

Natural Resources Interim Committee

August 29 - 30, 2011

Boise, Idaho



Idaho Department of Lands Customer Panel



Bob Boeh – VP Government Affairs/Strategic Outreach



Idaho Forest Group



- Largest Lumber producer in Idaho
- 4 mills: Chilco – Grangeville - Laclede – Moyie Springs
- All state of the art tier 1 facilities
 - low cost, high efficiency, excellent quality product
- Products shipped worldwide
- 550 direct employees

LOCATIONS

CHILCO

This 248-acre facility, located just north of Coeur d'Alene, Idaho, is a technologically advanced mill producing up to 280 million board feet of lumber per year. Dimensions range from 2x4 through 2x12 up to 20-foot lengths. Customers include major home centers, construction suppliers and retailers across North America and the globe.

Mike Henley, Mill Manager 208.255.3220

GRANGEVILLE

Located in north-central Idaho, this facility is designed with exceptional flexibility to make a multitude of products, producing up to 250 million board feet per year for the world market. The mill creates 2x4 through 2x8 high quality dimensional lumber up to 16 feet from Douglas fir and white fir, as well as 1x4 to 1x8 ponderosa pine and spruce/lodgepole, and a small volume of cedar and Idaho white pine specialty products. The plant sells chips, sawdust, hog fuel, and shavings to regional pulp and paper producers, horse bedding suppliers, decorative bark producers and wood pellet manufacturers.

Shannon Fuchs, Mill Manager 208.983.0012



MOYIE SPRINGS

Located near Bonners Ferry, Idaho, just 30 miles south of the Canadian border, this facility covers 318 acres with a 48-acre satellite yard opposite the plant. As a dedicated stud mill, the plant is capable of 200 million board feet per year, creating the highest quality stud products in 8 and 9-foot lengths as well as railroad ties and 1x4 boards.

Jesse Short, Mill Manager 208.255.3250

LACLEDE

Surrounded by river and mountains near Priest River, Idaho, this high-tech site can produce up to 240 million board feet per year, joining Idaho Forest Group's other production facilities in setting the industry standards for manufacturing efficiency. The mill specializes in high quality Douglas fir for export around the world, along with Idaho white pine boards and premium grade inland cedar products.

Mike Henley, Mill Manager 208.255.3220



www.idahoforestgroup.com

CHILCO | GRANGEVILLE | LACLEDE | MOYIE SPRINGS



Idaho Department of Lands



Timber Sale Program

- Provides approximately 25% of log capacity needs for existing infrastructure in Idaho
- Sustainable – renewable
- Reliable/Stable – can depend on them to meet targets
- Consistent/customer oriented – seek our involvement on changes
- Quality timber creates a high quality product
- Specie diversity – allows us to meet market demands and customer needs.
- Stumpage/3 year contracts – allows for building a portfolio of volume under contract.
- Market pricing thru competitive bidding – provides 80% of endowment revenues.



What it means to IFG



- Generally is cornerstone of each mill's annual log sourcing plan from 20-40% of our mill needs.
- Averages 1 in 3 logs used.
- Stumpage- we can control timing of deliveries, log lengths. Specie to meet our customers market needs. Also provides capital gains vs. ordinary income tax treatment.
- Contractual- up to 3 years gives us flexibility
- Last 4 years bid on 832,000mbf and were successful on 310,000 - 37% success rate.
- We are very supportive of the State's active management of school trust for sustainable forestry.
- We rate program triple A and give it a very strong vote of confidence.