

Trumbull Creek Times

"Winter Edition"

F.H. STOLTZE LAND & LUMBER CO.

This Issue

NEWS FROM THE PLANT

-PAGE 4-

SALES OFFICE

-PAGE 4-

LOGGING AND FORESTRY

-PAGE 2-

POWER PLANT

-PAGE 5-

HR

-PAGE 5-

EDITOR'S MESSAGE

-PAGE 7-



Manager's Message

2022 will mark 110 years of operation for F.H. Stoltze Land & Lumber Co. I can't help but wonder if F.H. Stoltze had a vision in 1912 that this company would be still operating in 2022. In thinking about it, it is really no surprise for a company invested in growing trees in Montana to have a 100+ year vision as part of a business model. Certainly, the decisions made since 1912 have favored the long-term view and allowed us to be where we are today.

"What's the secret?" someone recently asked. With our roots firmly planted in the concepts of stewardship and a strong land ethics, Stoltze is not only an example of a company that has persevered for 110 years, but is also poised to persist long into the future.

Whether it is our tree farm or our manufacturing operations, incorporating diversity into our management philosophy has proven to be essential to weathering many storms. Whether it is our diversity of tree species and age classes on our tree farm that allow us to be resilient to insects, disease and wildfire, or the diversity of wood products we produce, having multiple options allows us to adapt quickly to changing times.

Innovation is another core element to longevity. I can only wonder what Mr. Stoltze would say if we told him a machine would be doing most of our lumber grading today. The technological advances we have made in the last three decades are mind-boggling. I often marvel at what could be ahead. What I appreciate about our team here at Stoltze, is that after we finish a big project, no one just sits back. They are immediately looking ahead to see what is next. Continual investment and improvement must be part of our future.

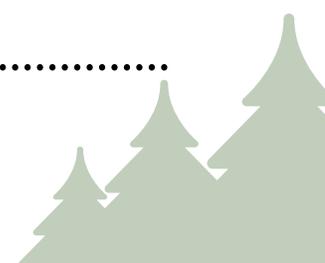
The value of partnerships should not be underestimated when looking at the long-term success of an operation. Employees and their families, landowners, agency managers, elected officials, neighbors, and customers all support the efforts of Stoltze. Nothing we achieve is done in a vacuum. Our success is the success of a community, and it is the strength of that community that buoys us through the difficult times as well.

..... Continued on page 2



F.H. Stoltze Land & Lumber Co.
Lumber Manufacturers

P.O. Box 1429
Columbia Falls, MT 59912
Phone: 406-892-7000
Fax: 406-892-1612
info@stoltzelumber.com
www.stoltzelumber.com



Manager's Message

..... Continued from page 1

As we sit together with our family and friends over the Holiday season, take a few minutes and look back on the folks we have worked with, who have mentored and taught us to be the people we are today. Go over that list of goals you made back in January of 2021. Celebrate the achievements while setting the bar a little higher for yourself in 2022. Stoltze looks forward to meeting the challenges of today while ensuring future generations will be able to do so as well.

Thank you to all of our employees and their families who worked so tirelessly through a very difficult 2021. Please stay safe in the year to come and take pride in the work you do every day. The products that leave Stoltze on a daily basis are truly building America and we all have a vital role in every stick, chip, megawatt, clean water, clean air and healthy wildlife habitat produced. Merry Christmas and Happy New Year.

Paul McKenzie
Vice President - General Manager



Forester Ramblings



It's that time of year again, Trumbull Creek Times (TCT) Winter Edition! I have to say, I always looked forward to these nice bi-annual updates from our different departments a whole bunch more BEFORE I was required to write them! With that thought in mind, that you are interested and avid readers eagerly anticipating the winter edition of the TCT, I will do the best I can to update you on the Resource Department.

In our last update, we talked about crossing our fingers for good mild weather, not too hot or too wet. Well, unfortunately, we got too hot. Montana had a record fire season. The Flathead was extremely fortunate in avoiding any major incidents. However, Stoltze had one fire about four acres in size caused by lighting on our Hoffman Draw property. This fire was contained really well through the initial attack by MT DNRC. Matt Bishop, one of our Foresters, and I were able to join in and flag a path for Ken Kloeckl to install fire line with his CAT. While flagging this line Matt and I earned our firefighting stripes by having a plane drop retardant directly on us! Ken did a great job in containing that fire, thanks!

The fire, known as the Boorman Peak Fire, was a great example of how a managed forest was able to allow firefighters to actually perform an initial attack successfully. Having been logged within the last 10 years, there were no ladder fuels for the fire to leave the forest floor and turn into anything substantial. The end result was an under burn in some grass and brush that will probably make some good site preparation for new seedlings.

With the good lumber market of 2020 and 2021, Stoltze was able to make a significant investment in logging equipment. In June, we purchased a Komatsu 445L Feller Buncher. This machine was purchased to replace our two old Timbco's which were starting to show their age with increasing amounts of breakdowns. This downtime coupled with supply chain issues and parts unavailability made it abundantly clear that investing in a new machine was the right move. So far, the Komatsu has been a consistent performer and a real morale booster for our Company Logging Crew!

..... Continued on page 3

Forester Ramblings

..... Continued from page 2

There are a lot of new faces in the Resource Department this year. I introduced a couple of them in my last article, but we have also had new employees come on as equipment operators on the Company Logging Crew and in our Log Yard. With finding good employees becoming a bigger challenge than procuring fiber for our mill, we took a leap of faith and hired a couple of young guys with no experience. However, these guys WANTED to work; it turns out with some good training and time in the saddle these young men have turned out to be real assets for our team!

I would be remiss if I also didn't thank all of our dedicated long-term employees in the Log Yard, Logging Crew, and the Foresters. Without your hard work and good attitudes, we wouldn't be able to run this place. It takes a team to operate this mill; everyone is essential.

Our contractors have also done a fantastic job this season. Loggers, Road Builders, Brush Pilers, Slashers, Weed Sprayers have all performed exceptionally. Almost 70% of our log supply has come from agency sales this year; Forest Service, GNA, and MT DNRC timber sales. These are not the easiest contracts to implement! They require a lot of extra thoroughness on our contractor's part in executing the contracts to the varied metrics and specifications that are different with each agency and contract. Without our contractors doing this great work in the field, there would be no lumber industry. Kudos to all of you, we appreciate your hard work, attention to detail, the pride you take in your job, and the legacy you uphold for Stoltze as the authority for quality forest management in Northwest Montana.

Right now, the Mill is still running as much as they can to take advantage of the good markets while we have them. This has allowed us the opportunity to allow contractors to deliver all they can produce. Which, in turn, has allowed us to accumulate a healthy supply of fiber in the Log Yard. We are on track to enter the new year with double the inventory we had at the beginning of 2021. This lets us breathe a little easier, as we never know when spring break up will come!

It's our hope that 2022 remains strong for our lumber markets and timber industry. This will allow continued investments and upgrades to occur that Stoltze needs to improve efficiency and remain successful for the long term. We also hope that our nation can heal and chart a positive path forward. Inflation on everyday goods and services, high fuel prices, supply chain issues, and vaccine mandates are all challenges we are going to have to work through and overcome together. Remember, we are all in this together; we are all essential. Thanks for all your hard work in 2021 and enjoy the holiday season.



New Komatsu Feller Buncher

Cameron Wohlschlegel
Lands & Resource Manager





News From the Plant



"FILL THE TILL!" News from the Sales Office



The expression "Time Flies" has been, and continues to be used a lot lately. I cannot believe that we are closing in on 2022! Seriously, Christmas and the New Year are upon us. It's hard to believe. There have been some positives, as well as some frustrations along the way. We have worked together and made it through the obstacles that have been put in front of us. The installation and start-up of the Auto-Grader posed some challenges for our crews, but by working together and meeting these challenges we tackled and overcame them. The Auto-Grader continues to show us a lot of positive reasons why we made that investment; better grade recovery, longer length structures, and less trim loss. Our Quality Control, Electricians, Planerman, Graders, and Supervisors have worked together to resolve the issues that have popped up. Moving forward, we will continue to run into challenges and something new will happen every day. However, by working together and keeping the lines of communication open, I'm positive our employees will conquer these tasks.

Just like the Auto-Grader, Covid has posed its' own set of problems that we have had to navigate through. It has been and will be a topic of conversation over the next several months and could impact a lot of people and a lot of companies. Hopefully, the decisions that are made will be made by calm and sensible people. Just like any challenge that we have faced in the past, I am positive that our employees here at Stoltze will hit it head-on, conquer it, and leave it in the dust.

So, you might be wondering, "Why is he on his soapbox talking about all this?" I'm talking about TEAMWORK! Teamwork can mean a lot of different things, to a lot of different people. Google defines teamwork as, "a group of people working together to achieve a common goal." It also is defined as, "when a group of people collaborate or work together to achieve a mutual goal. This means that people within a group use their skills to overcome each other's weaknesses and achieve a goal." In my opinion, these definitions describe our employees here at Stoltze.

Continued on page 6

Here it is, October 25th, and I am starting my message from the sales office. The interesting thing about that is I don't have to have this done until the end of November. I usually wait until the last possible minute to even start and then it gets a little stressful. After the last 19 months on this ride, I do not need to add more stress to my life.

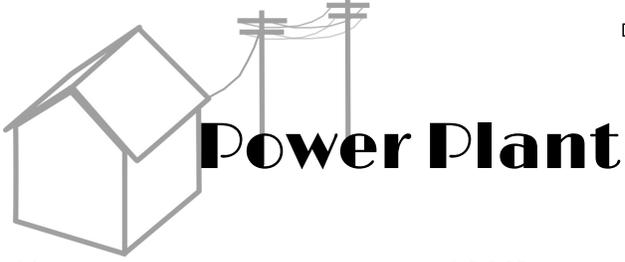
In early June the NAHB (National Association of Home Builders) was asking the Biden administration to finger sawmills as the main reason for the rising cost of building. Then they put out a list of material shortages and the rising prices for those items that builders were having problems getting and it didn't just include lumber.

In April and May, I was actually having to ration lumber. Some of the big wholesalers would have taken everything we could produce and that would have left a lot of our long-time faithful customers out. Those longtime relationships have been a big part of keeping the lights on for over a hundred years. When the market changes, and it will, those customers will still be there. I did my best to make sure that we had wood to keep those customers supplied.

We saw lumber prices drop in June and no one knew what to do. I had customers asking me for wood, that I did not have, and then wanting us to be the ones to find the lowest price first. I could not do that. I did not lead the charge up the hill and, as I said once before, I was not going to be the first one to the bottom.

2X4 #2 FL peaked in June at \$1725.00. By July 1st it had dropped to \$880.00, and by August 6th the price bottomed at \$445.00. The drops in price were just as hard in all of our 2" FL.

Continued on page 6



Power Plant



Here we are nearing the end of 2021, my, how time flies. The past six months have been challenging, not because of the equipment, but the manning of the crews. We had a higher-than-normal turnover rate this year. I am thankful that we have such a great crew, the guys really stepped up, worked extra hours, and filled in when we needed them. Leah has worked hard to bring folks in for interviews, and our patience for finding the right guys has paid off. Finally, we are back to full staff and can focus on making steam & power.

The changing of the seasons always signals the fast-approaching year-end. As 2021 comes to a close, I am reminded of the projects that need to be completed, preparations to be made for a new business year, and for most of us, it's insurance open enrollment time. This is a time for you to review your current plans, enroll in new coverage, or make changes to your existing plan or supplemental coverages. The end of the year is also a time of reflection and spending quality time with loved ones.

We are grateful for our newest addition to the power plant, a Komatsu 320 frontend loader. We feed 190 tons of hog fuel to the boiler each day and push and mix fuel daily with this machine.

Best wishes to you and yours for a joyous holiday season and a prosperous 2022.

Leah Michael
Personnel Manager

The generator is quickly approaching 64,000 hours and it has made 170,000 MW of power. This important piece of equipment will need to be refreshed so it can safely make it another 64,000 hours. To do this, we have scheduled to do an overhaul in the spring of 2022. The contractor will disassemble, clean, inspect, and test everything before bringing it back online. The shutdown will take approximately 14 days to complete.



New Auto-Grader

With this year coming to an end, we have a lot to be thankful for. Kudos to the crew of the Power Plant and all the other employees who helped us keep the lights on for you, challenges conquered, and tasks accomplished this past year.

Lee Starkel
Power Plant Manager



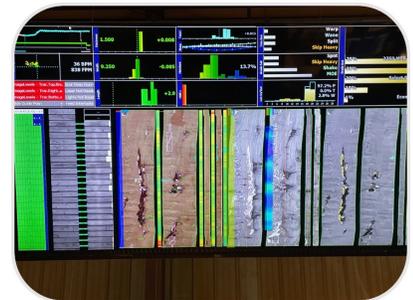
New Komatsu 320



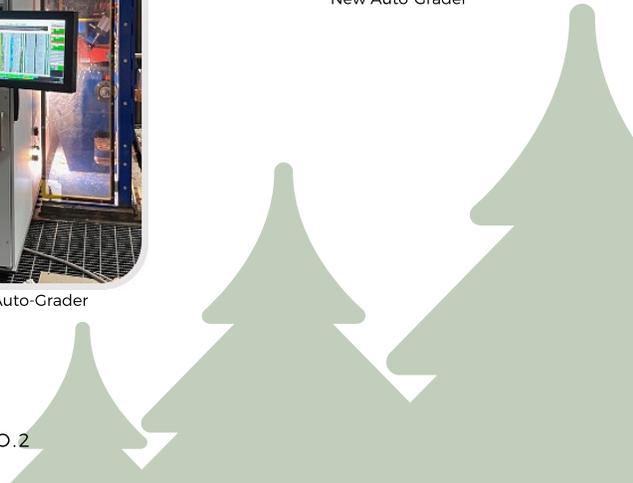
New Auto-Grader



New Auto-Grader



New Auto-Grader





News From the Plant

..... Continued from page 4

Our employees have stepped up and have worked together, through both frustrating and positive times. Teamwork, to me, is when our Quality Control is working with our Electricians to enter the right parameters or data so that the Auto-Grader can grade properly. Or when our Graders are working with our Quality Control to work on a defect in the board that is being missed. When our Sales Department is working with our Quality Control to ensure we make the highest grade of lumber we can make. When our Millwrights are working with our Log Yard and Electricians to pour concrete for the trailer loader. Or when our Dry Kiln Operators are working with our Boilerman to make sure we are drying the lumber quickly and efficiently. I could go on and on; there are so many examples of teamwork every day here at Stoltze.

Will we all, individually, at some point have a bad day? Yep, guaranteed we will. We all have a bad day from time to time, but knowing that we are here for each other, I am confident there is nothing we can't handle. I have said it before, it's you, our employees here at Stoltze, that is our biggest asset. I would put this TEAM up against anyone, any company because I know WE would come out on top! I thank each and every one of you for what you do, what you bring, and what you mean to Stoltze.

We will keep moving forward, keep plugging away, and take one day at a time. Remember tomorrow is never promised. Keep the attitude positive, you, and only you, can control your outlook on what lies ahead. Work safe, play safe, hug your loved ones a little tighter, and smile a little longer. Let's finish 2021 strong and positive, and make 2022 our own! I hope you all have a great Christmas Holiday and please be safe bringing in the New Year!

Trevor Kjensrud
Plant Manager



"FILL THE TILL!" News from the Sales Office



..... Continued from page 4

When all of this started to happen, we probably had the biggest order file we have ever had. I had wood sold 5-7 weeks out. In what I would describe as a normal market the order file would be 2-4 weeks. It was late July before we were able to get caught up with what I had sold in May and June.

As the planer started catching up in August we were able to build a little bit of uncommitted inventory. Our customers were still working through their high-priced inventory and trying to decide what to do next. The first of September rolled around and that accumulation of inventory that was available for prompt shipment held a \$10.00-\$15.00 premium over wood that was not going to be on the ground for 1-2 weeks. Sales were steady in October and closer to normal. November sales have shown some signs of the panic buying that went on earlier in the year.

I just returned from the North American Wholesale Lumber Association (NAWLA) trade show that was held in Louisville, Kentucky. There were not as many attendees as usual, but the overall attitude was that 2022 was going to be a very good year. Maybe not as volatile as 2021 has been with ups and downs.

Yes, as long as I was in Louisville, I did make it to Churchill Downs; a pretty awesome thing for an old bush tracker like me.

I would like to thank all of the departments for all of their efforts to keep things going this year as it has been trying.

Kris Page
Sales Manager



Usually, I write as an editor, but I am not one to randomly come up with ideas to write about. So, I decided to share a few things that we have been working on to ensure that Stoltze is around for another hundred-plus years.

It has been a year now since Chuck retired and Paul took over. Paul has been asking us to focus on long-term planning. Yes, we have always planned, but now we are planning, putting it down on paper, and discussing it. We are talking about our mission, goals, history, etc. A little more of the touchy-feely stuff nobody really wants to talk about. We were recently asked to discuss our company mission statement and, to be honest, after six years, I had never even seen our mission statement.

Along the lines of planning, we put together a new product plan to make sure we are making good, educated decisions when we are approached on creating a new product. We have always had an idea in the back of our heads, each of us had the information we would share and discuss. Now we have a process down on paper with specific questions, and a follow-up to see if we made the correct decision, priced something correctly, factored in all the true costs or issues. Though we haven't used it quite yet, and it may be a little rough still and require some tweaks, I look forward to seeing how it works.

Earlier this year, Paul asked me to help with the new auto-grader pricing and solutions. Wow, this has been a real eye-opener for us- or at least me. To think that a person had to make these split-second decisions with so many possibilities is unbelievable to me. With hundreds of options on each board, based on pricing, grading requirements and operational factors, there is no possible way a person can make these decisions while factoring in so many variables. To put in a system that can automatically pick the highest-priced item out of hundreds of options is pretty neat to watch and to be a part of. Kris and I have had to put together a pricing sheet before each run and send it out to the planer to enter into the computer. This has been a great challenge. Pricing moves, especially this year, have been so drastic and quick. However, price is not the only factor we have to try and weigh when putting these together. We are getting better, but far from perfect. We sometimes create pricing sheets that go beyond the norm of what we have done in the past, but allow us the ability to capture more profit or reduce trim loss, or both. Yes, at times, Bernie or Kelly will call us and let us know we made a mistake or ask questions on why we have done something a certain way. But this again shows us the possibilities the new auto-grader has created for us: to capture the market and open up more discussion and communication about operations.

110 years of operations in 2022, this long-term planning and follow-up is a great way to ensure we can strive for another hundred-plus years. That being said, we can do all the planning in the world, but we can't do it without everybody. Every person plays a role in the success of this company, and I hope everybody realizes that when they come to work each day.

Merry Christmas and Happy New Year!

Josef Kuchera
Editor



Contact Info:

F.H. Stoltze Land & Lumber Co.

Lumber Manufacturers

600 Halfmoon Road, P.O. Box 1429

Columbia Falls, MT 59912

Phone: 406-892-7000

Fax: 406-892-1612

info@stoltzelumber.com

Visit our website:

www.stoltzelumber.com

Find us on Facebook: 

F.H. Stoltze Land & Lumber Co.

Review our open lands policy:

<https://www.stoltzelumber.com/open-lands-policy>

P.O. Box 1429 Columbia Falls, MT 59912
Lumber Manufacturers

F.H. STOLTZE LAND & LUMBER CO.

