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Tips for Planning a Successful Timber Sale

Lisa Dennis-Perez, Forestry Extension Associate

This fact sheet describes 12 steps to follow to help ensure a successful timber sale. Important points to consider when preparing a timber harvest are included, but this publication is intended only as an introduction to the subject. Other fact sheets in this series will address related topics, such as forest management planning and timber sale contract provisions, in more detail.

Selling Your Timber: Things to Consider

Harvesting trees from your forestland can provide numerous benefits for you and for your forest resource, although the process is not quite as simple as it may seem. There are many reasons for harvesting trees which vary with your management goals. You may want to remove mature timber to generate income; remove immature trees in order to promote the growth and vigor of residual trees; remove dead trees or trees affected by insects or diseases to protect the residual stand from infestation or fire; open up the forest canopy to encourage forage production for domestic stock; manipulate the vegetation to improve wildlife habitat; or clear land for a homesite or recreational area.

Whatever the purpose of harvesting, the decision should be made carefully and the process should be well-thought out and carefully implemented, preferably with the help of a professional forester. A forest management plan that details your forest management objectives and how best

to meet your ownership goals should be the basis for your decision to harvest. The decision to harvest should not come solely as a result of an offer to buy timber from a timber broker or contractor.

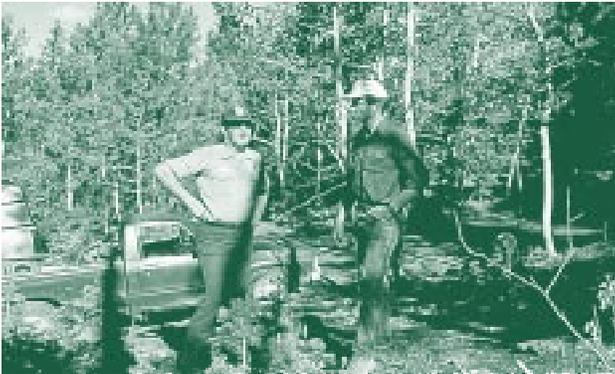
Imagine this: A logging contractor tells you that he would like to purchase the timber on your property for a generous sum of money. He will build the road to access the forest, cut the trees, remove them from your property, and give you a check for your timber. He assures you that the process is as simple as that, and that you'll both be better off after the harvest. He seems like a friendly, straight-forward fellow, and you shake hands on the deal and wait for your check. What's wrong with this picture?

Selling timber from your land may well represent one of the largest financial transactions you'll ever make. If you were selling your house, you certainly wouldn't do so without a written contract and likely would enlist the help of a professional realtor or attorney. If you were contracting to have a house built, you wouldn't do so on a handshake. You would require a written plan or blueprint for the structure to ensure that the finished product met your objectives. You would likely ask friends and neighbors about reputable building contractors, and might even put the job out to bid in order to find a quality builder who would do the job for a reasonable price. If you were selling cattle, you wouldn't do so without first knowing exactly how many cattle you had to sell and what the going market price was at the time. Selling timber from your land is as important and complex an undertaking as those transactions just mentioned, and it deserves careful consideration and planning.

This publication offers suggestions on how to go about selling timber from your property. Many forest landowners in Utah have been faced with the situation just described and have sold timber on a handshake. Many of these landowners were shocked by the condition of their properties following harvest and did not receive the benefits they had expected. This is not to say that timber contractors are dishonest, but harvesting timber is a complicated process. What you want for your land and your resources needs to be considered and planned for BEFORE trees are cut on your property. The following suggestions should help ensure that your timber sale is painless and profitable.

Steps to a Successful Timber Sale

1. Think about what you want for and from your property.
2. Talk to a professional forester.
3. Determine appropriate silvicultural practices.
4. Identify property and timber sale boundaries.
5. Talk to adjacent landowners.
6. Develop a harvest plan.
7. Develop a detailed written timber sale contract.
8. Market your timber resource.
9. Complete a pre-harvest conference.
10. Administer the harvest.
11. Complete post-harvest close-out.
12. Monitor your property post-harvest.



Working with a professional forester can help you through the complex process of managing a timber sale.

1. Think About What You Want For and From Your Property – If you have a forest management plan for your property, you already have taken the time to think about your management goals and objectives. If you have not already prepared a management plan, you should do so with the help of a professional forester. The information provided in the plan is essential in determining if a timber harvest is compatible with your management objectives. At the very least, take the time to think about why you own your forest land, what aspects of your property you want to protect, what you hope to gain from a timber sale, and what you want your property to look like after the harvest.

2. Talk to a Professional Forester – A professional forester can help you with every step in the process of selling your timber. The forester can help you prepare a management plan or a timber harvest plan if you do not already have one in place. If you choose not to use a management plan, the forester can use your answers to the questions just mentioned to ensure that the timber harvest meets your ownership objectives. The forester can help collect timber inventory data, appraise your timber resources, suggest appropriate silvicultural practices and logging methods, mark the timber to be cut, help you prepare a bid prospectus and a timber sale contract, and administer the timber sale to make certain things go as planned. Several studies have shown that landowners who utilize the assistance of a professional forester in planning and conducting a timber sale receive a higher price for their timber (up to 58% higher), while their residual forest has greater value and less environmental damage than that of landowners who do not utilize professional assistance.

Call the Utah Division of Forestry, Fire, and State Lands at 801-538-5555 to find out how to contact the FF&SL service forester in your area. Or call USU Extension at 435-797-0560 for a list of consulting foresters. Both state service foresters and consulting foresters can assist you with a timber sale, although consulting foresters charge a fee for their services.

3. Determine Appropriate Silvicultural Practices – You will need accurate information on the species, number, density, age and quality of the trees on your property. Also, you'll need to know about site characteristics like soil types, topography, water bodies, and access. This information, collected during a stand exam, helps you determine which trees to harvest, as well as when and how to harvest in order to maximize returns, minimize environmental impacts, and ensure a productive forest in the future. A professional forester can suggest a method of harvest appropriate to the site and the species. Because tree species have specific reproductive requirements, the productivity and value of your future forest can be jeopardized by using an inappropriate silvicultural practice. For example, clearcutting a high elevation spruce-fir forest will likely impair regeneration, as spruce-fir is a forest type that requires shade for successful regeneration. The spruce-fir forest type may be replaced by a less desirable, less valuable tree species or regeneration may be delayed or prevented entirely. The resulting lack of vegetation might lead to erosion, loss of soil, and permanent impairment of site productivity. Because growing conditions in Utah's forests generally are unforgiving, using inappropriate silvicultural practices can affect site productivity and the value of the forest for generations to come.

4. Identify Property and Timber Sale Boundaries –

Walk the property boundaries with adjacent landowners to make certain that you both agree on the property line. Have the line surveyed professionally if there is any question. Also, you may wish to leave a buffer at the property line to avoid claims of wrongfully harvested timber. Careful identification and marking of boundaries is essential to avoid misunderstandings and possible legal troubles that would result if timber was harvested from adjacent property without consent or harvested from an area on your property that you did not wish to have harvested. This information should be included in the timber sale contract.

5. Talk to Adjacent Landowners – This can be helpful for a number of reasons. First, adjacent landowners might also be interested in selling timber and a combined sale of larger quantity may increase the purchase price and reduce site impacts by providing the opportunity to plan the construction of fewer, better-placed roads, skid trails, and landings. Working together also presents the opportunity to more effectively address forest health issues, like insect infestations, by treating a larger affected area. Notifying your neighbors about harvesting operations also allows them to watch out for their interests and assures them that the harvest is not a case of timber theft.

6. Develop a Harvest Plan – You may already have a harvest plan as part of your forest management plan. If not, have a harvest plan prepared with the help of a professional forester. The harvest plan should describe the appropriate silvicultural prescription; which trees should be cut – the harvest boundary, species, age, size, or how the trees will be marked; maps indicating where skid trails, landings, and roads will be located; the harvest method to be used – ground skidding, cable system, etc.; and post-harvest concerns including erosion control measures, reseedling, slash treatment, and preparations required for regeneration. Appropriate prescriptions for sensitive areas should be mentioned and Forest Water Quality Guidelines (voluntary guidelines that describe how to conduct forest practices while minimizing impacts to water quality) that you wish to utilize should be incorporated in the harvest plan. A detailed harvest plan can be referenced in the timber sale contract and goes a long way toward minimizing misunderstandings and spelling out exactly what is required as part of the timber sale.

7. Develop a Written Timber Sale Contract – This legal document specifies the responsibilities of the seller (you) and the buyer (timber contractor and any sub-contractors, such as the logger), and protects the interests of all by preventing misunderstandings and miscommunication. You may want to reference your timber harvest plan and/or Utah's Forest Water Quality Guidelines in your timber sale



Contract stipulations, such as the time of year that harvesting is allowed, can help protect the future productivity of your forest.

contract and provide copies to the contractor so that he will understand your expectations in detail. It is essential to protect your interests and your property with a detailed timber sale contract. Be sure to include any stipulations that are necessary to meet your ownership objectives. Realize that some contractors may be hesitant to bid on a job with excessive stipulations and may suggest that the proposed contract is unreasonable. As you add stipulations to the contract, you likely add expense to the harvest and your financial return on the harvest may be affected. However, many timber contractors fulfill stringent stipulations in timber sale contracts with other sellers, including the U.S. Forest Service. Your stipulations are not unreasonable if their implementation is required in order to meet your objectives and protect your property. Reviewing sample contracts (available from FF&SL or USU Extension) can provide you with ideas about which stipulations are necessary for your situation.

8. Market Your Timber Resource – Do some homework on current prices for different species and sizes of logs. Ask your professional forester, friends, and neighbors what prices others in your area have received for similar timber. You may want to negotiate log prices with a timber buyer like a mill or a broker and pay a logger to harvest the trees or you may find an operator who acts as both harvester and log purchaser. In either case, it is in your best interest to prepare a bid prospectus and advertise the sale to all qualified contractors. Contents of a bid prospectus include: seller, location, size of sale area, type of sale – lump-sum, etc., volume – species information, duration of agreement, and harvesting restrictions/conditions. Interested contractors should be invited to the site for a tour and presented with a sample of the timber contract and/or the harvest plan. In this way, you may get a sense of which contractors you feel comfortable with. The contractors then prepare a sealed bid for the job and provide you with a list of references. Check the references of several of the best bidders and visit properties harvested by them, if possible, to be sure that you are choosing a reputable contractor who will do the job for a reasonable price and who will do the work as you intended.

9. Complete a Pre-harvest Conference – Before harvesting begins, several things should occur. You should collect any performance bonds or down-payments that you require as part of the timber sale contract. A performance bond helps to ensure that all aspects of the job are completed as detailed in the contract. Make final arrangements to ensure that you know the quantity of timber being removed from the property (will it be weighed or scaled, will you receive load delivery sheets or tickets) and that you agree on a payment schedule. Finally, a face-to-face meeting with the contractor at the site will go a long way toward answering any remaining questions and clarifying the expectations of both you and the contractor.

10. Administer the Harvest

– Stay on-site for the first few days to answer any questions and ensure that the operation works as planned. Then visit the site weekly (accompanied by your professional forester, when possible), to check on the operation and bring up problems as they arise, while they can be corrected. If you cannot be present, have your forester administer the harvest.



Careful harvest planning, including a detailed timber sale contract, can mean the difference between the harvested area pictured above and the one below. Above, excessive soil exposure leads to erosion, negatively impacting future site productivity, degrading water quality, and creating an eye-sore. Below, strategically placed roads and skid trails minimize soil exposure and negative impacts to productivity, water quality, and aesthetics.



11. Complete Post-harvest Close-out – Near the end of the harvest, you and/or your forester should determine if all provisions of the contract have been completed, including any post-harvest treatments that are required

such as slash disposal, road closures, construction of erosion control measures, etc. It is best to make these determinations while the contractor’s equipment is still on-site so that problems can be addressed with minimum expense. After a final inspection to ensure that all contract provisions have been met, the seller should release the performance bond to the contractor.

12. Monitor Your Property Post-harvest

– Keep an eye on your property following harvest to ensure that erosion control structures are working properly, that regeneration is occurring as anticipated, that slash is treated as agreed, and that excessive blow-down does not occur. Congratulate yourself on accomplishing your goal and enjoy the rewards of a carefully planned and implemented timber harvest.

Call or write USU Extension’s Forest Landowner Education Program for questions concerning timber harvest or other forest management issues:

Forest Landowner Education Program
 Department of Forest Resources
 Utah State University
 Logan, Utah 84322-5215
 435-797-0560
<http://ext.usu.edu/natres/forests>

Call or write the Utah Division of Forestry, Fire and State Lands to locate the service forester nearest you:

Division of Forestry, Fire and State Lands
 1594 West North Temple, Suite 3520
 Salt Lake City, Utah 84114-5703
 801-538-5555
<http://www.nr.state.ut.us/slf/slfhome.htm>

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