

WOOD PRODUCTS EXTENSION SECTION  
 N. C. AGRICULTURAL EXTENSION SERVICE  
 N. C. STATE UNIVERSITY  
 AT  
 RALEIGH, NORTH CAROLINA

TO: William E. Keppler, Jr.  
 From: L. H. Hobbs  
 Subject: Annual Report for Calendar year 1965

SUMMARY

100% of the specialist's time was devoted to AMA Project IV Work. The specialist's time and program activities are classified under six categories as follows:

1. Cooperative	2%
2. Resource Development	3
3. Individual Producer Marketing Decisions	21
4. Increasing Efficiency of Marketing Firms and Industries	48
5. Market Development and Expansion	15
6. New and Improved Processes and Products	11
TOTAL	
	100%

Number of requests for technical assistance	205
Number of firm and other out-of-office visits	138
Number of Television broadcasts made	1
Number Publications distributed directly to public	103
Training meetings held by specialist	5
Attendance	46
Other adult Meetings at which specialist presented educational information or otherwise participated	
Adult	39

Attendance	913
Youth	1
Attendance	94
Meetings held by local leaders and attended by specialist	
Adult	4
Attendance	224

COOPERATIVE

Objective: Determine economic feasibility of installing and operating pressure-treating plant to supply fence posts and farm timbers to members more economically.

Clientele: Group of Dairy Farmers

Description of Activity:

- a. Prepare slides, charts, and economic data covering investments, costs, and returns.
- b. Analysis of needs, methods of treating, raw materials, handling, distribution, net returns, and alternatives.

It was shown that relatively large investment of capital and time on the part of members would be required. Also, technical competence, not presently available, would be necessary to the successful establishment and operation of a pressure-treating facility. Further, that it would be necessary to dispose of a large portion of plant production competitively on the open market to non-members.

Results: Group decided to abandon the treating-plant idea and purchase posts and timbers on a group basis from nearby established plants at an indicated savings of \$16,000 per year.

RESOURCE DEVELOPMENT

Objective - Develop new uses for Wood Residue and investigate market potential for sawdust and end-trims.

Clientele - Sawmill Industry

Description of Activity - a. Initiate study to determine potential products demand and markets.

- b. Determine types of wood residue and volume available.

**Results:**

Tentative research project approved to develop information leading to the use of microcrystalline cellulose and certain sugars (glucose and xylose) obtainable from wood residues for use in preparing low calorie foods for human consumption. Research scientists from the Food Sciences Department and the Department of Wood Science and Technology are working cooperatively in this venture. Financial support for the project will initially come from private industry foundation funds. The successful conclusion of this venture would likely result in a 10 to 12 million dollar plant investment initially.

INDIVIDUAL PRODUCER MARKETING DECISIONS

**Objective:** To develop managerial and production skills in individual firms so that they may be capable of quickly and efficiently adjusting to changing markets, technological developments, and capital requirements. Both short and long-run skills are involved.

**Clientele:** Wood Products industry in general, but specifically, small sawmill and dimension--mill owners and operators.

**Description of Activity:**

Assisted in evaluating production facilities including quality control, inventory and marketing methods, business organization and control methods.

**Results:** Several new sawmills have been constructed involving modern technological concepts of location, design and equipment.

**Example:**

A small lumber concentration yard receiving its rough-green lumber supply from a portable ground-sawmill was faced with the possibility of failure due to competition. They became aware of the need for better quality control and business organization in order to improve the current marketing situation as means of strengthening their future economic potential. A new and modern sawmill has now been completed at a cost of approximately \$150,000. They are now producing better quality lumber at a rate almost double that with the portable mill. Costs of production has dropped from \$11.63 per M to \$8.05, or almost 32%, indicating savings in production costs \$12,888 per year and increased

net income of \$7,980.00 or more from increased sales, for a total additional net income of \$20,868.00.

INCREASING EFFICIENCY OF MARKETING FIRMS AND INDUSTRIES

**Objective:** Increase managerial and production skills to enable the formulation and establishment of realistic short-run plans which will contribute to successful attainment of long-run goals.

**Clientele:** Wood industry owners and managers

**Description of Activity:**

Develop economic information relating to production, demand and markets, both current and potential. Also, to provide assistance in organizational planning to enable wise managerial decisions.

**Results:** Eleven firms have already or are currently completing new plant construction, plant modification or rebuilding. All of these changes have been or are being made on the basis of well designed plans which recognize current need but with consideration for future needs.

**Example:** Small hardwood mill selling air-dried stock was severely handicapped by wet weather and poor drying conditions during late fall and early winter months. Working capital diminished drastically and mill was faced with liquidation. The installation of a forced air drying facility at a cost of \$1100 has enabled the continuation of the business and thereby avoiding an estimated liquidation loss of \$40,000 to \$50,000. The owner is now considering enlarging the drying facility and adding a source of heat.

MARKET DEVELOPMENT AND EXPANSION

**Objective:** 1. Increase the knowledge of Wood Products Manufacturers with respect to both available and potential markets within the state and adjacent areas.

2. Provide information to Manufacturers and wholesalers which will make them cognizant of desires and preferences of consumers.

3. Supply information and educational material to designers, specifiers, purchasing agents and consumers concerning wood, its application and use.

**Clientele:** Mill owners, managers, lumber and wood products wholesalers, architects, state and private designers, purchasing agents, and consumers and potential consumers of wood and wood products.

**Description of Activity:**

Organize and conduct meetings and conferences with both state and private groups and associations. Also, through conferences with individual owners and managers. Assist in formulating technical specifications through use of charts, tables, graphs, and technical reports based on available research.

**Results:** More native wood products are being specified and used where other products have been or may have been used.

**Example:** A 40,000 seat state owned stadium was planned. Tentative specifications called for the use of fiber glass seats. Through efforts of the specialist and in cooperation with other technically trained people, a series of meetings and conferences were held with the result that Southern yellow pine is being used. An estimated savings of more than \$60,000 installed.

NEW AND IMPROVED PROCESSES

**Objective:** Diversification of output of Wood Products Manufacturing firms to enable more latitude for adjustment to changing economic and business trends.

**Clientele:** Wood Products Manufacturers, Owners, and Managers

**Description of Activity:**

Through group meetings and individual conferences, supply information and technical consultation concerning methods of improving current processes and products as well as the production of new products by extending the degree of processing or by the use of new manufacturing techniques.

**Results:** Wood Products plants, and particularly lumber manufacturing plants, are becoming financially more stable due to savings in costs of production and the receipt of additional revenues resulting from the sale of improved or new products.

**Example:** A small sawmill producing 2,280,000 bd. ft. of lumber per year was selling debarked slabs for \$12,547.50 gross. A cost analysis of the operation revealed that net profits were only \$67.50 per year. By installing a chipper and delivering the chips directly to the pulp mill, a recent study showed net returns of \$13,031.00 or an additional net income of more than \$12,963.00.