

Southern Loggers
Cooperative
2004 – 2022



AN INDEPENDENT FORESTRY
& AGRICULTURAL COOPERATIVE

Minimizing
the Effects
of Moving
Fuel
Markets



AN INDEPENDENT FORESTRY
& AGRICULTURAL COOPERATIVE

HISTORY

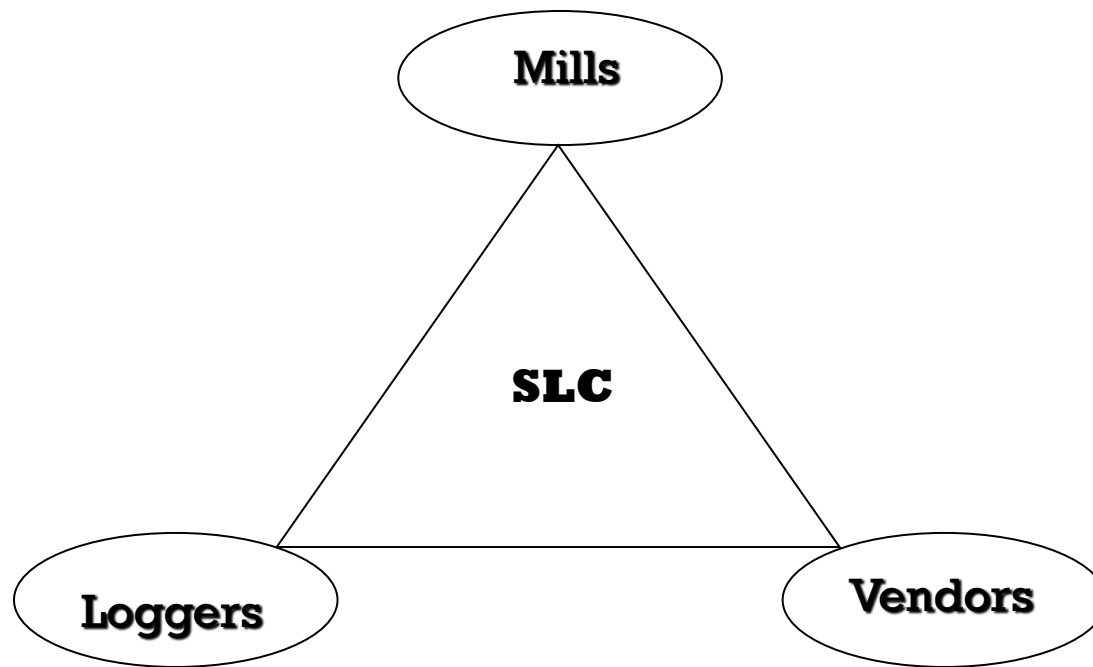
- Southern Loggers Cooperative was chartered by the Secretary of State in Louisiana as an agricultural cooperative on October 15, 2004.
- Membership is composed of those businesses within the Agro-Forestry industry including supporting firms.





SLC Staff

- Todd Martin – President & CEO
- Jason Slatten – Exec. V.P. & COO
- William “Bill” Jones– Asst. Exec. V.P.
- Kathryn LaFleur – Controller/CPA
- Jon Young – Stations Manager
- Lisa Alwell – Programs/Marketing
- Maryan Domrose – Acct. Clerk - AR
- Tina Young – Executive Assistant
- Joy Mercer – Accounting Clerk - AP



Partnerships

- Temple-Inland
- Boise
- Weyerhaeuser
- Rock-Tenn (Now WestRock)
- International Paper
- Meade-WestVaco (Now WestRock)
- Georgia Pacific
- Pixelle (formerly Glatfelter Paper)
- The Westervelt Company
- Roy O. Martin Lumber Company
- Graphic Packaging
- Drax Biomass
- Hunt Lumber Company

Cooperating Companies

Don't Do This!

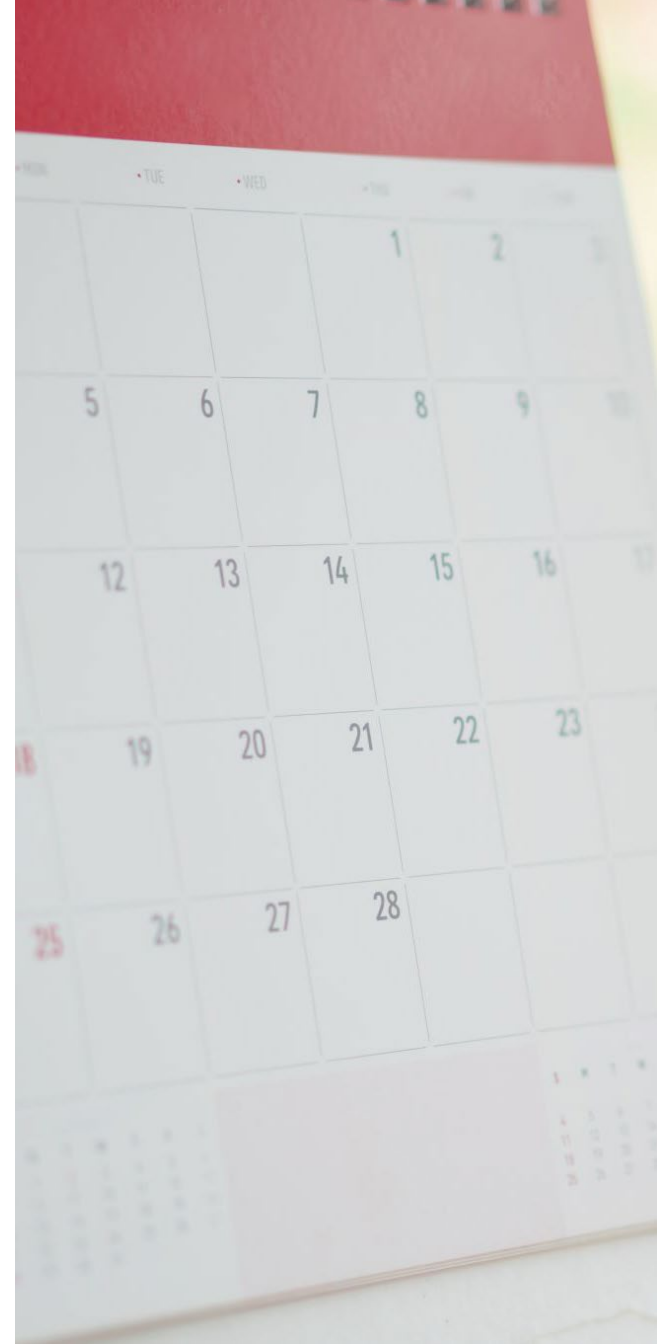


THE SLC MISSION

REDUCE MEMBERS' COSTS FOR GOODS
AND SERVICES

MEMBERSHIP

- 2004 – 9
- 2014 – 1730+
- 2015 – 2237
- 2017 – 2700
- Present – 5,300 +



\$100 Lifetime Fee

- Membership Open to:
 - Loggers
 - Truckers (logs, chips, products)
 - Silvicultural Contractors
 - Forest Road Contractors
 - Forest Landowners
 - Recyclable Truckers
 - Farmers
 - Ranchers
 - Horticulturists
 - Viticulturists
 - Members of other Agricultural Cooperatives

SLC MEMBERSHIP

The Southern Loggers Cooperative

- 5300 + members
- LA-TX-AR-MS-AL-GA-VA-WV-SC-OH-KY-MO-CA-FL-KS-NC-NJ-OK-PA-NY-IL-IN-OR
- National Contract with Hankook, Continental Tires, Nokian and Yokahoma
- FleetPride Parts Program
- Bulk Delivery anywhere
 - Must order 7500 gallons- can be split between on road diesel, off road diesel, and unleaded gasoline
 - \$.01/gal above cost of delivery to member tanks

FUEL STATION LOCATIONS

- **33 Fuel Stations**

- Winnfield, LA.....Open since 10/2005
- Carmel, LA.....Open 9/15/2006
- Deridder, LA.....Open 9/30/2006
- Pine Hill, AL.....Open 4/15/2007
- Hodge, LA.....Open August, 2007
- Pineland, TX.....Open August, 2007
- Pineville, LA.....Open September 2008
- Zwolle, LA.....Open May 2009
- Redwood, MS.....Open October 2009
- Lafayette, AL.....Open November 2009

- Domino, TX – February, 2010
- Claiborne, AL – April, 2010
- Covington, VA – April, 2010
- Port Hudson, LA – February 2011
- Cottonton, AL – April 2011
- Selma, AL – May 2011
- Campti, LA – September 2012
- Georgetown, SC – October 2012
- Chillicothe, OH – November 2012
- Monticello, MS – February 2013
- Evadale, TX – August 2013
- Brewton, AL – September 2014

- Pennington, AL – December, 2014
- Allendale, SC – December, 2014
- Moundville, AL – October, 2015
- Lufkin, TX – December, 2015
- Orangeburg, SC – 2016
- Chopin, Louisiana - 2017
- Corrigan, TX – 2018
- West Monroe, LA – 2018
- Crawford, MS – 2020
- Demopolis, AL – 2020
- Oakdale, LA – 2022
- Urania, LA – Under Construction



OPEN





2:14



ON  HUNT



 87°
Calm

100 ft
93 ft elevation

mapbox

MORRIS
REAL
ESTATE
VILLC


33

Sat
2D



Hunt Map
Layers


Offline Maps


My Content


Tools


Tracker

FUEL SALES

- 2019 44,000,000 gallons
- 2021 54,000,000 gallons
- 2022 60,346,492 gallons (14% increase from stations)
- Current Overall Daily Sales Average 172,072 gallons (7-day week)
- Current Daily Sales Average Per Station 6,955 gallons (5-day work week)
- Record Week (9/18 - 9/24) – **1,216,749** gallons

BULK FUEL SALES

2022 – 2,654,091 gallons (6.2% Increase)

Diesel Exhaust Fluid (DEF) Sales

2022 – 618,123 gallons (11.5% Increase)

Sales \$\$\$

2022


\$258,000,000.00

Don't Do This!!





FUEL TAXES IN THE SOUTH



**Their Effects On
Loggers**

Fuel Taxes

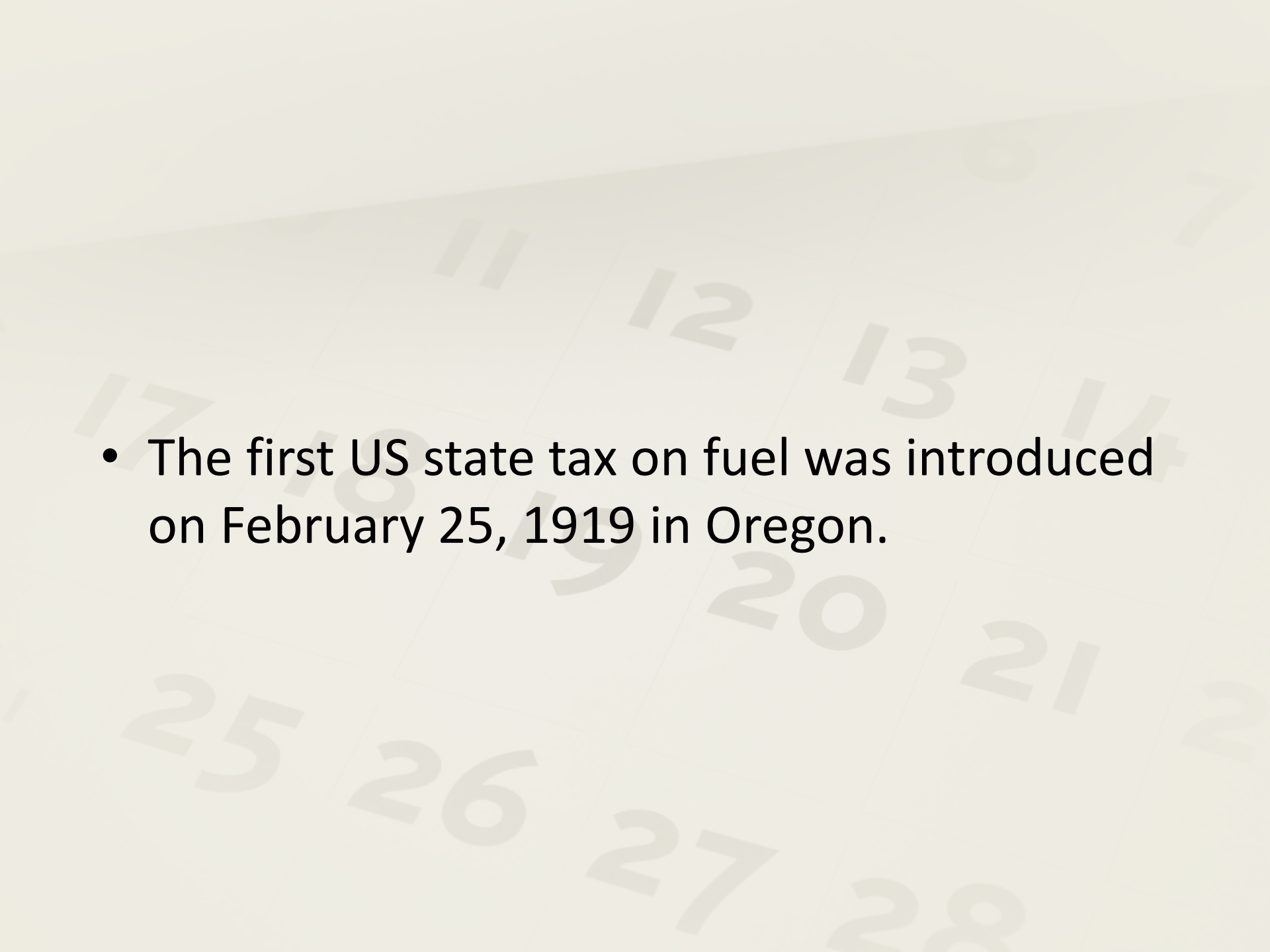
What can you
do to decrease
the effects?

Nothing!

24.3
cents/gallon

The federal
excise tax
on diesel
fuel is:



- 
- The first US state tax on fuel was introduced on February 25, 1919 in Oregon.

State Taxes (per gallon)

- **Alabama** **29 cents**
- Others:
- Louisiana 20.00 cents
- West Virginia 35.70 cents
- Ohio 48.10 cents
- California 67.0 0 cents ***

Alabama Stations

57.95 cents/gallon
++

Don't Do This!



Market Trends, Brokering, & Timing

**Their Effects On Loggers &
Forest Products Transportation**

SLC Historic Fuel Prices

- Summer of 2019 – Highway **\$2.539** & Off-Road **\$2.109** – Per gallon
- 2020 (days before election) – Highway **\$1.799** & Off-Road **\$1.449** – Per gallon
- 6/22/22 (Highest Average) – Highway **\$5.409** & Off-Road **\$4.899 (Some Stations \$6 plus)** – (+201% & 238%)
- Highest during surge = Chillicothe, Oh - **\$6.09**
- Current – Highway=**\$3.147**/Off-Road=**\$2.796**
(Hi - \$3.749/Lo - \$2.999) DEF = **\$2.720**

Current Market Movement

Since April 17, 2023

Drop In Average Prices

=

Highway – 35 cents/gallon

Off-Road – 29 cents/gallon

Current High = \$3.769 @ Chillicothe, OH

Current Low = \$2.949 @ Monticello, MS

Fuel Brokering

- How does the SLC help the Logging Industry?
 - We use brokers that shop EACH rack to determine the best fuel price structure among the racks
 - Those brokers then monitor pricing information at the racks to ensure that we are buying at a competitive *delivered* price
 - Unlike the others, Southern Loggers is not a textbook retailer. We are technically a “for profit” business that functions as a “non-profit”. Therefore our “profit” is only measured in the help we provide to our industry.

Market Movements/Trends

- **Big Movements!** We have watched our market prices move anywhere from 50 – 80 cents per day at times.
- **Trends** in the fuel business tend to be all over the place and tend to last hours and days....not months.
- **Ukraine/Russia?** Not exactly. ALC Survey prior to Russia's invasion of Ukraine showed that 50% of loggers were already showing a 50% increase in fuel costs. Our average prices were already up 96% & 111%.
- The rapid rise in fuel costs does not stop with fuel. It increases the cost of every other item associated with operating your logging or trucking business.

Timing

- Timing takes a ton of effort and practically an army of staff to do so on the level that we must time it. (Brokers)
- Timing is virtually impossible without the ability to store fuel in large tanks (15,000 gallons+).
- Timing is EVERYTHING, especially when the market is making big moves in broad sweeps regardless of whether the market is moving upward or downward.


Don't Do This!



Fuel Pricing



AN INDEPENDENT FORESTRY
& AGRICULTURAL COOPERATIVE



What drives the price of fuel in my area?

+
•
0

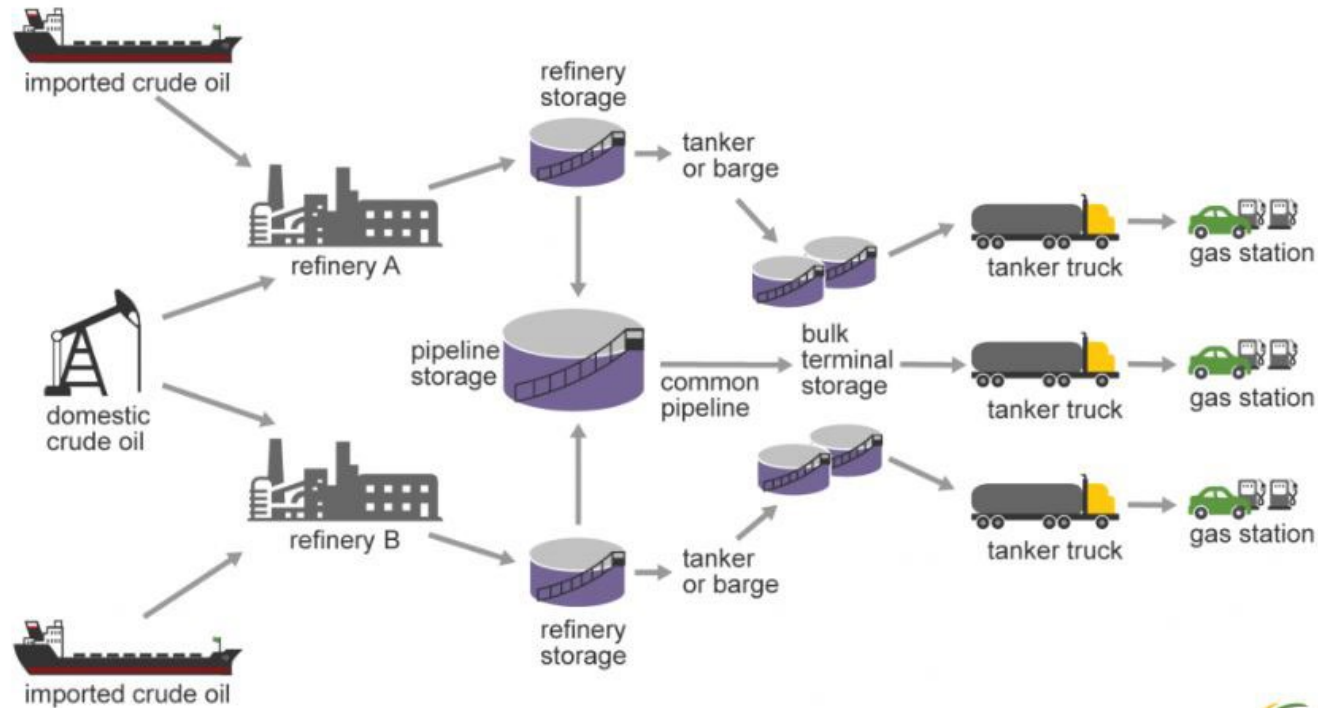
- Crude Oil Prices?
 - Some impact, but crude oil prices alone DO NOT drive the price of Diesel Fuel
- Futures Traders and Speculators?
 - Again, some impact, but they alone do not drive the wholesale price in all areas.

What drives the price of fuel in my area?

- Gulf Coast Platts Pricing?
 - This is the biggest driver in what we pay for wholesale fuel.
 - Gulf Coast Platts can loosely be defined as the price at which large refiners in **Houston**, and to a smaller extent along the Gulf Coast, are able to sell fuel for injection into the pipeline systems.



Flow of crude oil and gasoline to your local gas station



Source: U.S. Energy Information Administration



Crude Oil/Fuel Flow to SLC Stations

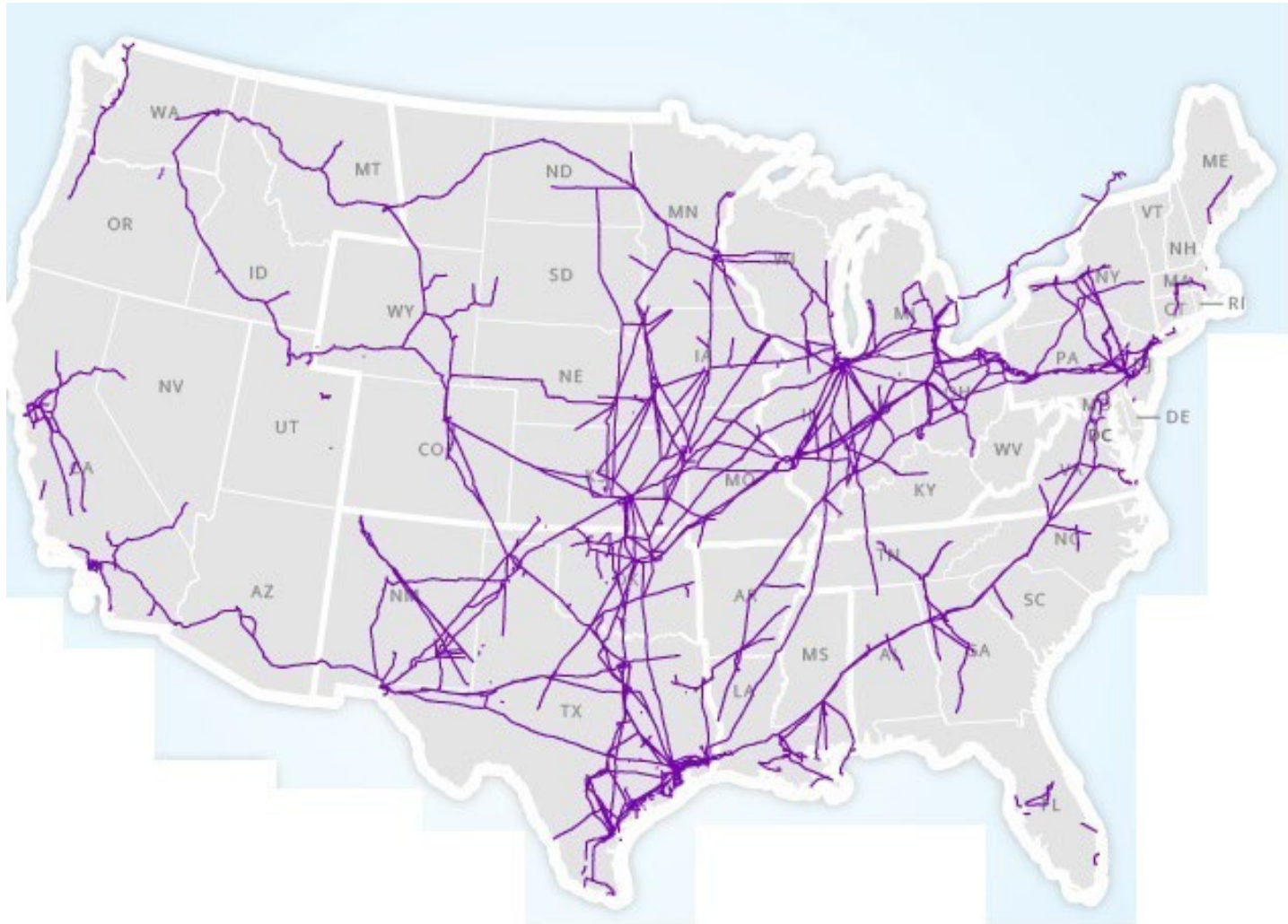
What drives the price of fuel in my area?

- Question: What does Houston have to do with what I pay for fuel here????

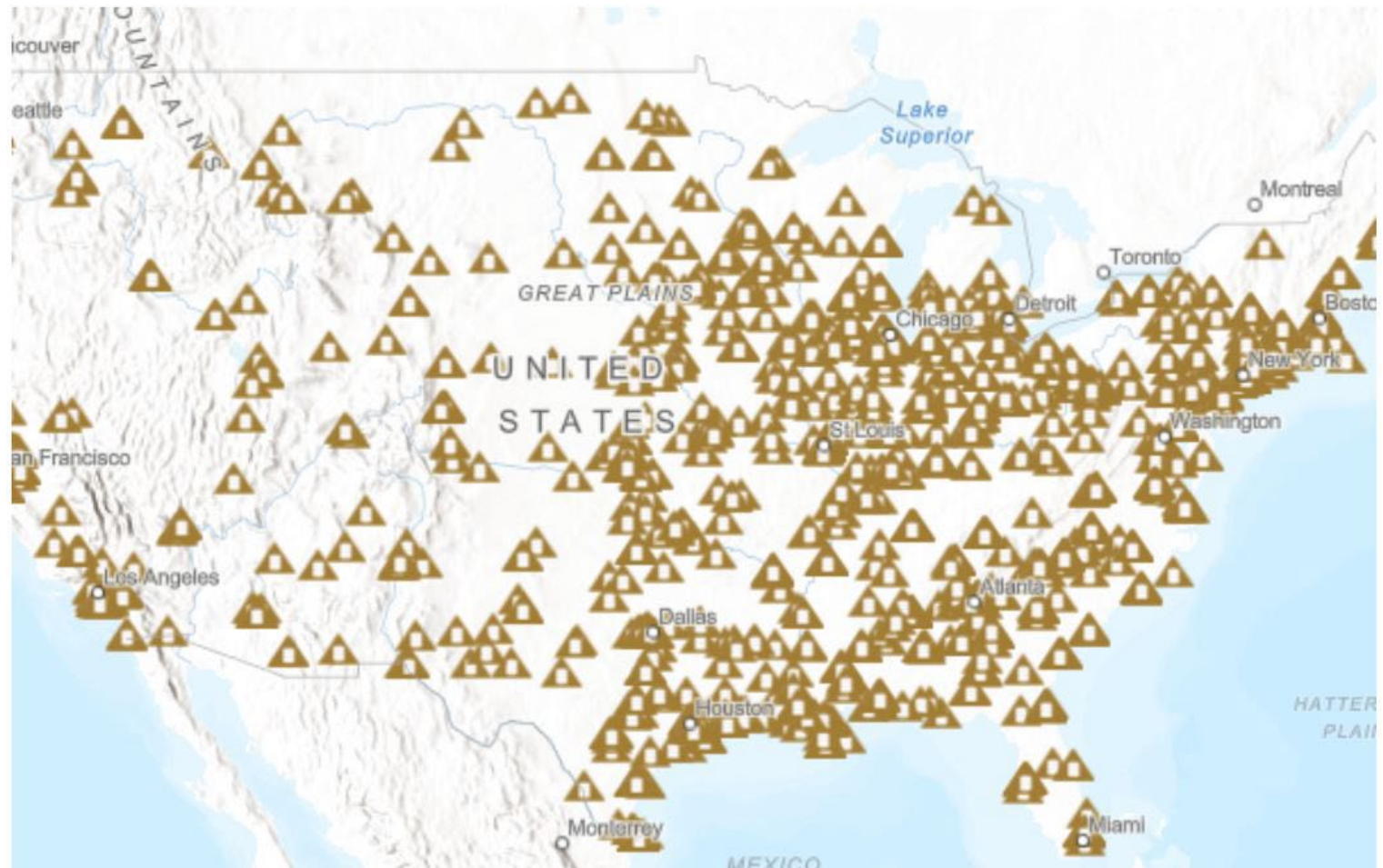


Everything!

Refined Products Pipelines



Terminals/Racks



Refined Products Pipelines

- The vast majority of fuel in the United States begins life in the Gulf Coast region.
- Pipelines are just like trucks, the further you transport the fuel, the more you pay.

Truck Loading Racks

- The pipelines are connected to fuel storage facilities and loading racks.
 - Brokers, Refiners and Traders all own fuel or can buy wholesale fuel at these racks and compete for your business.
 - OPIS, DTN, AXXIS and ARGUS monitor these prices for public information.

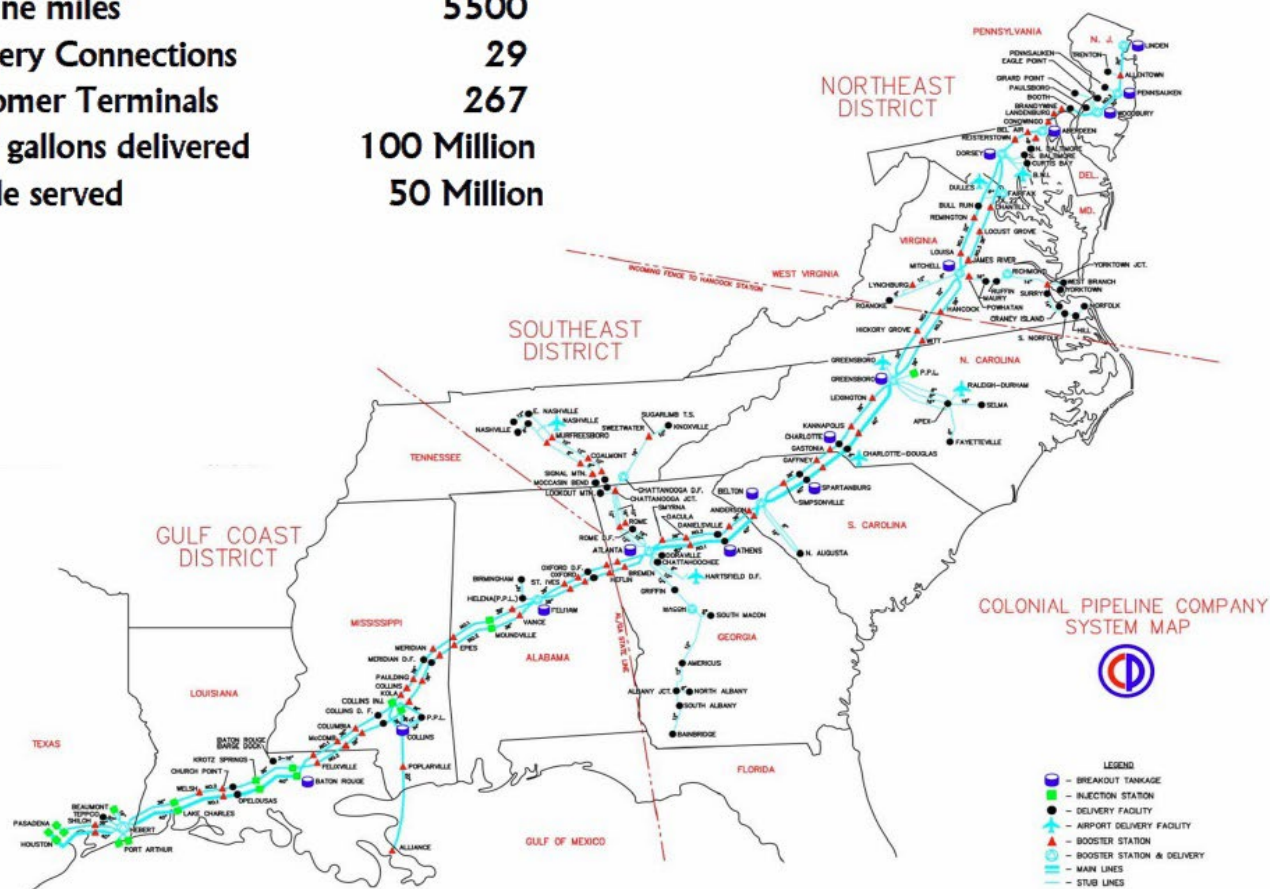
Truck Loading Racks





The Colonial System

Pipeline miles	5500
Refinery Connections	29
Customer Terminals	267
Daily gallons delivered	100 Million
People served	50 Million



Retailers

- Once the fuel has been purchased from the Broker at the rack, retailers offer the fuel for sale to end-use customers.
 - This category includes companies like Pilot Truck Stops, TA Travel Centers, Love's Travel Stops, etc., but does NOT include the Southern Loggers Cooperative.



Pricing Summary

- The main driver of pricing is the refinery output sale price followed by:
 - Pipeline Transportation Costs
 - Terminal Costs
 - Trucking Costs
 - Retail Margins

Don't Do This!



- Over 487 million gallons of diesel sold
- Total savings to members =
- \$48,700,000 + based on an average savings of \$.10/gallon (Probably More)

Savings to Members

Patronage Dividends

- Just Under \$17 Million Through 2022
- Paid to members based on their individual participation in the programs

Don't Do This!






Quote from
Louisiana
Logger –
Greg
Williams

**“It’s A Fine Day
For
Logging!”**



- 
- 
- **TODD H. MARTIN**
 - President & CEO
 - SOUTHERN LOGGERS
COOPERATIVE
 - 1152 EXPRESSWAY DR
 - PINEVILLE, LA 71360
 - 318-445-0750
 - www.southernloggers.com
 - todd@southernloggers.com
 - **QUESTIONS?**