Timber Management

- Thomas E. Jacques
- For Huron Consulting
- Registered Forester
- Licensed Real Estate Broker
- In cooperation with Jacques Forest LLC
- 40Years of Managing Private Forest Land in Michigan



Taking Stock - Forest inventory

- If you are considering selling trees (timber harvest) on your property the most important thing you can do is have knowledge of what is there long before you try to sell.
- A harvest can turn into a nightmare. If you don't know what you have. You can make the process much easier if you develop a plan. Not only for the timber harvest but for many other activities that will effect your property well into the future. Here are some tips that can help.

Getting A Good Plan

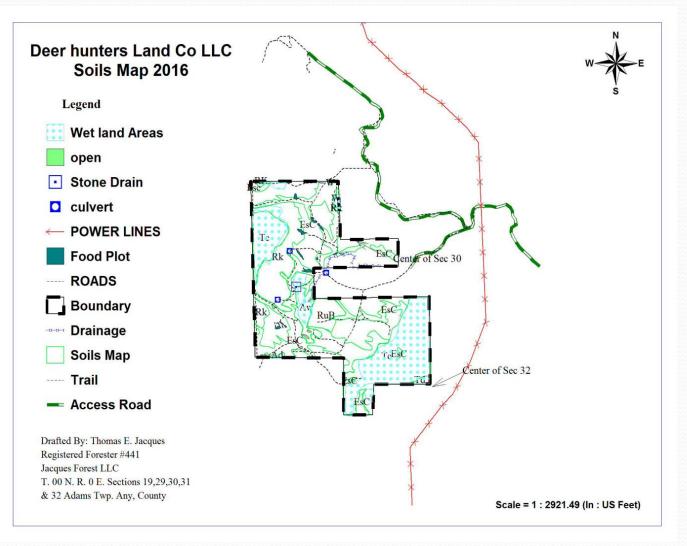
Plans, Goals and Objectives

- A written forest management plan describes your Forest property, your goals for its management and development overtime, and the steps (activities) you need to take to reach those objectives and goals.
- Having a plan can help you decide the details of your harvest—where, how, which trees, etc.—and what you need to do after the timber sale.

Getting help

- Finding the right Consulting Forester to help you through the selling process can make your timber harvest (sale) easier and more profitable.
- Set Your Limits
- Find Your Buyers
- Start Selling
- Put It In Writing
- Opening Day of Harvest

Soils Maps

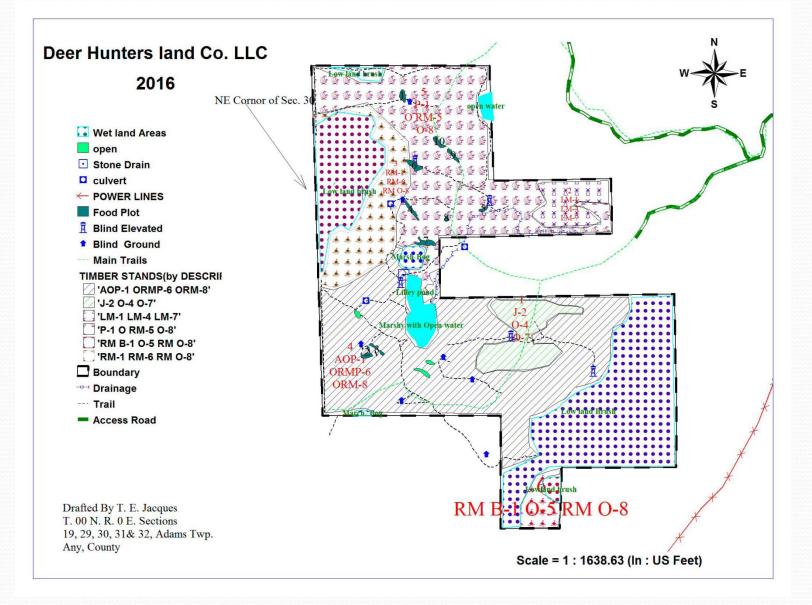


Productivity Data

•]	Forestland Productivity				
	Any,County, M Potential proc	Aichigan Jugtivity			
	rotential proc	luctivity			
	Map symbol				
• i	and soil name Trees to manage				
• (Common trees		Site index	Volume of	
•				wood fiber	
•				Cu ft/ac	
•	EsC:				
	Rubicon				
•	Bigtooth aspe	n	66	72	Eastern white pine, Jack pine, Red
	Eastern white	pine	45	72	
	Jack pine	P	53	72	
	Northern red	oak		0	
	Paper birch			0	
	Quaking aspe	n	60	57	
	Red maple		57	29	
	Red pine		53	86	
• 1	Mn:		,,,		
	Maumee				
	Balsam fir			0	Black spruce, Northern white-cedar,
	Black spruce			0	Tamarack
	Jack pine			0	Tumuruck
	Northern whi	te-cedar			0
	Quaking aspe		74	86	
	Red maple		/4	0	
	Yellow birch			0	
. 1	Rk:				
	Roscommon				
	Balsam fir			0	Black spruce, Northern white-cedar,
	Black spruce			0	Tamarack
	Jack pine			0	Iamarack
	Northern whi	te-cedar			0
	Quaking aspe		74	86	0
	Red maple		74	0	
	Yellow birch			0	
	Tc:				
	Texas Tawas				
	Balsam fir		40	72	
	Black ash		40	72 0	
	Northern whi	e-cedar		0	0
	Quaking aspe				0
	Red maple	1		0	
	Keu maple			U	
	W: Water				
	W: Water				

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Forest Stand Map



Special Maps

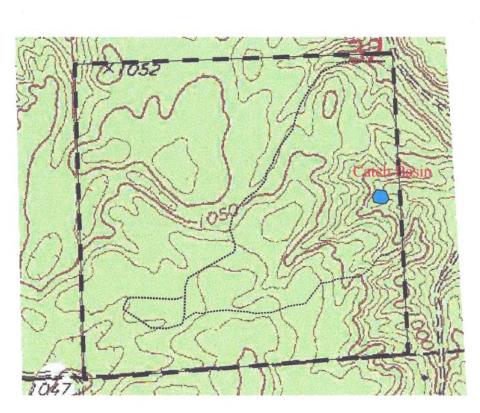
Topographic Map

Watering catch basin



Drafted By: Thomas E. Jacques Registered Forester #441 Jacques Forest LLC

Sec.32, Montimerchen County



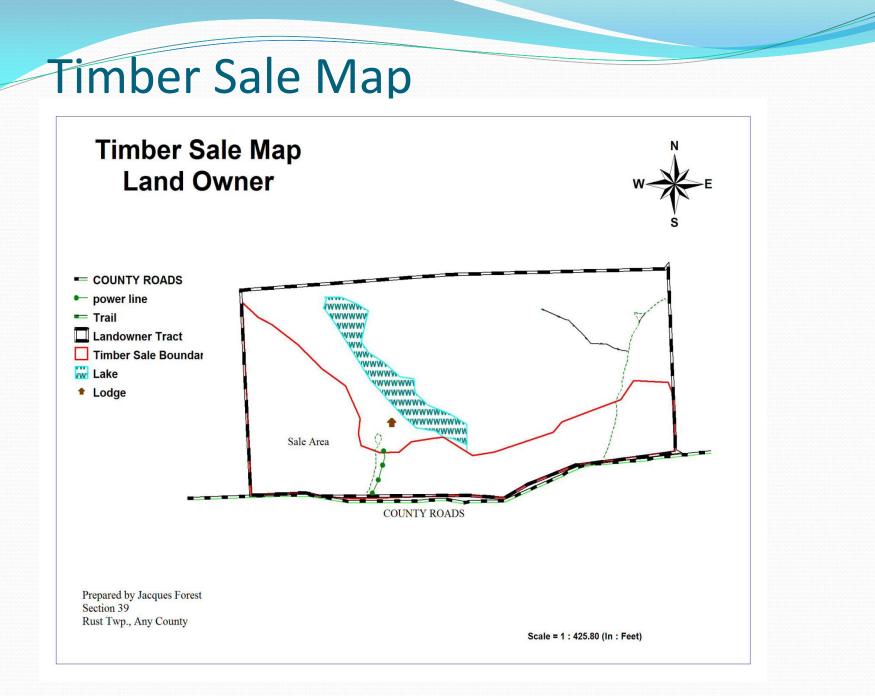
Scale = 1 : 653.05 (In : US Feet)

The Values are in the Details

- There are many different reasons why people sell timber
- What is the best use of my trees?
- What are the markets and who is choosing which trees to be harvested?
- Who is placing the value on trees to be harvested?
- How long will it take?
- What are the financial arrangements (cash before cutting vs. pay as you cut)?
- What will my harvest look like when done?
- Insurance Workman's compensation and liability
- Income tax consequences- what are they now and how to I verify them?
- Access (ingress and egress)
- Encumbrances (Liens, Contracts, Mortgages Claims Easements Litigation)
- Are the property boundaries, Access and easements in order need for a survey?

Timber Values – Who Sets The Price?





TIMBER SALE CONTRACT

- Agreement made this _____day of ______2013, between: Mr and Mrs. Land Owner of 505 Bay City, MI, 25000 hereinafter referred to as SELLER and Good Logger Forest Products, 3301 Red Oak Rd., Anywhere, Michigan 45012, through its authorized agent Paul Bunyan, hereinafter referred to as BUYER.
- On the above date the SELLER agrees to sell to the BUYER upon the terms and conditions hereinafter stated: the sale is in T. 43 N. R. o E., Section 39, Rust Township, Any County, Michigan on approximately 31 acres which is a part of the SN ¹/₄ of said section (see the attached map #1).
- The SELLER guarantees BUYER access for the harvest and removal of wood products, subject to the limitations set forth herein, and agrees to provide proof of ownership of the above-described property.
- The BUYER agrees to pay the SELLER <u>20%</u> of the sale price upon acceptance of this contract and the balance on or before the starting date of the harvest. The harvest activities may not begin until after the white-tailed deer season including muzzle loading season unless an earlier start date is agreed upon by SELLER and BUYER.
- The BUYER agrees to provide a deposit of **\$ 1,600.00** prior to commencing harvest activities. Said sum shall be held in escrow by Huron Consulting to be used for a security deposit until such time as the harvest operation has been completed or evaluated and approved by the SELLER or SELLER'S agent. If BUYER has complied with the conditions of this contract and left the premises in a satisfactory condition, in the opinion of the SELLER or SELLER's Agent, said security deposit shall then be returned to the BUYER. Otherwise SELLER shall provide notice to BUYER of defects in performance and BUYER shall have sixty days to correct the defects. If the defects are not corrected to SELLER's satisfaction, SELLER may have the defects repaired by another contractor, and apply the security deposit toward the cost of such repairs, with any excess refunded to BUYER and with the BUYER being responsible for any amounts paid in excess of the deposit.

The Timber Market

- Buyers are seeking timber for many different reasons some for specific products and others at discounted prices.
- Markets are looking for a steady supply of specific wood products to meet their needs at the most economical prices.
- Contract producers are looking to produce your wood efficiently and quickly at a low cost.
- Sellers are looking to sell their specific products to the best markets at the best price and financial arrangements.
- *Unmanaged forest property* can present opportunities to buyers to purchase below market value.
- *Well planned and managed properties* can take advantage of locating the best markets for the wood products being harvested.
- Haste makes waste

Values Show me the money!



Current Local Market Trends September 25, 2015

High Value Products

- Oak especially grade and veneer is very low at this time.
- Hard maple (sugar) grade and veneer are good and appear to have a strong demand.
- Walnut, Cherry and Hickory show good demand and vary in price from buyer to buyer.

More local Market Products

Lower value Products

- Aspen, Birch and Maple prices are stable with a good demand.
- Pine markets have been soft this summer but inventories are wearing down and demand is expected to pick up.
- Whole tree chip markets are strong but pricing is very low with the exception of clean chips and landscape mulch . I am expecting this market to show some good improvement in the short term.

Thank You!

- Thank you for the opportunity to talk about your Forest Land
- If you have any questions about selling timber from your forest property please do not hesitate to give me a call.
- Thomas E. Jacques
- Registered Forester #441-MI
- Licensed Real Estate Broker- MI
- Society of American Foresters
- Office: 989-362-6245
- Cell: 989-329-8079

Good Luck!

