



So You Want To Sell Timber

Adam K. Downing, Forestry and Natural Resources Agent, Virginia Cooperative Extension

Jennifer Gagnon, Project Associate, Forest Resources and Environmental Conservation, College of Natural Resources and Environment; Coordinator, Virginia Forest Landowner Education Program

Research into the attitudes and actions of private forest landowners shows that although very few own their forestland for the purpose of producing timber, most will sell timber at least once in their lifetimes. Private forest landowners sell timber for a variety of reasons that range from purely financial to solely for management purposes. Often landowners do not consider selling timber until they have an immediate need for cash. Other times the landowner has planned an immediate commercial thinning with a full timber harvest scheduled in 10 years. Whatever the reason(s) for a timber sale, careful consideration of objectives is paramount.

Why Sell Timber

Many forest landowners do not think about a timber sale in the context of their long-term objectives for owning forestland. Perhaps their immediate need for cash and the opportunity to sell outweighs their long-term goals. Other owners see harvesting as a kind of necessary evil that should happen when the trees get old and start dying. Still others, who haven't ever considered selling timber, become interested when they learn how valuable the timber is to a buyer.

Whatever the situation is, the first question to ask is: Will a timber harvest at this point in time help to meet my long-term objectives?

For the few private forest landowners who have worked with a natural resource professional and have a written management plan, this question is easily answered. Other forest landowners will have to begin by outlining objectives and goals and working with a natural resource professional to articulate these in the context of a plan.

For forest owners practicing stewardship of their property, timber harvesting is a valuable management

tool. A well-designed and -conducted timber sale can improve the health of a woodlot. Well-planned roads and skid paths can enhance recreation and access to your woodlot long after a timber harvest is completed. Timber harvests following a catastrophic event, such as high winds or severe insect or disease damage, can minimize loss of future revenue and enhance forest health. Timber harvesting can also serve to improve wildlife habitat by creating special conditions, such as early successional forests, and enhancing biodiversity.

When to Sell Timber

Deciding when a woodlot is ready to harvest is critical. Following are some of the factors and conditions to consider when making a decision about when to sell timber.

Maturity

Trees actually reach maturity twice — when they are financially mature and biologically mature.



After trees are either felled with a piece of machinery or by hand with a chainsaw, they are typically moved to the log deck with a skidder, such as this “grapple”-style skidder that lifts one end of the log and drags the other.

Financial Maturity

In most cases, a tree matures financially first. Financial maturity is the point in the life of a tree when the expected value increase from allowing it to continue to grow no longer equals or exceeds the net return that could be obtained if the tree were sold and the money invested elsewhere. Financial maturity is difficult to ascertain because timber is both the production facility and the product.

Trees increase in value in three primary ways. The first two ways relate to tree growth.

1. As a tree grows, it accumulates volume and the amount of merchantable wood it contains increases.
2. A tree's quality may improve as it grows because knotty cores are buried under clear layers of annual wood growth.
3. Trees may increase in value based on market supply and demand.

Biological Maturity

The most common reference to maturity is in regard to biological maturity, which occurs when the tree or stand achieves maximum merchantable volume. The increase and decrease in merchantable volume relates to tree vigor, or health. The vigor of a tree relates to its age, its position in the canopy, and the quality of the site on which it grows. In some ways, a tree ages much as people do. Volumes and densities decrease as a result of decay from insects and/or disease.



This truck is loaded with small-diameter pine tree logs called "pulpwood" that are headed to a pulpwood-using plant to make cardboard, paper, and other cellulose-based products

Regeneration Status

A third condition private forest landowners considering a timber sale should study is the status of the regeneration on-site. In the case of hardwood forests, natural regeneration is the preferred strategy whereby seed and sprouts from the current stand are relied on for the next stand. If adequate advanced regeneration of desirable species is not present, special consideration should be given to how regeneration will be established.

This allows for greater control of species composition, spacing and even genetics which reduces long-term management costs and generally yields faster returns.

Site Durability

The site's durability is another factor to consider before deciding to sell timber. Is the integrity of the soil at risk? Are there wet soils or steep slopes? These sites may require special conditions before a harvest can occur or, in some cases, be avoided all together.

How to Sell Timber

Having considered why and when, the forest owner must consider how to sell timber. Although a timber sale is not exactly like a yard sale, there are similarities. If someone stopped by your house and said they noticed you had some valuable belongings and offered \$500 to pick and choose items from your home, you would probably say "NO!" For the same reason, you shouldn't give someone unrestricted access to your timber. Just like having a yard sale where you set aside what you want to sell with a tag on it indicating its worth, you should know what you want to sell from your forest and what it's worth.

Like any other exchange of goods, a timber sale should take place in the market place, not behind closed doors. In other words, take advantage of the competitive market and open the sale to all interested buyers for competitive bidding. Receipts from the sale of timber using the competitive bid process are usually substantially higher than those from a single unsolicited offer.

Anyone selling timber should become familiar with the language of the industry. Terms like "selective" and "selection harvests" are often misleading. Loggers, foresters, and natural resource managers often use terms private forest landowners are not familiar



A log loader is stationed on the log deck and is used to load the sorted logs onto trucks. Sometimes logs are sorted for going to different mills, and the loader may also be equipped to delimb trees and cut them to length.

with, such as “DBH,” “crop tree,” “board feet,” “diameter-limit cut,” “crown class,” “improvement cut,” and others. Besides strengthening your vocabulary, a mutual understanding of the terminology is important when writing and signing a contract.

The last and perhaps most important step to take when selling timber is to find and work with a qualified, experienced natural resource professional. Sometimes they are called consulting or professional foresters.

A good natural resource professional will work for the forest owner. Specifically, the forester will



A log deck is an area of high activity and high impact where logs are concentrated, sorted, and loaded onto trucks.

- Mark the trees to be harvested.
- Indicate special trees that require additional protection.
- Write and administer the contract.
- Act as the liaison between the forest owner and the logger.

Although professional foresters charge a fee for their services, studies and experience show that the average forester-assisted competitive bid sale almost always more than covers the cost of the consulting services. Furthermore, it is not uncommon to hear of forester-assisted/competitive bid sales yielding twice as much of the comparable nonassisted or logger’s choice sale. In addition, the residual volume in the stand is likely to be more and of greater value.

The Virginia Department of Forestry maintains a list of natural resource professionals who have completed stewardship training. Contact your local forester for the free list; contact information is available in the blue pages of the phone book or online at www.dof.virginia.gov/locations/index.htm.

The VDOF forester based in your area is a source of free professional assistance. The forester will walk your property with you, talk about possible management activities you can do, and assist you in preparing a written plan for your forest. Although VDOF foresters cannot assist in a timber sale, they can give noncommercial assistance and advice.

Additional Information

Additional information on this and related topics is available through the following agencies and programs:

Virginia Department of Forestry – www.dof.virginia.gov;
434-977-6555

Virginia Forest Landowner Education Program – www.forestupdate.frec.vt.edu; 540-231-6391

Regional Forestry and Natural Resources Extension Agents
– <http://forestupdate.frec.vt.edu/resources/contact-professional.html>