Florida Land Steward
2020 Short Course Webinar Series
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2020 Short Course Webinar Series

Agenda:

**Webinar 1:** October 15, 2020, 2 pm ET; How to Sell Your Timber
Scott Sager, Forester, UF/IFAS School of Forest Resources and Conservation

**Webinar 2:** October 22, 2020, 2 pm ET; Keep the Habitat Value of Your New Forest
Joe Vaughn and Megan Ellis, Landowner Assistance Program Biologists, Florida Fish and Wildlife Conservation Commission

**Webinar 3:** November 5, 2020, 2 pm ET; Using Biomass Markets in Forest Restoration
Jib Davidson, Forester, Columbia Timber Company and Environmental Services

**Webinar 4:** November 12, 2020, 2 pm ET; Prepare for and Recover more quickly from the next Hurricane
Chris Demers, UF/IFAS School of Forest Resources and Conservation
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Please use the Q & A function to ask questions, not the Chat. Questions will be answered after all presentations are complete.
Please complete the very short evaluation at end of the webinar – Thanks!

Presentation slides and other reading materials for this series are available online at:

https://programs.ifas.ufl.edu/florida-land-steward/
2020 Short Course Webinar Series

SAF Continuing Forestry Education Credits:

1.0 Cat. 1 CFE approved
Verification by registration and Zoom Webinar attendance log
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Webinar 1: How to Sell Your Timber
Scott Sager, Forester, UF/IFAS School of Forest Resources & Conservation

Understand the process and what influences stumpage price, know what you are selling, use market competition, and have a contract.
First, some terminology...

**Logger** – the folks who cut the trees and load them, and (typically) truck the wood to the mill

**Timber Buyer** – the folks who buy the wood from the landowner, arrange for the logging, and coordinate the payments (may be the logger, or may contract the harvest to the logger)

**Mill** – the place where the wood is turned into poles, plywood, lumber, paper, chips, energy, etc. (might be the timber buyer, or a third-party who brings wood to the mill)

**Consultant** – the folks who work for the landowner, and NEVER EVER, UNDER NO CIRCUMSTANCES, IN NO WAY SHAPE OR FORM work for or own the logger, timber buyer, or mill
Second, some broad principles...

There’s a lot of money at stake. Even first-thinning can generate hundreds-of-dollars per acre. Clearcutting a mature stand can generate thousands-of-dollars per acre.

Keep it simple. Anything you can do to lower the risk for the timber buyer, the better the price you can get. Anything you can do to make the loggers’ job easier, the better the price you can get.

This isn’t gardening. Logging uses large, heavy, awkward equipment, in an unpredictable environment. When you sell timber you give the buyer some control over the condition of your land… things will get broken, and at times it’s going to look bad.
Third, do you really want to do this yourself?

You CAN sell your own timber, but it’s a lot of work. There’s also a good chance you’ll make more money if you hire a consultant. Timber markets are local, diverse, complicated, and in constant flux.

Hire a consultant if...
- the sale is “once in a lifetime”... large area; very big-, old-, and/or valuable-trees
- it’s complicated... lots of separate areas; requires coordination with several owners or neighbors; variety of products
- you can’t be there every day, you live far away, you have a life...
Accessing the stand...

How will they get to the stand? How will they get the wood back to the road? Log trucks are big and heavy, and WILL damage roads. Poor access makes wood less valuable. Liability makes wood less valuable.

Gates should be at least 16’-wide if set directly on the road.

Overhead clearance (power lines, branches) should be at least 15’ (and more likely 20’).

Can your bridges and culverts support the weight? In Florida, as high as 88,000-lbs.

Can they get off (and back on) the public road safely?
Deck location(s)...

How will the logger get the wood from the stump to the road? Once the trees are cut, they need to be moved to the loading deck. At the deck they are typically trimmed of branches, cut to specific lengths, and loaded on trailers.

Decks need to be on (or VERY near) roads.

You need a deck within a quarter-mile of anywhere trees are cut.

Decks should be on drier ground, and located so that the logger can avoid dragging wood through wetlands.

The fewer the number of decks, the better. The smaller the size, the better.
What areas to cut...

Where do you want the trees cut? Where do you not want trees cut? You probably know where you want to harvest... where do you NOT want logging equipment to go?

Follow Best Management Practices (BMPs)... both Silviculture and Forestry-Wildlife.

Think about “look and feel”. Avoid graveyards or other historic sites. Think about the view from your porch or driveway, or the view from your neighbor’s house. Recreational areas to avoid?

Clearly mark boundaries. Roads or fences work great; otherwise, mark every 2nd or 3rd tree along the edge with paint (yellow is common). Mark the side facing into the harvest area, and mark at least 6' high.
Which trees to cut...

Which trees do you want cut?  Which trees do you want left?  Even in a clearcut, you may have specific trees you want to retain.

You don’t have to mark any trees. This makes sense if it’s a clearcut, but even in thinnings you can provide instructions, and then leave it to the loggers. Realize their limitations, though.

Clearly mark trees. Use paint (blue is common). Mark three sides of the tree. Mark at least 6’ high.

You can either mark the trees to cut, or the trees you don’t want cut. Which way would you mark fewer trees?
Contracts

Sure it’s a legal document, but more importantly it’s clear communication. Some landowners feel like a contract shows a lack of trust… it’s more about avoiding confusion. A buyer who won’t sign a contract should scare you.

Develop a contract ahead of time (you can modify it later).

All contracts should at least…
- identify the parties involved
- state the actions to be taken
- indicate the timeframe
- describe the consequences for breach

Good contracts say everything twice… what you should do, and then what you shouldn’t do.
Contracts

Some specific details in a timber sale contract...

How long? A year is typical; more than a year reduces risks for the timber buyer and can generate more bids; less than a year can do the opposite.

Provide bidding instructions. Specify a closing date/time, how bids should be formatted (sealed?), and any other materials you want (price, but also insurance documentation, deposit check, etc.).

Specify that the logger will comply with all Silviculture and Forestry-Wildlife BMPs.
Contracts

Provide a map. Indicate the area to be harvested. Indicate expected gate and road access, including where they’ll get back to the public road.

“Thou shalt nots”… Prohibit dumping oil, hydraulic fluid, or similar. Prohibit operating equipment outside of the harvest area. Prohibit starting fires. Prohibit trash/littering.

Define your expectations at completion. Who is responsible for damage to roads, gates, or other infrastructure? Do you want branches and tops piled, or spread back into the stand?

Specify how you will get paid…
Contracts

How WILL you get paid? Timber sales by private landowners are typically done one of two ways: lump-sum, or pay-as-cut. Both work, and have different strengths and weaknesses…

In lump-sum, the landowner defines which trees to cut, and the timber buyers assess the harvest and provides a “total” bid. Each buyer will want to do a detailed inventory of your sale area.

<table>
<thead>
<tr>
<th>For instance, lump sum...</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer X</td>
<td>$26,000</td>
</tr>
<tr>
<td>Buyer Y</td>
<td>$31,500</td>
</tr>
<tr>
<td>Buyer Z</td>
<td>$29,990</td>
</tr>
</tbody>
</table>
Contracts

In pay-as-cut, the landowner defines which trees to cut, and the product(s) they expect it to produce, and the timber buyer assess the harvest and provides a “per-product” bid. The landowner needs to have a working inventory of the sale area.

<table>
<thead>
<tr>
<th>For instance, pay-as-cut...</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Buyer X</td>
<td>$4/ton pine pulpwood</td>
<td>$12/ton chip-n-saw</td>
</tr>
<tr>
<td>Buyer Y</td>
<td>$4/ton pine pulpwood</td>
<td>$13/ton chip-n-saw</td>
</tr>
<tr>
<td>Buyer Z</td>
<td>$5/ton pine pulpwood</td>
<td>$12/ton chip-n-saw</td>
</tr>
</tbody>
</table>

In this scenario, if the sale was 40% pulpwood and 60% chip-n-saw, Buyer Y would win. If the sale was 60% pulpwood and 40% chip-n-saw, Buyer Z would win.
Contracts

Lump-sum sales are easier to manage, but can generate fewer bids (maybe, lower bids). Pay-as-cut sales are harder to manage, but can generate more bids (maybe, higher bids).

<table>
<thead>
<tr>
<th></th>
<th>Lump-Sum</th>
<th>Pay-As-Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>More Common for...</td>
<td>Clearcuts</td>
<td>Partial Cuts (thinnings)</td>
</tr>
<tr>
<td>Risk to Timber Buyer</td>
<td>Higher (fewer bids?)</td>
<td>Lower (more bids?)</td>
</tr>
<tr>
<td>Landowner Must Have Inventory</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Payment Timing</td>
<td>Up-Front</td>
<td>Periodically, as it’s cut</td>
</tr>
<tr>
<td>Will It Get Harvested?</td>
<td>Almost Certainly</td>
<td>Probably</td>
</tr>
<tr>
<td>Concerns About Timber Theft?</td>
<td>Low</td>
<td>Higher</td>
</tr>
</tbody>
</table>
Finding the Right Buyer

Where to start… You’re looking for reputable buyers, who are reasonably local.

**County Forester** – A great resource for local contacts. Can’t provide “references” or make specific suggestions, but can help you identify options.

**Forest Stewardship** – Very comprehensive list, organized by region.

**Master Logger** – Large list of folks with some basic training. Even though they’re “loggers”, most are also timber buyers, or work regularly with timber buyers and can pass along your sale info.
Finding the Right Buyer

Getting the word out... You want to distribute your sale widely, and provide enough information to get them interested.

Mail it to them. Not all timber buyers use email. A hard copy is still the best way to reach them.

Provide a cover letter with some basic information. How old? How many acres? Planted or naturally-regenerated? Species? Trees per acre? Average diameter?

Send the contract. A good contract will answer most questions.

Allow at least two months before closing.

Give them your phone number.
Finding the Right Buyer

The bidding process… Once you’ve widely distributed your sale information, folks should begin contacting you. Some will schedule a visit; others will just show up. It only takes one good bid to make a successful sale (though the more, the better).

Be prepared! Boundaries and trees should already be marked. Have copies of the contract (with map) handy. Be ready to discuss details about access, decks, etc. Don’t contradict the contract!

Submit an “internal bid”. This sets the minimum price you’re willing to accept, in a fair way.

Hold to the bidding instructions. Don’t open bids early. Make sure all documentation is in order.
Finding the Right Buyer

Selecting the winner… If the sale is lump-sum, you know immediately who has the highest bid. If the sale is pay-as-cut, you’ll probably need to do some math. Either way, as long as they’ve exceeded your internal bid, congratulations!

Decide who to award the sale to. In most instances this is the highest bidder, but not always. Consider reputation. Consider whether they’ve actually been to see the sale.

Promptly contact the winner. Arrange to get the check (if lump-sum). Ask when they expect to begin work.

Promptly contact all other bidders and thank them for their interest. You don’t have to tell them who won, what the other bids were, how many bids you received, or anything else.
What to Worry About During Logging

Are they taking care of the ground? Once the loggers start work you’ll want to visit every 2-3 days. Loggers are professionals, and should be treated that way, but if something’s wrong (or could be wrong, soon), say something. If something’s REALLY wrong then tell them to stop, and call the timber buyer.

Are they cutting the right trees? Not just are they thinning to your specifications, but are they aware of where boundaries are?

Are they being careful when they harvest? Look at stump heights. Look for rutting. Look for skinned- or damaged-trees. Be realistic, but be firm.

Are they making a mess? Look at road conditions. Look for trash. Check gates and other infrastructure for damage.
What to Worry About During Logging

Are you getting paid what you should? For lump-sum sales, they’ve paid you already. For pay-as-cut, it’s much more complicated.

Are they skidding and loading everything they cut? You’re getting paid by the ton, so any wood that doesn’t go to the mill is money you’ve lost. Look for cut trees that are left in the woods. Look at the “cast-off” pile.

Are they sorting the wood correctly? You get paid more for chip-n-saw, so make sure they aren’t sending chip-n-saw trees to the pulp mill. Realize that size matters, but so does how straight, branchy, or diseased the tree is.

Are you getting paid for every load of wood that leaves?
What to Worry About During Logging

ARE you getting paid what you should? For pay-as-cut, you’re paid based on the scale ticket.
What to Worry About During Logging

ARE you getting paid what you should? A relatively easy, and cheap, approach is to use a game camera.
Getting the Most for Your Stumpage

Maximize Competition – Distribute sale information broadly… an additional stamp is cheap.

Access Matters – Poor roads make timber less valuable. Can you get better access through your neighbor’s property?

More Wood – It costs a lot just to move logging equipment. Harvest multiple stands in the same sale. Consider bundling sales with your neighbors.

Timing is Important – Make contracts as long as reasonable. Sell dry stands during wet times, and wet stands during dry times.

Make it Easy – The easier it is for the timber buyer, the more likely they’ll bid, and the higher they’ll bid.
The Major Wood Products

Markets are complicated. Stumpage demand is a function of weather, the economy, mill openings/maintenance/closings, and what other landowners are doing. You can’t predict any of these.

Product specifications aren’t constant, or consistent… changes in supply, changes in equipment, changes in competition.

“Niche” markets open and close all the time… small pine logs exported to China for concrete forms, hardwood for railroad ties, the Gainesville biomass plant, etc.

We tend to think about “pulpwood, chip-n-saw, and sawtimber”, but it’s much more complicated than that…
# The Major Wood Products

<table>
<thead>
<tr>
<th>Product</th>
<th>Species</th>
<th>Size</th>
<th>Form Restrictions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poles</td>
<td>slash, longleaf, ~loblolly</td>
<td>11” DBH or greater, 4” diameter at 40’ or greater</td>
<td>no sweep, minimal branching, no defects</td>
</tr>
<tr>
<td>Plywood</td>
<td>slash, longleaf, ~loblolly, ~sand</td>
<td>13-26” DBH, 8” diameter at 35’ or greater</td>
<td>minimal sweep, no branching, no defects</td>
</tr>
<tr>
<td>Chip-n-Saw</td>
<td>slash, longleaf, ~loblolly</td>
<td>8-19” DBH, 6” diameter at 35’ or greater</td>
<td>minimal sweep, no defects</td>
</tr>
<tr>
<td>Pulpwood-Tissue</td>
<td>any pine, most hardwoods</td>
<td>pine... &gt;5” DBH; 4” diameter at 15’ hardwood... &gt;7” DBH; &gt;4” diameter at 50’</td>
<td>no burn char</td>
</tr>
<tr>
<td>Pulpwood-kraft</td>
<td>any pine</td>
<td>5” DBH or greater, 4” diameter at 15’ or greater</td>
<td>none</td>
</tr>
<tr>
<td>Pulpwood-cellulose</td>
<td>any pine</td>
<td>5” DBH or greater, 4” diameter at 15’ or greater</td>
<td>none</td>
</tr>
<tr>
<td>Bioenergy-pellets</td>
<td>any pine</td>
<td>5” DBH or greater, 4” diameter at 15’ or greater</td>
<td>none</td>
</tr>
<tr>
<td>Mulch</td>
<td>anything</td>
<td>anything that will load</td>
<td>none</td>
</tr>
<tr>
<td>Bioenergy-biomass</td>
<td>anything</td>
<td>anything that will load</td>
<td>none</td>
</tr>
</tbody>
</table>
Mill Locations

Google earth

miles
km

400 km

Forest, Fisheries, & Geomatics Sciences

UF | UNIVERSITY of FLORIDA
Questions...

Steps to Marketing Timber (http://edis.ifas.ufl.edu/fr130)

Association of Consulting Foresters
https://www.acf-foresters.org/

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QUESTIONS?

• Please use the Q&A function for questions
Forest Recovery Webinar Series

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https://www.surveymonkey.com/r/BMV82WZ

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https://programs.ifas.ufl.edu/florida-land-steward/
THANKS PARTNERS AND SUPPORTERS!
A diverse groundcover is not easy to establish. Don’t lose it if you have it. With some planning and deliberate management you can regenerate a forest stand without compromising the existing habitat value of your new forest stand.
THANKS FOR JOINING US!