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United Lumber will use trees from its forests for two products. The tree trunks will be used for lumber and the branches converted into wood chips to make fiberboard. The cost of this conversion would be the same whether done at the logging site, where the trees are debranched, or at United's factory. However, wood chips occupy less than half the volume of the branches from which they are made.

The information given, if accurate, most strongly supports which of the following?

- ☐ Converting the branches into wood chips at the logging site would require transporting a fully assembled wood-chipping machine to and from the site.
- ☐ It would be more economical to debranch the trees at the factory where the fiberboard is manufactured.
- ☒ The debranching of trees and the conversion of the branches into chips are the only stages in the processing of branches that it would be in United's economic advantage to perform at the logging site.
- ☐ Transportation costs from the logging site to the factory that are determined by volume of cargo would be lower if the conversion into chips is done at the logging site rather than at the factory.
- ☐ In the wood-processing industry, branches are used only for the production of wood chips for fiberboard.

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