

SHOULD PRIVATE NURSERIES GROW SEEDLINGS FOR REGION 6?

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Recently, Federal Forest Service tree seedling procurement has been getting much attention. Several local nursery managers have expressed a strong desire to take part in the program. I have phrased my title as a direct question because I believe it deserves a direct answer. I answer the question with a direct and definite yes for several reasons if we assume that cost and quality are comparable with cost and quality of government produced seedlings.

First, the interest of the private bare root nursery sector in getting involved has greatly increased in recent years. Five to ten years ago no one cared much about this subject. Second, facilities, equipment, and expertise in the private nursery sector have improved measurably as interest has increased. Third, the political climate has recently changed focusing increased attention on private business as another way to serve government goals when work can consistently be accomplished better and more cheaply.

Responding to all these things, and probably others I know nothing about, our Regional Forester, Jeff Sirmon, has officially recognized that the Forest Service should not ignore the capability of the private nursery sector to produce 2-0 seedlings for National Forest lands which require reforestation. The appropriate paragraph of a letter to Dan Barnhart, Executive Director of the Oregon Association of Nurserymen states:

"We look forward to a successful operation and to gaining some valuable experience in this realm of contracting. As I told you at our meeting, we want to contract out a portion of our seedling production annually. Just how much depends on our total annual needs, the quality of seedlings produced in Forest Service and private nurseries, and the development of an acceptable contract and/or contracting procedure. We look forward to a mutually desirable outcome by working together."

Jeff mentions three points that I would like to elaborate on in this discussion; total annual needs, acceptable contract, and seedling quality.

TOTAL ANNUAL NEEDS

Our potential long term annual need (to the year 2030) has been estimated to be approximately 129 million 2-0 bare root seedlings (see Table 1). We believe we may begin to approach this need in

the early 1990's. This estimate was determined using the Resources Planning Act (RPA) estimates of Commercial Forest Land (CFL) acres, appropriate timber crop rotation ages, a planting density of 550 trees per acre, a 15 percent natural regeneration allowance on selected sites, and a 15 percent cushion overall (10 percent for replanting failures, and 5 percent for catastrophes such as wild fires and, Heaven help us, volcanic eruptions).

Our Region 6 Forest Service nursery capacity to meet projected needs stands at approximately 75 million 2-0 bare root seedlings annually (see Table 1). This estimate is based on a 3 year nursery crop rotation, 25 seedlings per square foot of nursery bed space, and elimination of transplants from our nurseries (transplants require 3 to 4 times the bed space of seedlings and drastically reduce nursery capacity). The detailed formula for computing Federal nursery capacity is included in Dick Miller's paper elsewhere in this proceeding.

Table 1. Estimated Forest Service bare root 2-0 seedling needs and nursery capacity (millions).

Estimated Need ¹	
National Forests	96
Bureau of Land Management	26
Region 5	<u>7</u>
	129
Annual Capacity ²	
Bend Pine Nursery	12
J. Herbert Stone Nursery	36
Wind River Nursery	<u>27</u>
	75
Estimated Shortfall	54

¹Region 6 Long Term Reforestation Needs, Nursery Capacity and Associated Problems, by James W. Edgren, 3-1-82. On file at Region 6, Regional Office, U.S. Forest Service, Portland, Oregon.

²Nursery Capacity Study, by Asa D. Twombly, Fiscal Year 1979. On file at Region 6, Regional Office, U.S. Forest Service, Portland, Oregon.

Simple arithmetic shows that we have a potential long term shortfall of 54 million 2-0 seedlings annually (see Table 1). We currently are not pursuing plans to expand existing nurseries or to construct new ones.

Currently, we are operating well below projected needs levels because the timber economy is down. Recent annual production has ranged from below 50 million to over 80 million. Needs will always be variable. Estimates of lumber market recovery dates and the degree of that recovery are extremely difficult, so we make no predictions of short term seedling needs at this time. Neither can we be very specific about the quantity of seedlings that will be advertised for the private sector. Jeff did not specify seedling quantities in his letter.

This year we offered approximately 2 million bare root seedlings for contract. We would like to maintain this amount but can make no promises at this time. We also recognize that 2 million is probably a meager amount upon which to sustain a viable nursery industry. However, the industry has other customers than the Federal Government. We believe it is a large enough amount to develop a contract and to gain experience with the private nursery industry. Somewhere between the opportunity for the industry to compete and our need for a dependable seedling source lies the correct portion which can be procured on contract.

AN ACCEPTABLE CONTRACT

Jeff mentioned an acceptable contract. Truthfully, contracting procedure has been a stumbling block in the past. We now have a contract which tends to protect the growers who have made substantial investments in facilities and equipment. It protects the Federal Government also because these growers are the ones most likely to produce seedlings which meet our specifications. The contract permits us to award to a grower with specific facilities and equipment even though a second grower with inferior facilities, equipment and a lower probability to produce quality seedlings may bid lower.

Small businesses are automatically given preference on our contracts unless our experience leads us to believe we cannot expect them to perform. If this is so, we must write a justification statement for excluding small businesses. We believe our contract makes it unnecessary to do this.

SEEDLING QUALITY

Jeff mentioned "quality of seedlings produced in Forest Service and private nurseries..." It is inevitable that the quality comparison must work both ways. Private nursery managers who bid successfully on the present contract recognize how important it is to produce a good seedling the first time around. It must be at least as good as seedlings from Federal Nurseries or

subsequent contracts will be difficult to initiate if bed space exists in Federal nurseries. By the same token, if contracted stock is better than Forest Service stock we will have an increasing number of volunteers for the contract route. Consequently, our stock quality should increase, whatever the outcome of our experiment. I am sure our nursery managers will welcome the opportunity to compete in both survival and growth of outplanted seedlings.

We have made a commitment to ourselves and to the private nursery industry to pursue this course. The durability of the commitment must depend on how well it works. Obviously, we are not putting our nurseries up for sale. However, we have no plans for further expansion of existing nurseries (land acquisitions) or construction of new nurseries. As Jeff says, we expect this arrangement to be mutually beneficial.