



“If you care about the stewardship of your land and the future of your forest, we’re here to help.”

Thomas Worthley, UCONN-CES
Douglas Emmerthal, CT-DEP
Robert Rocks, CT-DEP



Ever thought of **Selling Timber?**

The **“HOW and WHY”** of timber sales.

A guide for **private forest landowners** to protect their investment and care for their forest.



University of Connecticut

College of Agriculture and Natural Resources
Cooperative Extension System

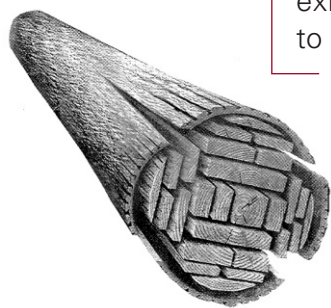


Connecticut DEP
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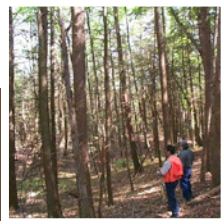
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Why Sell Timber?



Trees from Connecticut forests are **highly valued** and **actively sought** by the forest products industry. Many good reasons exist for landowners to consider selling

trees (timber) for forest products. Ideally, harvesting is a management tool recommended within the context of a long-range, Forest Management Plan



Whatever your reason for harvesting, remember that timber sales are **business transactions**. Landowners should obtain the best and most complete advice possible before signing any harvesting contract.

Forest Management Plans

Be sure a sale and harvest of timber is compatible with your forest ownership goals! Working with a Certified Forester to prepare a Forest Management Plan, you can be certain that harvesting timber is right for you and your woods. A well-written forest management plan will clearly state the outcomes you wish to achieve and how to accomplish them. Your goals may include: improving wildlife habitat, outdoor recreation opportunities, privacy and solitude, periodic income from forest product sales, or stewarding the land for future generations. It is important that any timber harvest be crafted in a way to satisfy your goals.

Elements of a typical forest management plan include:

- A statement of landowner goals and objectives.
- Map of the woodland that shows property boundaries, forest roads and trails, and environmental features such as streams and wetlands.
- Forest stand descriptions that include trees sizes, types, and densities, soil information, and history of land-use.
- Silvicultural prescriptions and schedules describing methods you can employ to achieve desired future forest conditions.

Factors Affecting Timber Prices:

- **Species:** The value of wood products produced from different tree species varies dramatically.
- **Quality:** Trees that are free of knots and defects typically command a higher price.
- **Buyer's Finances and Need for Logs:** A short supply of logs may cause a buyer to offer a premium price.
- **Market Conditions:** Fluctuations in market conditions for timber products will affect prices offered for your timber.
- **Size and Number of Trees:** Harvesting fewer, larger trees is less costly than more, smaller trees for the same amount of wood volume.
- **Accessibility and Difficulty of Operating the Site:** Steep slopes, rough haul roads, obstructions, wetlands and other terrain features can affect timber value on a given site.
- **Special Conditions of the Sale:** A landowner may impose certain conditions in a timber harvest contract that can affect the timber price.
- **Total Volume:** A timber harvest producing a larger total volume of wood (board feet or cords) can be more valuable than a smaller sale.

Trees Have Real Value:

Forest trees may be among a landowner's most valuable assets, aside from the land itself, and perhaps the one they know the least about.

A close-up photograph of a wooden surface, showing a rich, warm brown color with prominent vertical grain patterns and some darker, irregular staining or knots. The texture is smooth but shows natural wood grain variations.

Some good reasons for timber harvesting: >

> **Habitat Management:**

Create or maintain special conditions needed by certain wildlife species.

> **Species Composition**

Enhance biodiversity with timber harvests to create desirable species mixes.

> **Regeneration:**

Establish and grow new seedlings successfully by creating the optimal conditions.

> **Forest Health:**

Remove potentially hazardous trees that are extensively damaged by insects and diseases.

> **Income:**

Derive periodic or emergency income.

> **Recreation:**

Create forest trails, paths, campsites and views.

Foresters and Loggers are not the same thing.

Not all people who work in the woods are Foresters. Since 1996, all forest practitioners conducting commercial forest practices are Certified by the Division of Forestry. The three levels of certification are: Forest Products Harvester, Supervising Forest Products Harvester and Forester. Each level is certified to perform different roles in planning and harvesting timber. A list of Certified Forester Practitioners is available from the Division of Forestry by calling (860) 424-3630 or on the Division's web site at www.ct.gov/dep/forestry.

Forest Product Harvesters (FPH)

Forest Product Harvesters are highly skilled logging operators. They may provide on-site supervision to two non-certified workers, but may not direct the entire operation. An FPH may not solicit or sign contracts to purchase timber from landowners.

Supervising Forest Products Harvesters (SFPH)

People who harvest timber are commonly called **loggers**. Persons certified at the level of SFPH can supervise harvesting operations and are permitted to solicit and contract directly with a landowner to purchase timber. A SFPH may also mark trees as a means of clearly designating which ones are to be cut, participate in and



supervise the harvest to make sure things are going right and assist with local and state regulatory procedures. In addition to the functions already described, some Industrial Foresters, especially those that operate as independent contractors, also work as loggers.

Foresters

By law, only a Certified Forester may recommend “silvicultural prescriptions”, ie: harvesting methods tailored to the forest’s characteristics that will satisfy the landowner’s goals and management objectives while maintaining a vigorous, healthy, sustainable and productive forest.

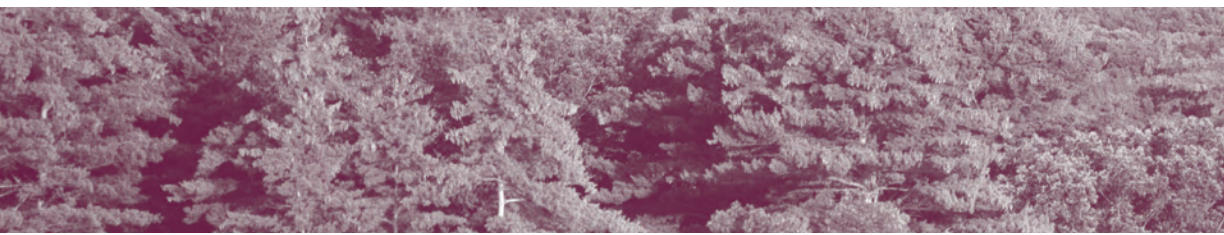
Certified Foresters may be found in many capacities and fill various roles associated with timber harvesting:

Service foresters working for the Department of Environmental Protection or Forestry Educators with UCONN’s Cooperative Extension Forestry are experienced, knowledgeable professionals who can help landowners on the path toward a successful timber harvest.

Industrial or procurement foresters usually represent the interests of a sawmill, timber broker or an independent logging contractor while purchasing and harvesting timber.

Consulting foresters represent the interests of a landowner during the sale and harvest of timber.

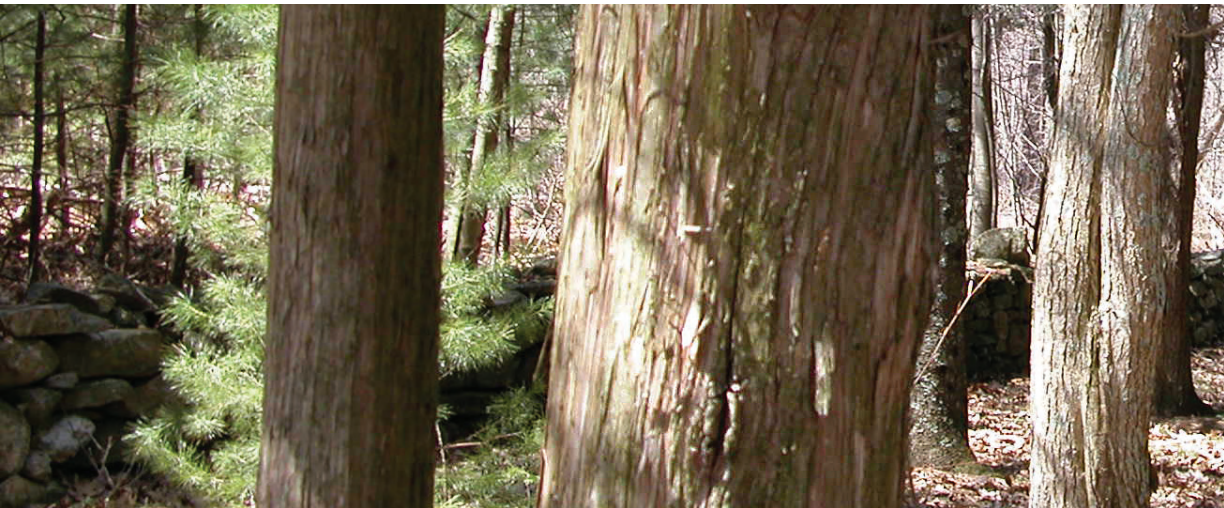


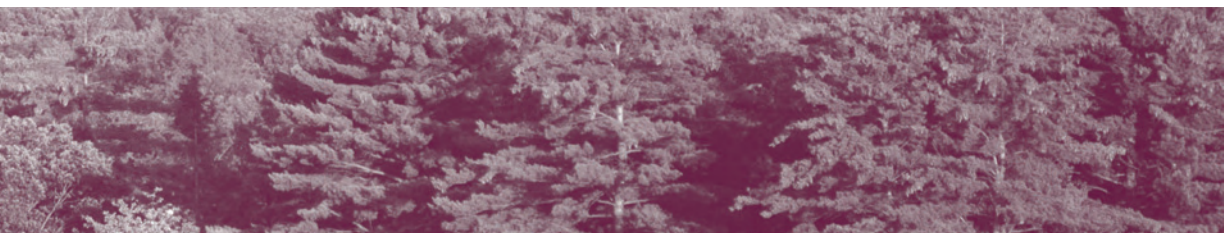


Forest Practitioner Conduct

Recent changes to the laws governing Certified Forest Practitioners require them to disclose particular information to landowners prior to entering into a contract. Forest Practitioners are now required to disclose to landowners the following: Their full name, the name of their employer, and in whose interests they are working. In addition, practitioners must disclose the following information in writing: Practitioner's level of Certification, complete description of forest practices the practitioner may legally perform, direct costs to be incurred by the landowner or client upon entering into a contract.

The regulations also establish ground rules for revealing conflicts of interest to landowners, notifying landowners or employers of violations of the Forest Practices Act, and making disclosures when a practitioner will be accepting compensation from more than one party for services on the same project.





Guidelines to Protect Your Timber Investment

A great way to get started is to contact the Service Forester in your area by calling (860) 424-3630. The DEP Service Forester is an experienced and knowledgeable professional who can spend up to one half day with you in your woods at no charge.

Key things to consider when preparing to sell timber are:

Know the approximate **volume and value** of the timber before selling. The best offers are often generated when a landowner knows the volume and value of their timber.

Identify each tree to be sold by having a professional mark them at eye and ground level with special paint. Be sure that potential buyers bid only on

the painted trees. This allows different offers can be fairly compared, reduces misunderstandings and helps you verify that only those trees designated for sale are being harvested.

Seek offers from at least three different potential buyers.

Ask for and check references from potential buyers.

Use a comprehensive written contract that clearly states your expectations. Timber contracts must address key requirements intended to protect you and your land. Failure to have a sound contract may result in enormous loss and expenditures. If you are at all uncertain, consider professional legal representation.



Landowners need to be aware

There are some forms of harvesting that are **NOT** good forestry practice.

Here are a few examples:

“Selective Cutting” (High Grading):

A timber buyer may offer to “selectively cut” your forest, taking only “mature trees” and leaving the “thrifty younger trees to grow”. Most Connecticut forests are considered to be even-aged and the smaller trees are usually neither young nor thrifty, but just smaller trees that did not grow as well. This type of operation may look okay, but really just skims the cream of the crop from the forest and depresses its future value.

Diameter Limit Cutting:

Sometimes a buyer offers to purchase all of the trees over a certain size, 14 or 16 inches in diameter. This may not be the best choice for long term forest health and future growth. Often the best quality and best-growing trees are cut, leaving poorly-formed and low-vigor trees behind. Prior to harvesting have a Certified Forester review the proposed cutting plan. Only a Certified Forester is legally qualified to explain the consequences to the health, condition and productivity of the future forest (if any) of a diameter limit cut.



Sale and Payment Methods

Most timber in Connecticut is sold using a variation of two common methods: lump sum and mill tally.

In the lump sum method a total price is agreed upon before any timber is cut. The payments may be received in one lump sum amount or dispersed in a series of predetermined amounts.

In the mill tally method payment is based on the quantity and quality of logs that are delivered to the sawmill. The buyer then pays the landowner a price per thousand board feet, or a percentage of the total

money received from the sawmill (also known as profit shares.) Payments are usually made weekly.

Landowners should carefully examine the sale procedure and payment method proposed by each prospective buyer and determine its risks and values. Regardless, it is still best to know the approximate volume and value of your timber before selling!



Some important elements of a timber sale contract:

- **Contract Period:** Clearly state the beginning and ending dates of the contract and circumstances under which it may be extended.
- **Access:** Define key property entry points and locations where the timber will be temporarily stored for transport and how those areas are to be left when the job is done.
- **Trees to be harvested:** Clearly define what trees will be cut and how they are identified in the forest.
- **Harvest boundaries:** Provide a written description of the area to be harvested. Property boundary lines should be clearly marked in the woods especially if the harvest extends close to your neighbor.
- **Best Management Practices:** Identify clearly who is responsible for implementing Best Management Practices to protect water quality and inspect the timber harvest operation frequently to make sure sedimentation and erosion protections are in place.
- **Insurance:** Clearly state what insurances are required. Do not allow the timber harvest to begin until you have insurance certificates in hand that are valid through the contract period.
- **Payment:** Spell out the basis and schedule by which you will be paid for your timber, remedies for late payment, and consequences of default or failure to satisfy other obligations under the contract. Consider requiring a deposit or bond before harvesting begins.

Any Forester may:

- **Plan or design forest practices,** including forest management plans and silvicultural plans.
- **Identify the best trees** to keep for the future and those to harvest.
- **Measure and mark each tree** to be cut and provide a written summary of the number of trees by species and their estimated volume to be sold.
- **Monitor the harvest** to make sure things are going right.
- **Assist with local and state regulatory procedures.**
- **Provide information about tax rules** related to the treatment of income from timber harvesting.
- **Make sure the environment is protected.**