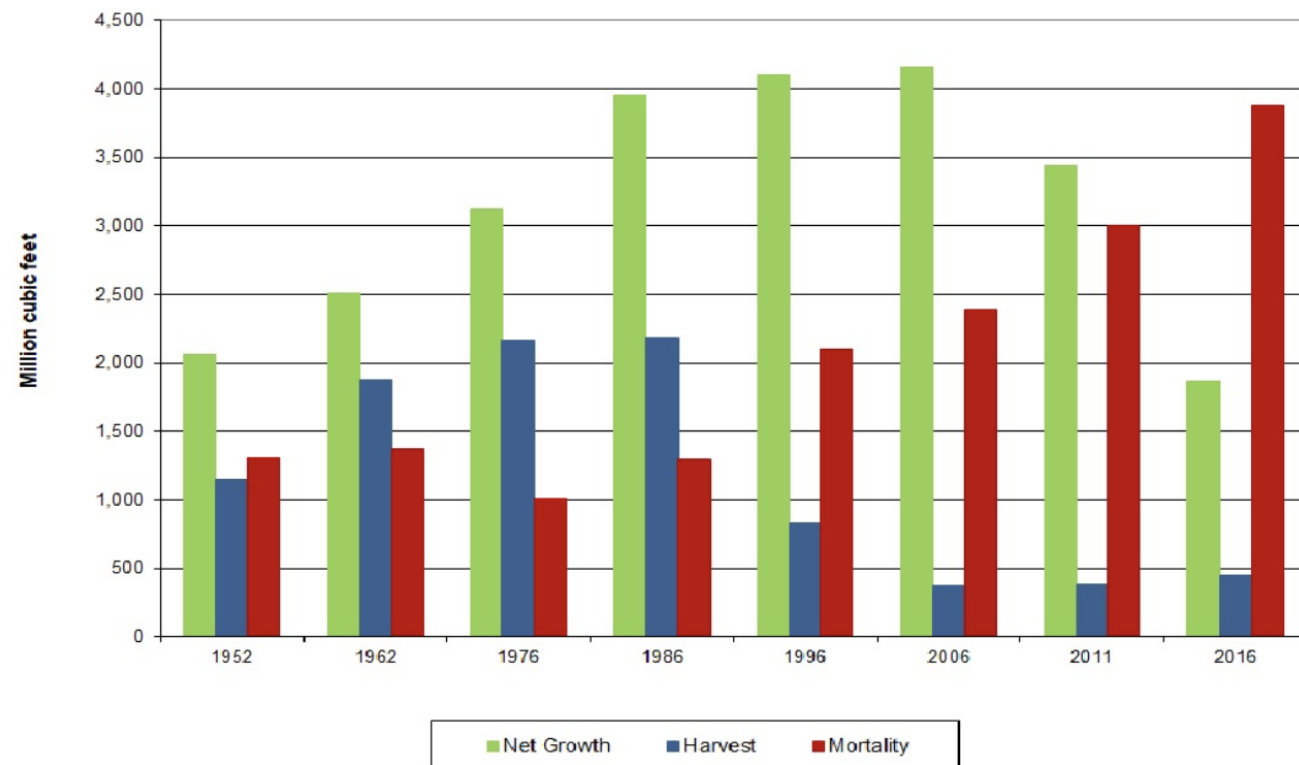


* Includes Fishing | SIC-NAICS Series Break 1997 | Source: BEA, Oregon Office of Economic Analysis

Timber Payments



Annual Net Growth, Mortality, and Harvest on National Forest Timberlands - 1952-2016



Solutions

- 20-year Stewardship Contracts
 - Don't just sign it into law, make it happen!
 - Employ our rural community actively managing the forests in their region!
- Manage our forests!
 - Must increase footage from Federal Lands- Our private lands are maxed out at sustained yield.
 - Timber availability is the single largest obstacle to increased rural employment!
- Encourage locally sourced products- Forest to Frame
 - Lower raw material prices would discourage imports from less sustainable regions of the world.





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