



SELLING TIMBER



SHOULD YOU HIRE A PROFESSIONAL FORESTER?

One question I'm frequently asked is: "What is my timber worth?" When I tell the landowner that I am not allowed to appraise their timber, their next question is: "How can I find out what my timber is worth?"

One solution to the problem of finding out how much your timber is worth is to use the services of a private consulting forester. Who or what are consulting foresters? The consultant forester is similar to a surveyor or consulting engineer. They are professional foresters who provide services to landowners for a fee. Unlike other timber buyers, they are not affiliated with any one mill. Because they are paid a percentage of your timber's selling price (usually 10-15%), their goal is to make you the maximum amount of money for your timber.

Their goal is to also help you in managing your timber as a renewable resource. Your woodlot's timber should actually improve in quality after a sale. Diameter limit cuts (all trees over a certain diameter) and "high-grades" are not part of the consultant forester's tools. However, when the fee is mentioned, the landowner usually begins to back off. Is the consultant's service really worth paying for?

Some real situations may illustrate the value of selling timber using a consultant forester.

SITUATION I: The landowner was approached by a logger to sell his timber. The logger offered the landowner \$5,000. The landowner contacted a consultant forester to find out if the offer was reasonable. The consultant explained his services: estimating the volume of timber to be sold, marking the timber, bidding the timber out to local mills, getting a timber sale contract, and administering the sale. The landowner decided to hire the consultant and agreed to pay him 10% of the selling price of the timber.

The outcome was that he received more than \$35,000 for the timber.

SITUATION II: A landowner was offered \$27,000 for her timber sold on a diameter limit basis (all trees 16 inches or larger in diameter). She felt that a marked sale would be better. A consultant was hired to mark the trees, estimate the volume, bid the trees out, write a sale contract, and inspect the sale.

The landowner received \$32,000 for half the number of trees the diameter limit cut would have removed. Also, she was left with a healthier stand of trees, since the consultant removed a lot of the lower value trees and only a few of the nicest trees. She will, therefore, be able to have her next harvest sooner; and the quality and value of those trees removed (in that next harvest) will be much greater.

SITUATION III: A landowner contacted me to find buyers for his timber. He had received several offers in the mail and had also received offers based on a diameter limit cut of 16 inches. The highest offer has been \$22,000. I visited his property and we looked at the timber. I pointed out that a 16-inch diameter cut would very nearly be a clearcut. This was not acceptable to him. I advised him that a marked timber sale removing about 1/3 of the trees would be best. Trees with the most potential for future growth were kept and trees of lower value were removed to provide more growing space. Many of the larger diameter trees were not cut.

The landowner hired a consulting forester to mark the timber, bid the sale, write a sale contract, and inspect the sale. The landowner received \$14,900 for approximately 1/3 of the timber that would have been cut using the diameter limit method. He could also have another harvest in the same stand in approximately 10-15 years. Again, the timber removed from this second sale would be larger in diameter, bigger in volume, and more valuable.

SITUATION IV: A landowner contacted me to find out if he had any timber of value that he might sell. I visited the property and found that there was valuable timber and advised him to hire a professional forestry consultant. Before my visit, that landowner had been offered \$20,000 for all trees 18 inches and greater in diameter.

The landowner followed my advice and hired a forestry consultant. The bids on the timber ranged from \$35,000 to over \$100,000. The landowner was very pleased with the price received and the added control over the loggers from a timber sale contract.

In all these cases the landowner paid a fee of 10-15 % of the sale price for the services of a private forestry consultant. If you look at each of these cases carefully, you'll see that in the landowner still made more money than what they were originally offered, even though they had to pay a consultant.

There is also something else to be learned from these scenarios. **Never accept any amount of money offered for your timber before you have an appraisal done by a professional forester.** As you can see from the scenarios above, what you are offered for your timber and what it is actually worth can be very different. Ask your local Service Forester for a list of professional foresters in your county.

For more information regarding Selling Timber, Managing Timber, or Professional Foresters, contact your local Service Forester:

Crawford County – 21742 German Road, Meadville, PA 16335 – (814) 763-2545

Erie County – P.O. Box 801, Waterford, PA 16441 – (814) 796-6787

Forest/Venango County – 484 Allegheny Ave, 2nd Floor Suite F, Franklin, PA 16323 - (814) 437-3368

Warren County – 323 North State Street, North Warren, PA 16365 – (814) 723-0262