



Oregon Department  
of Land Conservation  
and Development

# Oregon Department of Land Conservation and Development Primary Processing of Forest Products RAC Discussion Paper #1

John Tokarczyk with the Oregon Department of Forestry (ODF) has provided some background information on primary forest processing for reference in the RAC's consideration of a definition for Primary Processing of Forest Products, as follows:

The ODF has an interest in keeping "working forests working." This is a double-edged mandate wherein one component seeks to ensure that economic activity associated with growing and harvesting fiber can continue in an unencumbered fashion. The other edge seeks to maintain the integrity of working forests. In this situation, balancing these interests poses somewhat of a challenge and it would seem that the question is more of a footprint rather than activity. This perspective is advanced by the changes in milling relative to thirty or forty years ago. Today, industrial mills entail significant costs and are driven largely around intense efficiency and productivity standards with high input requirements. To achieve these requirements the infrastructure footprint is such that it is considered more manufacturing rather than "processing out in the woods" and should probably be located outside forest zones. Overall, the interest is not to permanently place processing facilities at the expense of productive forestlands.

The current outright allowance in forest zones for primary processing that is both portable and temporary provides a disincentive for permanence and a built-in regulator that limits the footprint of the use on the resource and surrounding region. Temporary and portable equipment are generally limited to lower value production, and production levels and efficiency of this type of equipment is nominal relative to permanent structures. Permanent structures in low value markets are profitable as a function of high production and efficiency. This difference of performance (permanent v. temporary) coupled with material market value is the built-in regulator for ensuring that portable and temporary equipment does not establish permanent operations. By extension, portable and temporary equipment moves with resource availability. If an operation is pulling material from a distance then the capacity to become permanent is considerably higher.

If there is a permanent operation that can make a go using portable or temporary equipment then there are likely unique factors occurring, e.g. a large parcel, limited production requirements, specialty product, etc. Or in the case of log homes, a product is produced with higher values that offset productivity and efficiency challenges associated with temporary and portable equipment.

Thanks to John for some very helpful context. For additional context, the survey of county planning directors indicates that relatively few counties have concerns about or utilize existing provisions to allow primary processing of forest products. A couple of counties feel strongly that LCDC should adopt a definition, while a couple of others feel that LCDC should not adopt a definition. The RAC is free to make a recommendation either way to LCDC. If the RAC chooses to continue its deliberations, following are several potential approaches to defining Primary Processing of Forest Products:

**1. The existing definition for the use as currently permitted in EFU zones at ORS 215.283(2)(j) and 215.213(2)(i):**

*A facility for the primary processing of forest products, provided that such facility is found to not seriously interfere with accepted farming practices and is compatible with farm uses described in ORS 215.203(2). Such a facility may be approved for a one-year period which is renewable. These facilities are intended to be only portable or temporary in nature. The primary processing of a forest product, as used in this section, means the use of a portable chipper or stud mill or other similar methods of initial treatment of a forest product in order to enable its shipment to market. Forest products, as used in this section, means timber grown upon a parcel of land or contiguous land where the primary processing facility is located.*

Discussion: Because of its applicability to agricultural land, this definition is fairly narrow, requiring the use to: 1) be compatible with farm use, 2) be temporary or portable, 3) be renewed annually and 4) use only timber grown on the subject parcel or contiguous land. Are any or all these parameters necessary for this use in a forest zone?

**2. The potential definition that three county planning directors have proposed, in discussions with AOC:**

*Primary processing of forest products means the use of portable or temporary chippers, stud mill or similar equipment for initial treatment or shaping, notching and fitting of logs for log home assembly, to facilitate shipment for further processing or to a final construction site. Forest products, as used in this section, means timber or other resources grown upon the land or contiguous units of land where the primary processing facility is located or a locationally dependent forest land site to the timber or other resources location.*

Discussion: This proposed definition is similar to the first definition in that it requires the use to: 1) be temporary or portable. It also similarly requires the use to utilize only timber grown on the subject parcel or contiguous land but allows other “locationally dependent forest land” to be used as well. Finally, this definition defines forest product to include “timber or other resources grown upon the land,” and specifically accommodates log home assembly. What do RAC members think about these parameters? Would a permanent primary processing facility need to be portable or temporary? Do we want a definition to call out a single specific use (log home

assembly)? What does “other resources grown upon the land” refer to if not timber? What does “locationally dependent forest land” mean?

### **3. A potential definition based on the discussion at our first RAC meeting:**

Following is an initial attempt at a definition that attempts to accommodate both outright and conditional use primary processing facilities in a forest zone. The draft wording reflects the areas on which there was group consensus at our first meeting as well as additional input from the Oregon Department of Forestry. The various sections are broken out for our discussion:

- *Primary processing of forest products means the initial treatment of wood or other harvested forest material to prepare it for shipment for further processing or to market.*
- *Such treatment may include: debarking, peeling, drying, chipping, sawing, shaping, notching, torrefaction or other similar methods of initial treatment consistent with the aforementioned examples or accessory to the production of identified primary forest products.*
- *Resulting primary forest products may include: whole tree logs, sawlogs, pulpwood, chips, shavings, posts, poles, piling, shakes, shingles, hog-fuel, bio-char and other similar forest products.*

Discussion: A definition need not include all these elements, but it could. This definition does not require the use to be portable or temporary as these are terms associated in rule only with outright facilities; however, one or the other of these could potentially be applied to permanent facilities, which would reduce the potential scale of a facility. The definition does not include plywood/engineered wood or flooring. It could potentially allow “assembly” as in log home assembly if counties view this as accessory to the production of the log home products. This definition does not identify particular types of operations (e.g. sawmill, specialty bandmill). It does not require that abandoned mill sites be considered. Neither does it include what would normally be considered to be review criteria, such as scale of operation, need for infrastructure, buffers, on-site or contiguous use of wood products and proximity of existing abandoned mill site that could be reused. A couple but not too many of these could be folded into a definition, if desired. Otherwise, where such facilities are permanent, the conditional use review allows counties to develop their own review criteria, if they wish.