

## Introduction

The Bureau of Business and Economic Research at the University of Montana-Missoula is conducting an ongoing logging cost study to characterize Montana timber harvest costs.

## Objectives

This study characterizes Montana timber harvest costs by:

- Updating stump-to-loaded truck cost estimates for several timber harvest systems using expert opinion derived costs
- Quantifying costs for increases or decreases in fuel, labor, insurance, parts and other cost factors affecting harvest to a 2023 cost basis
- Quantifying the effects of tree size and skidding, yarding, distances with a constant harvest volume per acre

## Methods

2023 was the eighth time since 2009 the survey was mailed to over 400 independent logging contractors and timber harvesting companies in Montana and Idaho asking for cost estimates for several timber harvest systems. Contractors responding to the survey were offered continuing education credits through the Montana Logging Association and Idaho Associated Logging Contractors. Three scenarios; whole tree ground based (figure 1), whole tree cable/skyline based (figure 2) and cut to length in woods processed (figure 3) were presented.

The Survey participants were presented with a silvicultural/harvest prescription and asked to prepare a cost estimate or bid for each scenario (Table 1)

Table 1. Variables used to determine costs included:

Average skidding distance	600 feet
Average yarding distance	800 feet
Average Forwarding distance	1000 feet
Average DBH removed	13 inches
Trees per acre removed	42 (partial cut)
Cubic foot volume of average tree	24
Volume removed per acre	1,000 ft <sup>3</sup> (30 green tons)
Overall harvest acres treated	40-80 acres

## Literature Cited:

Keegan, C.E., and J. Halbrook. Harvest Cost, Employment and Labor Income Estimates for Montana's Forest Products Industry. 2006. Missoula, MT: The University of Montana, Bureau of Business and Economic Research.  
Keegan, C.E., M.J. Niccolucci, C.E. Fiedler, J.G. Jones and R.W. Regel. 2002. Harvest Costs Collection Approaches and Associated Equations For Restoration Treatments On National Forests. Forest Prod. J. 52(7/8); 96-99.

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Figure 1. Ground Based System

All costs in 2023 dollars

	\$/Green Ton						\$/MBF	
	2013	2015	2017	2019	2021	2023	2021	2023
Feller-buncher	\$8.21	\$9.16	\$9.79	\$9.53	\$9.48	\$10.23	\$58.75	\$63.45
Skidding 600'	\$6.39	\$7.64	\$7.84	\$8.13	\$8.40	\$8.50	\$52.08	\$52.72
Skidding 1,200'	\$8.07	\$9.59	\$9.98	\$10.54	\$11.57	\$10.42	\$71.72	\$64.60
Skidding 1,800'	\$10.02	\$12.41	\$12.53	\$13.45	\$14.67	\$12.36	\$90.94	\$76.63
Processing	\$7.79	\$8.98	\$9.46	\$9.82	\$10.10	\$10.23	\$62.62	\$63.44
Loading	\$4.07	\$3.93	\$4.14	\$4.69	\$4.75	\$4.95	\$29.45	\$30.70
Administration	\$1.95	\$2.07	\$2.34	\$2.96	\$2.55	\$2.62	\$15.81	\$16.24
<b>Total</b>	<b>\$28.41</b>	<b>\$31.78</b>	<b>\$33.57</b>	<b>\$35.13</b>	<b>\$35.28</b>	<b>\$36.54</b>	<b>\$218.71</b>	<b>\$226.55</b>



Figure 2. Cable System

							\$/MBF	
	2013	2015	2017	2019	2021	2023	2021	2023
Hand-Felling	\$5.37	\$5.28	\$5.70	\$6.74	\$6.64	\$6.63	\$41.18	\$41.11
Yarding 800'	\$24.21	\$25.77	\$26.34	\$26.29	\$29.52	\$29.93	\$183.05	\$185.57
Yarding 1,600'	\$28.54	\$29.80	\$31.11	\$31.89	\$34.25	\$35.25	\$212.35	\$218.55
Yarding 2,000'	\$32.09	\$33.06	\$31.26	\$35.19	\$35.36	\$37.92	\$219.22	\$235.10
Processing	\$8.17	\$9.16	\$9.49	\$10.86	\$9.89	\$10.38	\$61.29	\$64.36
Loading	\$3.86	\$4.24	\$4.39	\$6.36	\$5.48	\$5.28	\$33.97	\$32.74
Administration	\$1.96	\$1.96	\$2.02	\$3.44	\$3.50	\$3.50	\$21.70	\$21.70
<b>Total</b>	<b>\$43.58</b>	<b>\$46.41</b>	<b>\$47.94</b>	<b>\$53.69</b>	<b>\$55.03</b>	<b>\$55.72</b>	<b>\$341.19</b>	<b>\$345.46</b>

Figure 3. Cut-to-length System

	\$/Green Ton						\$/MBF	
	2013	2015*	2017*	2019	2021*	2023*	2021	2023
Harvester	\$17.11	\$18.38	\$18.89	\$19.98	\$21.03	\$22.36	\$130.40	\$138.63
Forwarding 1,000'	\$12.61	\$13.18	\$15.67	\$15.80	\$17.03	\$17.00	\$105.60	\$105.40
Forwarding 2,000'	\$17.20	\$14.91	\$17.56	\$17.49	\$18.98	\$20.12	\$117.70	\$124.74
Forwarding 3,000'	\$20.17	\$19.04	\$22.05	\$20.51	\$22.26	\$25.09	\$137.99	\$155.56
Loading	\$4.50	\$4.64	\$4.82	\$5.56	\$6.04	\$6.03	\$37.42	\$37.39
Administration	\$1.99	\$2.01	\$2.20	\$3.23	\$3.51	\$2.86	\$21.75	\$17.73
<b>Total</b>	<b>\$36.21</b>	<b>\$38.21</b>	<b>\$41.57</b>	<b>\$44.58</b>	<b>\$47.61</b>	<b>\$48.25</b>	<b>\$295.18</b>	<b>\$299.15</b>

All costs in 2023 dollars

\* 2015, 2017, 2021 and 2023 CTL costs are calculated since no surveys were returned.

### RESULTS

• 2023 reported stump to loaded truck costs ranged from \$36.54 per green ton for ground-based systems employing whole tree skidding to \$48.25 for cut to length and \$55.72 for cable systems based on Table 1 harvest characteristics.

• Results indicate that smaller-diameter trees and longer skidding/yarding distances tend to increase costs and that cable systems are more expensive than ground-based systems.

• 2023 reported logging costs were typically higher than 2021. Higher than previous survey years-based costs, reflecting increased fuel, labor and other operating costs.

• Some previous years lower harvesting costs are due primarily to attempts by loggers to continue operating in a competitive economic market.

• 2023 survey year was comprised of more individual contractor in-person and phone interviews than in past years. These interviews provided for more opportunity to understand costs associated with the business and impacts from log markets, inflation and volatile fuel costs.

• Because of the survey's simplicity and repeatability, results can be compared with previous (Keegan et al. 1995, 2002) and future cost surveys to examine the impacts through time of changing fuel costs, harvest characteristics, or other items of interest.

### SURVEY RESPONSE COMMENTS

•... our costs are way up; payroll and health insurance for our employees, fuel and repairs are taking all what we make; can't log for any less.

• Overall rates/bids are too low, especially with the cost of fuel and parts going up.

• Changes in fuel costs affect logging costs directly, 10% change in fuel = 2.5% change in logging costs.

• Sometimes there are a number of overlooked conditions that have more effect on expenses vs. production than the obvious ones of trees per acre/diameter/distance.

• Every job is so different that giving you our cost would be a wild guess.

• There are very few equipment operators left that can do the job right and that care about what they do. So, with the cost of fuel, parts, labor, insurance and work comp you barely break even at the current logging prices. If you add in a new equipment payment you would go broke.

• Political policy and federal regulation has sent this industry into a deliberate yet totally unnecessary tailspin-shame-shame-shame!