

Trumbull Creek Times

"Summer Edition"

F.H. STOLTZE LAND & LUMBER CO.

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Manager's Message

A customer recently asked exactly where the timber was harvested that became the wood product they purchased- they wanted to tell the story of their wood as part of its value. I had to chuckle a little; that's about as easy as figuring out which wheat kernel went into your Cheerios that morning!

But I was enthused that someone cared. More importantly, they might care enough about WHERE and HOW their fiber was sourced to change their buying behavior. Are there customers willing to "vote with their pocketbook" to give Montana wood the value it deserves?

You've heard me on this for years. We even floated the idea of a booth at the farmers market- until we realized most folks wouldn't know what to do when the Maxi showed up with 30 tons of 2x6. Still, the question remains: How do we earn a premium for both the premium product we make and the premium forest management behind it?

Our cogeneration facility gets a lot of attention, deservedly. Making renewable energy from the byproducts of good forest management is exciting, and it suggests we're turning waste into enough value to support the management, harvest, and transport of that biomass. The reality is, we are not. Electricity, like commodity wood, is a competitive market driven by supply and demand, not by the environmental values tied to the electron. Even the renewability premium is limited in cash value. As electric consumers, we also always need to be conscious of costs and alternatives.

The same story repeats with forest certification, logger certification, conservation easements, and best management practices. The values behind these efforts are tremendous—but unmonetized by the commodity markets. Only now are we seeing research that quantifies the non-monetized value of forest management.

Consider the avoided cost of keeping a forest healthy and green. Montana's forests are disturbance-driven and follow the immutable cycle of succession-early seral trees populate a site, grow, and shift species until something resets the cycle. Here's a shock: Trees don't live forever. Our wildfire crisis isn't a crisis ecologically, only societally. When a fire burns, nature keeps moving right along; things just look different. We humans, though, spend enormous effort trying to keep it static. We protect human values, but ecological values don't understand preservation. The best we can do is bring predictability and delay the negative effects of change.

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We do that through active forest management, replacing uncontrolled natural responses with controlled human intervention. Many of you have heard me say I've never seen a logger get "out of control" and cut an extra 10,000 acres. Yet we routinely accept that level of uncertainty as unavoidable with wildfire.

We pour tremendous resources into suppressing a fire at the worst, least effective time- once it's already burning. What if we invested that money, sometimes thousands of dollars an acre, before the spark drops? Too many landowners hesitate to invest their own money in fuel reduction for their property, yet somehow gladly accept grant money, your tax dollars and mine, to protect their own land and home. Does this make sense?

Think of the grass on your lawn: None of us expects anyone but the owner to mow and maintain it. Yet with forests, everyone looks for someone else to foot the bill. These forests are both an asset and a liability. A conscientious owner would never let their yard go wild to the ruin of their property value, yet as a nation, we've done exactly that with our forests, public and private.

The good news is that, unlike our lawns, those who benefit from healthy forests go well beyond the landowner. We already see folks giving to charities that offset wildfire damage, plant trees, and restore habitat. "Buy this premium box of chocolate and we'll plant a tree in your honor." How about: Buy this premium 2x4 at a premium price, and part of the proceeds supports rural communities and healthy forests?

The benefits of good forest management need to be coupled to the cost. If we could do that through the free market, wouldn't that be preferable? Tax-and-spend schemes regularly miss the mark, probably because there's no direct accountability. "Free money" gets spent freely.

Back to that customer and the story of "their wood." Technology is moving so fast that before long we'll likely match the "fingerprint" of a board's tree rings to the rings on the stump and be able to say exactly where it came from. We're not there yet, and we still need someone who cares enough to pay for the story and monetize the benefits of good forest management.

It's worth considering this in the context of the national forests. Companies once paid premium stumpage for "valuable public timber." That timber isn't as valuable anymore, and the work goes far beyond just timber harvest. We've nibbled at the edges with stewardship contracting and gone deeper with Shared Stewardship Landscape Agreements, but dare I say we've passed the point where the cost of management exceeds the value of the timber? Increasingly, instead of paying the government for what we remove, we'll need to be paid for what we achieve, especially where the goal is something more than just growing fiber.

At Stoltze, we're known for both high-quality lumber and high standards in forest management. Now is the time to capitalize on those differentiators and get the value Montana wood deserves. It's more than a catchphrase, it's the key to sustaining the integrated forest products and management infrastructure our state relies on and the healthy forests that deliver so many benefits.

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Help us start this sea change. If you are a customer who needs an exceptional product you can be proud of, call John. If you are a landowner, public or private, who values the benefits of high-quality forest management and wants to explore the range of options to meet your desired outcome, call Cameron. If you have ideas on how to break the barrier between commodity and value-based markets, call me. We need to move beyond the dreamers and empower the doers. It is time to convert talk into cash. As one of our longtime contractors likes to say, "Leave a message. I'd love to hear what you have to say."

Healthy Forests, Healthy Families, Healthy Communities. A goal we all can and should get behind. The good news is the trees are still growing.

Best Regards,
Paul McKenzie
Vice President – General Manager



News From the Plant

As spring continues to linger on, I can see summer fighting its way toward us. We find ourselves in a familiar situation as we did at this time last year. Lumber markets are struggling a bit, but like summer, they are slowly gaining a little ground. Lumber inventories are sitting at strong levels, and our log decks are starting to build back up from a long winter and spring. I've got to give kudos to our Sales Department for pushing our quality Montana-made lumber out to our customers and our Resource Department for getting us the logs we need to operate.

Unfortunately, since markets are still slow, it means upgrades and projects will once again be slow. Nothing major is happening for projects in the near future, but we are hoping that we can place an order for upgrades to our controls and optimization in our small log line and our auto grader. These upgrades won't take place until early to mid-next year if we can pull the trigger on them soon. We are also looking to do some work on our boiler, but again this won't happen until next year as well. Hopefully, markets will improve between now and then so that we can place the orders and get the ball rolling. We will be focusing on smaller projects that will make our operations more efficient, as well as ones that involve preventive maintenance.

Safety and housekeeping continue to be priorities, and from a safety standpoint, everyone has done an amazing job. With the revival of our Safety Committee, everyone has done a tremendous job looking for areas to fix, replace, or add to make the workplace a safer place. Thank you all for being conscious of your surroundings and taking safety seriously. Overall, housekeeping hasn't been bad, but it can always be better. Please continue to help and look at ways to make our housekeeping efforts easier and more efficient. A little bit of cleanup can go a long way in preventing downtime and injuries. I know we can and will improve both of these areas moving forward.

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Yes, we have faced some challenges over the past several years, but our supervisors and employees have worked hard at meeting our quality expectations, our production goals, and staying safe while doing so. One thing is for certain: we are still here and still producing good-quality lumber. This is a testament not only to the Stoltze family but also to all of you on the front line. We are here because of the dedication and determination of our employees, showing up every day to make the quality lumber we sell. It takes a team, from the employee pushing the broom, to the employee putting cants through the machines, to the employees checking our graded lumber, to the employees loading the trucks, to the maintenance departments making sure machines run at maximum efficiency, and our front-line supervisors making sure safety is followed, the best quality of lumber is produced, and production is at its most efficient flow. All of this is what it's going to take to survive and thrive and get the best value out of our Montana-made lumber. Thank you all for what you bring to this company, to this team. Keep doing what you're doing, and we will come out of this stronger than ever. It's going to take a complete team effort to make it through this market; there is no other team that I would rather be on: STOLTZE STRONG!

As I come to the end of this, I look outside and see sun and blue skies. I can't help but feel grateful for my family and friends (outside of work), grateful for my work family and friends, and grateful for this company. Thank you all, past, present, and future employees, and the Stoltze family for the dedication and commitment you give during these trying times. Your commitment and dedication are unwavering, and this is what makes F.H. Stoltze Land and Lumber Company a strong company.

Keep moving forward, keep plugging away, and take every day as it comes. 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 continue to push through 2026 together as a team!

Trevor Kjensrud
Plant Manager



Please join us in recognizing Gary Wood on his retirement after an outstanding 47-year career with F.H. Stoltze.

Gary's career spanned the Sawmill, Planer, and Kiln departments, where he spent the majority of his career. His dedication, hard work, and commitment to the company throughout the years have been greatly appreciated. His experience and steady presence have made a lasting impact on both the company and his coworkers.

As Gary begins this well-deserved retirement, we want to thank him for his years of dedication and the many contributions he has made to F.H. Stoltze. His legacy will remain an important part of the company's history.

Please join us in congratulating Gary Wood on his retirement and wishing him many years of happiness, good health, and enjoyment in the years ahead.

Congratulations, Gary, and thank you for 47 outstanding years of service.

Leah Michael
Personnel Manager





Forester Ramblings



This past winter was very strange. I'm not sure I can refer to it as winter; I don't even think we had one day of subzero temperatures in the valley! Instead, it was warm, mild, and wet. I think the best snow we got was in April, when we were all ready to move on to spring. But finally, after six months of mud, spring is here!

There came a point earlier this year in January when I was seriously concerned that we were not going to hit production targets due to the prolonged downtime caused by the wintry mud. But, as always, our contractors were able to make it happen when conditions finally lined up. Thank you!

This spring, I have been having meetings with most of our contractors, mainly discussing production for the upcoming season but also as a way to check in and see how everything is going on their side. These meetings have been a great way to have some good conversations about what is working and where we can make adjustments as necessary. Even though the conversations haven't always been the easiest, it's been nice to be transparent and straightforward with each other so we know exactly where we each stand and can make strategic business decisions moving forward.

Rolling out this spring will be a little slow. Our log pile has lasted longer than previously expected due to the sawmill going down to one shift of production for six weeks. To get back on track with our average log supply, we will need to carefully meter May and June deliveries. I anticipate full and increasing logging production beginning in July.

On a brighter note, there are a lot of positive actions regarding forestry occurring on the state and national levels. Statewide, we are seeing an uptick in MT DNRC and GNA timber sales due to the first Shared Stewardship Landscape Agreement coming to fruition in Montana. This agreement effectively allows the MT DNRC/GNA to manage 200,000 acres of USFS land.

On the national front, we are watching and trying to shape, as best we can, the reorganization of the USFS. Right now, the agency is transitioning from regions to a state-based model. Montana will have its own state director who will oversee all the forests and forest supervisors in the state. This model is meant to streamline decision-making and ensure better national alignment with a focus on active forest management. More active management equals more forest products for mills and more work for our contractors, which is much needed!

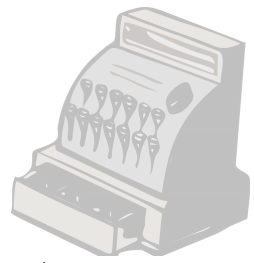
As always, I look forward to working with all our Resource Department employees and contractors again this year to meet production goals while also navigating the challenges of markets, fuel prices, and weather. I know that, working together, we will make it another successful season! Thank you for all that you do, and for hanging in there through the highs and lows of working in this industry.

Cameron Wohlschlegel
Lands & Resource Manager

"FILL THE TILL!"

News from the

Sales Office



It certainly feels like summer has arrived with the warm weather we've been enjoying, but in Big Sky Country, you never know what Mother Nature has in store. Building season is in full swing, and we've been moving a healthy volume through the Sales Department. We've seen some steady demand in the lumber market without the volatility we've seen in previous years.

This year feels different from the last. There is a sense of cautious optimism in the market that we haven't seen in some time. While the national housing and lumber markets continue to face headwinds, our local market remains relatively strong. Some of our best customers are located within 200 miles of our operation, and local demand for lumber has outpaced national trends. The migration from urban areas to more rural communities continues to support a local building market that is, in many ways, operating independently of broader national conditions. Part of the softness at the national level can be attributed to high interest rates as well as ongoing geopolitical uncertainty.

We've received numerous inquiries from customers looking to fill gaps left by lost production elsewhere in the industry. At the same time, we've been actively engaging new customers and exploring niche markets where our products can command greater value. Many of these markets require specialty products, some of which we've never manufactured before. To evaluate these opportunities, we've run several experimental and custom products through the planer to see how they perform. We've launched several projects with customers to explore these opportunities, and so far, the results have been encouraging.

These initiatives have the potential to strengthen our position in the manufacturing sector by creating greater value from products we already produce while delivering additional benefits to our customers. In some cases, success has come from remanufacturing existing products or making relatively small adjustments to packaging. It's exciting to see those efforts paying off.

The outlook for the remainder of 2026 feels encouraging. Most indicators suggest that the third quarter could bring some favorable pricing levels. Of course, there are many factors that could influence that outcome, but we're hopeful that the positive sentiment we're seeing carries forward.

A few weeks ago, I attended the Mass Timber Conference in Portland, Oregon. The event brings together manufacturers of everything that has to do with mass timber. Our neighbor SmartLam was in attendance, and their display was over the top. It featured wood straight from our mill in an amazing focal point that was the first thing you saw when you walked in the door. It marked the first time F.H. Stoltze has attended. The conference provided valuable insights into industry trends, particularly the growing role of MSR lumber in the mass timber sector. This trend shows no signs of slowing down, and we have already seen increased demand for our MSR products from mass timber manufacturers. It was encouraging to hear that the products we make have a strong future and an important place within the evolving forest products industry.

As summer gets underway, I encourage everyone to take time to enjoy the forests and public lands that make this region so special. Whether it's camping, hiking, fishing, or simply spending time outdoors, we are fortunate to live in a place where incredible natural resources are never far away.

I hope you all have a great summer. Don't forget to celebrate the 250th year of this amazing country and the 114th year of this sawmill. We are pretty fortunate to have this place to ourselves, so get out and enjoy it.

John Bolles
Sales Manager





By the time you read this, summer will be in full swing and we will already be looking toward the second half of 2026. It seems like just yesterday we were wondering what kind of winter we were going to have, and now logging season is ramping up, lumber is moving, and everyone is focused on making the most of the months ahead.

One thing that becomes very clear from sitting in the office is how interconnected every part of this company really is. On any given day, we may be working with Sales on a customer issue, helping Resource with a contractor question, assisting the Plant with a technology problem, reviewing accounting reports, or helping coordinate one of the countless administrative tasks that keep the business moving forward. It serves as a constant reminder that no department operates independently. Success in one area depends on success in all areas.

What many people do not see is how much coordination takes place behind the scenes. A load of lumber leaving the yard represents the efforts of Resource securing logs months earlier, contractors harvesting and hauling timber, mill employees processing the logs into lumber, maintenance personnel keeping equipment operating, Sales finding the market, Accounting handling the paperwork, and numerous others supporting the process along the way. Every department plays a role, and when one area succeeds, it is usually because many others have done their part as well. It is easy to focus on our individual responsibilities, but the reality is that we are all working toward the same goal.

As we move through the remainder of 2026, I remain optimistic. The challenges we face today are not unique. Markets rise and fall, weather changes, and circumstances evolve. What remains unchanged is the fact that success requires every part of the business to function together. From the forest to the customer, there are countless steps involved in producing and delivering our products, and each step depends on the one before it.

Have a safe summer, enjoy time with your family and friends, and thank you for helping make another successful year possible as we move through the remainder of 2026.

Josef Kuchera
Office Manager/Editor

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