

LINCOLN COUNTY
WHOLE TREE CHIPPING POLICY

1. Price per ton for whole tree chipping will be based on the weighted average of the bid price on tree volume with a 4" diameter and larger, with a 50% reduction of the bid price for volume less than 4" in diameter.
2. If wood is utilized to a lesser degree than whole tree chipped (i.e. if the contractor chips to a 2" top) the 4" bid price will be charged.
3. Bark and waste piles must be hauled away from the site. If utilized, these products will be converted from pounds to tons and billed at the weighted average price per ton. If not utilized, 25% will be added to the reported chip volume to accommodate the machine peeled loss of bark. (12 ½ % figure could be applied during sap peeling season).
4. A chipping contractor will have the option of applying the weighted average price to species that are chipped, and applying the 4" bid rate to species produced as round wood. A contractor may sort out higher value products (sawbolts, sawlogs) if they are included in the pulp price and chip the remaining tree products. The same weighted price per ton would apply to all products.

WHOLE TREE CHIPPING EXAMPLE

Advertised volume - 1,000 tons (to a 4" top)

Whole tree chipper operator bids \$10.00 per ton and is high bidder, so he is awarded the sale.

Logger would pay the following price per ton for a whole tree chipped sale after the following formula is used:

$$\begin{array}{r} 1,000 \text{ tons} \times \$10.00 \text{ per ton} = \$10,000.00 \\ 300 \text{ tons (30\% of 1,000 tons)} \times \$5.00 \text{ per ton (50\% of \$10.00)} = \underline{\$ 1,500.00} \\ \$11,500.00 \end{array}$$

$$\begin{array}{r} 1,000 \text{ tons} \\ \underline{300 \text{ tons}} \end{array}$$

Total tree volume is then 1,300 tons

$$\$11,500.00 \div 1,300 \text{ tons} = \$8.85 \text{ per ton}$$