

The Four Seasons

The Newsletter of Dwight L. Stewart, Jr. & Associates LLC

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HOUSING REMAINS DEFLATED

Housing starts in May fell to 975,000, the lowest seasonally adjusted annual rate since 1991. This was down from slightly over 1 million housing starts in April. In May 2007, housing starts were about 1.426 million, about 32% higher than this year. Starts of buildings with 5 units or more fell from 313,000 in April to 280,000 in May.

This June marks our 23rd year in providing services to our clients from our office in Manning. As anyone with more than just a few years experience in the forest industry knows, the industry is a cyclic one. Typically, the higher the peaks, the deeper the valleys. Better days for the housing industry are certainly in store, but many analysts feel that the recovery period may not begin until 2009. It then will likely be a slow recovery, which may be more beneficial than the “boom and bust” markets of a couple of years ago.

In Clarendon County, Grant Forest Products has stopped construction on its oriented strand board mill near Alcolu. A severe downturn in the demand and price for OSB has caused the delay. Meanwhile, the sister plant at Allendale, SC has been up and running for a number of months. Grant officials say that they are waiting on an upturn in the housing market to resume activities at the Clarendon facility.

WOOD—WHAT’S NOT TO LIKE?

While tree farmers and foresters know the benefits of wood, it’s always nice to hear it from someone else. At this year’s National Association of Home Builders Green Building Conference in New Orleans, many manufacturers and companies talked about “going green” and “becoming green”. According to Richard Wallace, SFPA Vice President of Communications, “Southern Pine is the original green building product; it’s not just recyclable, it’s naturally renewable, too. Our life cycle analysis is second to none and the energy required to manufacture southern pine lumber is exponentially less than alternative products. It’s a win-win situation all the way around.”

Southern pine and wood overall stand tree tops above the rest and here is the why: Jamestown, almost 400 years ago was the site of the first sawmill in America. Thus, wood has centuries of experience as a green building material. Wood is the only naturally renewable building product on the market. Southern Pine can be recycled and regenerated, unlike the vast majority of other options. Our U. S. forests are healthy, thriving, and doing

their part to remove carbon monoxide from the air we breathe. More trees are planted each year than are used as lumber. Our forests are actually larger and in better shape than they were a century ago. In a life cycle analysis of building materials, southern pine is unmatched. The product begins naturally and ends naturally. Studies show that wood is superior to steel and cement in almost every environmental impact category. While wood accounts for 46% of all industrial raw materials world-wide, it uses a mere 4% of the energy required to turn raw materials into useful products. Wood is the best insulator against heat and cold, making it a highly effective material for controlling home energy bills. Wood is 400 times less conductive than steel. From harvest to home, southern pine products are the most environmentally sustainable and regulated products in the world. They are manufactured and distributed above and beyond forest certification standards. To learn more about southern pine, visit www.southernpine.com and click on the green building option.

WOOD, NOT JUST FOR HOUSES

According to *Science Daily*, within 5 to 7 years fast growing trees and grasses might become economically viable alternatives to corn as a source of the renewable fuel ethanol. “Ethanol from cellulose, whether from trees or other sources will be the way to go in the very near future,” says Dr. Gopi Podila, a University of Alabama biologist who has been conducting research on high yield trees for more than a decade. Trees are cheaper to raise than corn, have a high and competitive yield and they don’t need as much of the fertilizers that are causing all the problems in the Gulf of Mexico. Due to rising demand for ethanol, farmers in the U.S. planted more corn this year than in any other year since World War II. Corn is fertilized with millions of pounds of nitrogen based fertilizer. An estimated 210 million pounds of those nitrates are not absorbed by the corn, run off into streams and rivers, and are carried to the Gulf of Mexico each year, where it causes a massive “bloom” of algae. When the algae dies, it sinks to the bottom, where it absorbs oxygen as it decays. In recent years that oxygen depletion has created an aquatic dead zone covering about 8,000 square miles, in which fish, shrimp, oysters and crabs cannot survive.

Podila, who chairs the biological sciences department,

states that some trees such as poplar and aspen can be harvested every 5 to 6 years. However, he points out that these trees would need to be planted only every 30 to 40 years because they grow back from the roots. Podila goes on to state that many trees and grasses such as switch grass will grow on land that might be marginal for farming. He states that there are vast areas of marginal land in the U.S. that can be used for fiber production without having an impact on other crops.

Because they absorb tons of carbon dioxide from the air, trees are also one of the most efficient tools available for combating rising levels of carbon dioxide in the atmosphere and man-made global warming. Burning fuel ethanol made from trees recycles carbon dioxide that was recently taken from the atmosphere.

There are some technical challenges that need to be solved before wood and grass pulp become economically viable for making ethanol. The biggest bottleneck is developing a cost effective process to convert wood pulp into sugars.

In November 2007, Range Fuels, Inc. announced the ground breaking of the nation's first commercial cellulosic ethanol plant located near Soperton, GA. Range Fuels is one of six companies selected by the Department of Energy for financial support in building a commercial cellulosic ethanol plant and is the first company to break ground.

Range Fuels' Soperton plant will use wood and wood waste from Georgia's pine forests and mills as its feedstock and will have the capacity to produce over 100 million gallons of ethanol per year. Construction of the first 20 million gallon per year phase is expected to be completed during 2008. As part of its \$76 million technology investment agreement with DOE, Range Fuels will receive \$50 million based on the project construction schedule for its first 20 million gallon per year phase at Soperton. The remainder of the grant will be provided for construction of the next phase of the project. Range Fuels selected Georgia for its first plant based on the state's robust wood products industry supported by Georgia's vast sustainable and renewable forest lands. The state's environmental sensitivity and responsible stewardship of its forest lands have created resources that allow Georgia to support up to 2 billion gallons per year of cellulosic ethanol production.

Range Fuels, Inc. does not use food products such as corn, but rather uses waste material and other non-food sources. The company's innovative technology uses wood chips, the municipal waste, paper pulp, olive pits and more and converts those materials to ethanol. The company is privately held and funded by Khosia Ventures, LLC. Range Fuels' vision is to introduce the world to a fuel that is renewable, sustainable, and eco-friendly in its production.

The new farm bill that passed in May should greatly boost investments in cellulosic ethanol and biomass crops, according to the Department of Energy. Section 9003 provides for grants covering up to 30% of the cost of developing and building demonstration-scale biorefineries for producing advanced bio fuels. It allows for long guarantees from up to \$250 million per project for building commercial scale biorefineries. The bill funds \$75 million for fiscal year 2009, increasing to \$245 million by 2010. The bill also establishes a new tax credit for producers of cellulosic bio fuels at \$1.01 per gallon.

Wood energy projects across North America may transform both forest management and the forest industry experts predict. Esti-

mates are that new energy plants could consume as much as 50 million tons by 2012. By 2020, forecasts are for this number to rise to more than 100 million tons of wood energy. The next several years will be interesting for tree farmers as new markets emerge for trees. Wood grown for the bio fuel industry will likely require different forest management practices and may result in shorter rotations for tree growing.

IN SEARCH OF THE TOWN OF FERGUSON

The ospreys stand as sentinels perched in the top of cypress trees whose growth has been stunted by 60 years of standing water. The birds reluctantly leave, screeching as we approach the island. They seem perplexed to see us approach on foot rather than by boat. The worst drought in 50 years has dried up many portions of Lake Marion. Boats sit on dry land, hundreds of yards from any water and four-wheeler caravans roam where bass boats usually ply the shallow waters.

My son, Seth, and his wife Patty are with me as we search for the town of Ferguson, established around the turn of the last century, abandoned, and flooded by the waters of Lake Marion in 1940. The record drought provides a once in a lifetime opportunity to explore the abandoned site.

In 1890, two Chicago businessmen, B. F. Ferguson and Francis Beidler, formed the Santee River Cypress Lumber Company. The company had extensive timberland holdings along the Wateree, Santee and Congaree River basins.

Ferguson, born in 1839 in Columbia, PA., grew up in his father's lumberyard business. In 1865, he went to Chicago and worked again in the lumber business. In 1867, he went into business for himself and became associated with Jacob and Francis Beidler. The partners had extensive and flourishing lumber yards in Chicago and Tonawanda, NY. The operations extend into the South and Ferguson became president of the Santee River Cypress Lumber Company.

The town of Ferguson was built around a band sawmill to process the timber harvested from company lands. Lumber from the mill was moved by rail to the village of Cross. In addition, logs were brought into the mill by barges and rafts. At full production, the sawmill cut 80,000 board feet per day, which even by today's standards is a high production mill. Like many operations, the company town was largely self-sustained. There was also a hospital located at the site to treat residents for malaria, a constant threat in the river swamps.

When Ferguson died in 1905, Beidler bought his interest in the sawmill and ran it until 1920 when it was closed. Beidler died in 1924 and little information remains about the town and mill after that date.

Plans to construct the Santee Cooper lakes were finalized in the late 1930's. Holly Hill Lumber Company was given the job to harvest any remaining timber around Ferguson. The town disappeared beneath the lake waters around 1940. Remaining today are the remnants of the dry kiln, a large building lined with ceramic tiles where lumber was dried.

LAND FOR SALE

CLARENDON COUNTY

Portions of this large building remain visible even when the lake is at normal levels. The low water has revealed the large foundation of the old sawmill, and a marker on one corner of the foundation is dated March 15, 1914. Also now visible are sections of terra cotta pipes that composed the water and sewer system of the town.

Several brick ovens, concrete troughs and other heavy slabs with iron rings are scattered across the island, left in puzzling disarray by time and the elements. A large, round brick structure, approximately 15 feet high and 30 feet in diameter sits at one end of the site. The building is several brick courses thick and has evenly placed windows around its sides. This may have been a large burner where wood slabs were disposed.

Since my visit, the waters of Lake Marion have continued to rise. In due time, Lake Marion will return to its normal levels and Ferguson will return to the striped bass and the ospreys for another 50 years.

Reference: Logging Railroads of South Carolina, by Thomas Fetters, 1990

The American Assoc. of Museums, Minutes from a meeting on May 21, 1914, Vol. VIII



Foundation of the sawmill



Seth and Patty in front of the remnants of dry kiln

89 acres - House, shop, cropland and woodland with merch. timber - \$319,750

52 Acres- near Summerton - woodland/cropland good road frontage - \$143,000

80.5 Acres- near Summerton- woodland/cropland- excellent hunting - \$241,500

49 acres - 25 acres planted lob pines- 24 acres wooded—\$122,500

323 acres - all wooded in Pocotaligo Swamp— \$900/acre

78.86 acres- excellent hunting near Rimini \$450,000

27.74 acres - has 10 acre duck impoundment \$250,000

44.93 acres - has 20 acre duck impoundment \$380,000

KERSHAW COUNTY

101 acres near Bethune - 21 acres in planted long-leaf pines - 15 acres in 18 year old lob pines- pond- food plots - \$255,000

101 acres near Bethune - 95 acres in planted long-leaf pines (2006) - \$193,800

SUMTER COUNTY

99 acres- good hunting tract \$2150/acre

LEE COUNTY

53 acres- merch. timber, excellent investment \$2600/acre

BAMBERG COUNTY

194.1 acres- excellent hunting and timber \$679,350

WILLIAMSBURG COUNTY

518 acres- excellent deer & turkey, 45 minutes from Charleston, near Santee River \$2500/acre

VISIT OUR WEBSITE AT WWW.DWIGHTSTEWART.COM FOR MAPS AND OTHER INFORMATION



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Published by Dwight L. Stewart, Jr. and Associates, LLC of Manning, SC. We are consulting foresters, licensed real estate brokers, and Dwight L. Stewart is a certified appraiser for South Carolina and Georgia. Our firm was founded in May 1985 in Manning, S. C. and we have a combined total of over 80 years of experience among our associates. You can reach us at:

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We need listings for timberland and farmland! If you have land in the southeast that you want to sell, give us a call.