

**MATSIF ANNOUNCES 2006-07 RATES**

0005	Nurserymen	\$11.22	4000	Sand or Gravel Digging	\$10.27
0128	Farms	\$11.31	5606	Exec. Supervision	\$ 2.49
2702	Logging	\$25.69	5610	Watchman	\$ 7.91
2702M	Mechanical Logging	\$ 7.34	6217	Excavation NOC	\$12.23
2702T	Log Truck Drivers	\$13.90	7219	Truckmen-Long/Local	\$11.26
2710	Sawmills	\$13.10	7380	Drivers NOC	\$ 7.28
2731	Planing & Molding	\$ 8.56	8017	Retail Store	\$ 1.99
2759	Pallet Shop	\$ 9.00	8018	Packaging	\$ 5.81
2802	Carpentry (Shop & Driver)	\$ 9.53	8059	Light Packaging	\$ 5.57
2841	Woodenware Mfg.	\$ 6.99	8232	Lumber Yards	\$ 6.83
2881	Furniture Assembly	\$ 4.57	8265	Steel Erection	\$24.24
2883	Furniture Mfg.	\$10.67	8601	Timber Cruiser	\$ 1.16
2915	Veneer Prod. Mfg.	\$13.98	8742	Sales	\$ .66
2916	Ven. Pr. Mfg.-No Veneer	\$ 5.81	8810	Office-Clerical	\$ .62
3113	Tool Mfg. (Filer)	\$ 2.69	9015	Install., Main. & Repair	\$ 6.93
3365	Welding	\$ 7.84			

October 1, 2006 marks the start of MATSIF's 32<sup>nd</sup> year of business. There have been many changes that have taken place during this period of time, but one thing remains the same and that is our commitment to providing the best quality workers' compensation insurance at competitive prices.

With the increased costs of doing business, mill closings, lack of markets, and timber supply issues, the MATSIF board of Trustees made the decision to apply approximately \$250,000 of surplus dollars toward our aggregate loss fund requirement. This is \$250,000 of funding requirement that will not be passed on to the MATSIF membership. The affect of this contribution is a reduction in most of the 2006-2007 rates. In essence, you're getting the benefit of surplus dollars up front rather than waiting for it to be approved by the Department of Labor and refunded at a later date.

These new rates will take effect for October's payroll/premium, which is due no later than November 15<sup>th</sup>. A supply of new premium reports and envelopes along with the 2006-2007 experience modifications will be sent out to all members in the near future.

If you have any questions, please feel free to contact the Newberry office at 1-800-711-7088.

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## LOGGING CONGRESS 2006

By: Richard Stringer

Green Bay knows how to cater to a crowd! The accommodations in that city are excellent for the kind of show that the Lakes States Logging Congress puts on. The facilities at Lambeau Field and Shop Ko Hall are very good, but with the turnout that we had by the vendors, there was very little space to spare. Each year there are new products being displayed by new vendors. The evolution of equipment in the forest industry requires constant changes in maintenance, products, and tools as well as support services. In the true way of the American spirit, there are entrepreneurs ready to take the risks to develop and market those products! This show is always the place to go to get to know what is new. The crowd numbers seemed to be quite good from the industry on Thursday afternoon and again all day on Friday. But Saturday, being usually attended more by the general public, seemed to be a little lighter than usual. Perhaps the weather had something to do with it.



The mood of the industry attendees this year seemed to be mixed, depending on how much confidence there was in the markets. In general, “cautious” seems to be the best term to describe the feelings of those who would like to think about purchasing new equipment. In the logging sector, with markets being what they are, there was not much interest in any kind of expansion. From the sawmill sector the interest is in the improved technology to increase the yield and the quality of the lumber recovered from the logs. The improvements in scanning logs and lumber over the past years are significant.

From our point of view there was more than the usual interest in potential new members inquiring about joining our self-insurance fund. Our rates are very competitive and our programs are absolutely unique. No other workers comp insurance offers the programs that MATSIF has in the way of loss control services and the “Think Safety” program. Some of this interest was from business owners who are new to us. And some was from familiar names who, for whatever reason, had dropped their MATSIF membership in the past and are now interested again. We

welcome this kind of atmosphere.

Another area of interest in MATSIF came from the industry leaders in Wisconsin where there is considerable interest in starting a self-insurance fund. Funding a self-insurance program is key, of course, to the initial start up. One of the biggest concerns in Wisconsin is the coverage of “independent contractors” who probably do not fully meet the criteria of that label, but rather come under the definition of “employee”. We constantly monitor for that among our own members. The problem is that the fund has all the exposure of having to pay for an injury claim with having never collected a premium for that coverage. The fund can’t stay in business on that premise. In Wisconsin this seems to be a big problem. The advantage that MATSIF has been able to achieve in savings for its members has become the envy of our friends across the border. It is probably true that our rates have a lot

to do with the rates that other insurance companies are charging in Michigan also. What would their rates be if we were not here to compete?

All of this interest is consistent with the general mood at the Congress. Those in attendance were interested in cutting costs and becoming more efficient. Some were thinking about going into other areas of production, like firewood or there was talk about wood pellets for heating homes. Also ethanol production had some wood producers talking. Perhaps an ethanol plant somewhere in Lower Michigan will become a reality and provide a market for some of the displaced wood chip production in that area. Markets of any kind would be welcome at this time! It was only one short year ago that markets were wide open and it seemed the woodyards would never be filled. How fast things change. Those who have been in this business a long time have seen a number of cycles like this. The remark from some is “This last good cycle has been a long one. Now we just have to ride it out.” Or, as the saying goes, “Grab a root an’ growl”.

**A TRIBUTE TO  
RUSS MAEDER 11/11/1926—10/14/2001  
GERALD MAEDER 12/16/1922—7/30/2006**

Sadly, Gerald Maeder, one of the founding Maeder brothers of Maeder Brothers Sawmill, Inc. in Isabella County, passed away July 30, 2006. Marking the end of an era in Michigan sawmill history, Gerald followed his brother and co-founder of the sawmill, Russ Maeder, who passed October 14, 2001. These brothers were icons of the modern sawmill world, making the transition from primitive to modern harvesting and sawmilling within their lifetimes.

Maeder Brothers Sawmill, Inc., MATSIF Member #336, was founded by Gerald & Russ Maeder and Ben Weber (a founder of Weber Brothers Sawmill just east of the Maeder Brothers facility) in 1948. Operations began from logging with a Swede saw and skidding with a horse. Of course the first mill was out-of-doors, with no shelter. Before the mill, these born woodsmen farmed, cut fenceposts and sawlogs, and tried manufacturing wooden shingles. They even attempted shipping veneer logs to Germany and Japan out of the port in Bay City, but that turned out not to be feasible due to salt water damage.

An article printed in the Morning Sun newspaper out of Mt. Pleasant on 2/28/88 discussed the founding and the progress of both the Maeder Brothers and the Weber Brothers Sawmills. In that article, Russ was quoted speaking on select cutting of woodlots, such as one performed across from the mill. He mentioned ever-changing markets and cycles. At that time, log homes were just taking off. It is fascinating to read of how visionary these men were. In that article, Russ stated "I like this kind of work, and it's been good to us" certainly speaking for Gerald as well. Gerald said "The boss has to be out from daylight to dark". That is how they started, and pretty much how they lived their entire lives. Both men were happy to be at work, driven to participate with everything they had, and proud to pass that legacy on to their children.

Gerald's wife Floris survives him, as does Russ' wife Theresa. Floris and Rick Maeder told of the early days when the men used to go to the woods and stay. They had a "woods horse" that stayed in the woods continuously. An old steel trailer, still on

the mill property, was used as the shelter for the camp. Most of the harvesting was of cedar, and the timber stands were mostly on State land in the Houghton Lake area. Gerald would stay at the logging camp much of the time, while Russ would truck the posts back to the farm to be piled crossways. During the spring "slip", they'd peel the bark from the posts manually. As the business grew, farming and logging became too much, so they decided to sell the farm and cattle. They purchased ten acres of ground just east of Weidman at 5082 W. Weidman Road and a good used sawmill found in a Michigan Farmer advertisement. The mill was brought over from the thumb area. They'd log, saw, and then deliver slabwood for firewood in the evening. A sawmill operator from Reed City, Clark Dickerson, came over and showed the men how to see grade lumber. "To me it's been work, 24 hour work," says Floris of those days.

That first mill was a handset Meadows, followed by a Corinth American with setworks. A Morbark was next. Today two parallel modern circular headsaws with vertical edgers have been continually updated to being computerized. Maeder Brothers Sawmill now saws about 6 million board feet per year, and kiln dries some grade as well as timbers for log homes. Gerald was on the 13<sup>th</sup> forklift of his long career, and still loved to show up for work. Floris says, "He never stopped". A new building was recently erected in place of the original mill building, and now a whole new enterprise is being built to produce fuel pellets from chips, as used in wood stoves. Gerald's life was celebrated at his recent services, and the family knows he would want it that way. His white hardhat was there too.

Gerald's children, Diane (Al) Lintemuth, Roger (Denise) Maeder, Rick (Pat)Maeder, Shirley (David) Kleinhans, and John (Linda) Maeder survive him as well as many grandchildren and great-grandchildren. Grandson Jim Maeder (Rick's son) is an active mill manager and is on the MAT Board of Trustees. Russ is survived by children Jane (Elton) Atkinson and Tom (Judy) Maeder, and many grandchildren and great-grandchildren.

## **PULPWOOD & FORESTRY PRODUCTS, INC. CELEBRATES 40th ANNIVERSARY**

**By: Rich Newill**

I had the pleasure of being invited to an anniversary party honoring the 40<sup>th</sup> year of Pulpwood & Forestry Products, Inc. in business as a producer of pulp, chips, and saw logs in the Muskegon area. The party was held Saturday June 17<sup>th</sup> at the Sullivan Township Hall grounds west of Ravenna, a nice shaded park with a pavilion and mature trees to shelter the group from the direct sun. It was a gorgeous day, warm and breezy, the perfect weather for an outdoor event. A group of friends and family came to celebrate this milestone event in the life of Melvin Whitten, Mel's sister Ola Tornga, and his crew.

As I arrived and walked toward the pavilion, I passed an old farm tractor hooked to a dray carrying some logs. On top was a big (and I do mean big) yellow McCullough chainsaw that looked like it would still run fine if you could find someone strong enough to run it. This display represented the original equipment Melvin operated as he set out in 1966 to form the business. Mel told me he started out working alone, loading by hand what he could cut and skid with that big old saw and that antique tractor.

Ola had assembled a series of photos onto a CD, which was set up to play during the celebration. It really showed the evolution of not only Pulpwood & Forestry Products, Inc. but logging equipment and trucks as well. You could see the almost year-by-year upgrades of machinery, both in terms of technological advancement and the upgrading of the P&F fleet. That was a fascinating collection, and of genuine historical significance.

The food was excellent and the group was a friendly crowd of the kind of people you might expect at a party to honor Melvin Whitten and his long-lived business: wholesome, honest family-oriented people that had known Mel and Ola for years in most cases. There were direct family, former and present employees, friends, and industry representatives like myself, all there to recognize the exceptional quality and integrity, the longevity and community spirit, of this fine business and the people involved in it.

I work with a diverse group, loggers, sawmills, secondary wood products manufacturers, truckers, and related business. Of this group, the fact is that Pulpwood & Forestry Products, Inc. is one of the finest I know of. It's rare to find a logging business so skilled at managing the risks of the trade, down to the most-minute details. I enjoy my annual reviews of this business (certainly more than they do!) because of the professionalism demonstrated by the crew and by this business meeting appropriate training and documentation requirements completely. It is always remarkable to witness first hand a near-perfect logging operation. That's even more impressive when done consistently year after year, as with Pulpwood & Forestry Products, Inc. While Melvin refers to me as "my insurance man", I really think of him and Ola as personal friends.

Pulpwood & Forestry Products, Inc. has run a range of different modes of operation, from Melvin's early days working alone using the most primitive equipment, to short-wooding, to the present use of full-sized harvesting, skidding, chipping, and delimiting machinery. There were the Iron Mule years, the slasher years, the trucking evolution, and even a couple interesting accidents portrayed in the slide show (no one injured). Ola worked in the woods as a skidder operator for a time, and Mel says she was real good at it. Mel's sons have also worked with him. He's very proud of his youngest son, Cody, a fine lad of 14 years old, that expressed an interest in the business as well as in his favorite hobby of go-cart building and racing. Melvin is a dedicated dad, and certainly must be a fun dad, with his vast knowledge of things mechanical to put to use in that hobby. While I won't divulge Melvin's true age, suffice it to say he's an extraordinarily strong, physically fit man for his years. Having founded the business at 34 years old, he's kept steadily involved, personally participating in the harvesting operations to this day. I don't hear anything to indicate he plans to occupy a rocker anytime soon. I look forward to visiting the harvesting sites of Pulpwood & Forestry Products, Inc. for years to come, and I thank all involved for making this an example of the highest goals we can set for our industry, our state, and our country.

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If there are any questions or concerns that you have, please feel free to contact the Board of Trustees. They would love to hear from you.

## THINK SAFETY 3RD QUARTER SECOND CHANCE WINNERS

### ZONE 1

Rick Gickanio	Corullo Forest Products Corporation
Derek Robillard	Erickson Lumber, Inc.
Tim Hurkman	Marvin Nelson Forest Products, Inc.
Jeff LaCosse	Nickels Logging, Inc.
Daniel Tickler	Wangerin Logging, Inc.

### ZONE 2

Robert Brady	Baumgarten Forest Products, Inc.
Brian Carroll	Carroll's Forest Products, Inc.
Randy Romano	JAS Veneer & Lumber, Inc.
Rob Burg	Tulgestka Transport, Inc.
Brett Rutherford	WJZ & Sons Harvesting, Inc.

### ZONE 3

Chris Conden	Billsby Lumber Co., Inc.
Anthony Lang	LL Johnson Lbr. Mfg. Co.
Doug Auger	Trow Tree Farms
Karen Goll	Versatile Wood Solutions
Tim Williams	Wheeler's Wolf Lake Sawmill, Inc.

### **“FOREST INSURANCE—EMPLOYEE BENEFITS DIVISION”**

The employee benefits division continues to exceed its expected growth, and members have been seeing additional value in supporting their own insurance agency.

Debbie Clisch from Tom Clisch Logging, Inc. wrote:

Over the past couple months we have had a couple questions regarding our Blue Cross health insurance plan. It is great to know Debbie Gill is available, very knowledgeable and more than happy to help us. Medical billing and health insurance issues are complicated, it's great to have someone to count on for timely and expert advice.

Tom & Debbie Clisch

Why not call today to become part of the only endorsed health insurance program of the Michigan Association of Timbermen, through its wholly owned insurance agency, Forest Insurance Center and its manager of the employee benefits division, Deborah Gill 1-800-272-7805.