During my professional forestry career, I saw a number of things I was always explaining to landowners. So to make sure I didn't leave out any important details, I found it was easier just to write all these things down in a series of short articles. That way I could just give or email people an article that contained all the information just the way I wanted to communicate it. I have included those articles below. In order they are:

- 1. WHY A LANDOWNER NEEDS A CONSULTING FORESTER TO HELP SELL TIMBER.
- 2. LUMP SUM VS. SHARE TIMBER SALES.
- 3. TIMBER PRICES.
- 4. WHAT TO EXPECT IN A TIMBER HARVEST.
- 5. SELLING TIMBER BY SEALED BID.
- 6. HARVESTING YOUR OWN TIMBER.

In addition, as part of a 2012 landowner field day sponsored by the University of Kentucky, I developed a Power Point presentation about selling timber. All the information contained in it included somewhere in the articles below but this has pictures and is more concise.

If you have PowerPoint on your computer...the way this works on mine...is to <u>click on the link in blue below</u>. Another link will appear at the bottom left corner of the page. Click on that link and your version of PowerPoint should launch with the presentation.

Powerpoint Timber Sale Presentation

WHY A LANDOWNER NEEDS A CONSULTING FORESTER TO HELP SELL TIMBER

By W. Cary Perkins

Less than 10% of the over a billion board feet of timber sold in Kentucky each year is sold with the aid of a professional forester. With 90% of Kentucky's forestland in private ownership, most of that billion board feet is sold by farmers or other small landowners in direct dealings with a logger. This includes the relatively small number of private sales that have trees marked by the state Division of Forestry. State marked sales are handed back to the landowner after the marking is completed and the state's assistance ends. The bottom line is that in all of these cases, the landowner is, himself, selling the timber to a buyer and handling the sale himself.

What's wrong with that? Well, there could be a lot. First, most landowners don't have a clue what their timber is worth. Even if they did, they are usually at a loss to know how

to sell it and get their price. The range of what buyers will offer can vary dramatically. If a landowner goes to a car dealership to buy a car, he will buy it as cheaply as the car dealer will sell it. That's just business. Why would timber buyers be any different when trying to buy timber from a landowner? But a car dealer knows his product, its value, and what he can sell it for. Unless, it has been marked by a forester and a forester is assisting them with the sale, landowners often have no idea of the volume or quality of what they have to sell, much less what it should be worth.

Timber sales are one place where a private consulting forester earns his money. A consulting forester has a minimum of a bachelor's degree in forestry from an accredited college, such as the University of Kentucky, and works with private landowners in the management of their forestland. Timber sales are part of that management. A consulting forester not only knows timber, but he knows the market, the buyers, and how to get a landowner the most for what he has to sell. At the same time the consultant can help a landowner protect his property.

The most common approach used by a consultant to sell timber is a sealed bid sale where the landowner gets all of his money in advance (lump sum). Individual trees are marked by the consultant or in some cases by the Division of Forestry. A summary of what the landowner has to sell is advertised to potential buyers of the timber. It's not uncommon for this advertisement to go to buyers well over a hundred miles away and in several states. Interested buyers are then shown the timber and asked to offer a sealed bid. Bids are opened at a specific time and place listed in the notification of sale. After bid opening, a contract is awarded to the highest bidder, assuming that the consultant feels the high bid is fair. The landowner reserves the right to reject all bids.

Why can't a landowner do this on his own without a consultant? He can -- but with few exceptions, he can't do it nearly as well, and often he can't get the right bidders there. And once the bids are in, he lacks the knowledge to analyze the bids he does get. Often the high bid in a sealed bid sale will be 50% to 75% higher than the low bid. Sometimes it will be double. And often the high bidder is not local. What would have happened if that high bidder wasn't there to bid? Can the landowner induce that high bidder to offer a bid or does he even know who the high bidders are likely to be? Again, that's where the consulting forester earns his money and this more than pays for his commission.

Won't the bidders just come if it's advertised to them? Not necessarily. Some bidders don't bid because they already have too much timber bought and/or can't afford to have large sums of money tied up in timber they can't get to immediately. Different bidders have different markets and varying distances they are willing to travel to cut timber. The buyers also generally look at seven things in evaluating a tract of timber: tree species, tree grade, average size, total volume, volume per acre, logging conditions, and accessibility. All of these have an effect on whether a buyer is interested and how much he will be willing to bid. Among those seven things, many of the bidders have different parameters they are seeking. Does the landowner have the knowledge to evaluate these things himself and talk intelligently about them, much less know the needs of individual bidders?

Buyers are bombarded daily with landowners asking them to come look at timber they want to sell. Consulting foresters regularly get contacts from buyers <u>asking them</u> if they have timber for sale. Some buyers will often come and bid simply because of the

personal relationship they have developed with a consultant and because the consultant calls and asks them to come bid. They know the consultant and trust that he knows what he is doing. They also know they'll be crossing paths with the consultant again next week.

When a landowner calls a buyer, the buyer knows he will probably never see or hear from that landowner again regardless of whether he buys the landowner's timber. Some buyers would rather deal with a consultant for that simple reason. He's a known quantity. Dealing directly with landowners is often frustrating for a buyer. That's because the average landowner has no concept of what's involved in a timber sale, what is normal, and what is good and bad logging. The best timber harvest is not going to be pretty. Because of this, landowners sometimes have unrealistic expectations about what is going to occur in a logging job. Many loggers have horror stories about landowners who wanted unreasonable things or had unreasonable expectations simply because they knew little if anything about trees or logging. From that standpoint, buyers welcome a consultant that guides and coaches a landowner through the timber sale process much like a real estate agent does in property sales. It reduces the chances for hard feelings and awkward situations which might otherwise occur.

If a sealed bid sale is not appropriate or if it fails to generate what a consultant feels is a fair price, the consultant will usually seek to negotiate a sale on the landowner's behalf. In a negotiated sale, the consultant negotiates with different buyers until he is able to obtain the landowner the best available price. This approach relies on the consultant's knowledge of timber, markets, and prices as well as the relationships he's built with buyers over time. Again, it's where the consultant earns his commission.

As opposed to sealed bid (lump sum) sales, another common way timber is sold in Kentucky is "on the shares." In a share sale, a logger cuts the timber, hauls it to the mill, and gives the landowner a fixed percentage of what he receives for it. A share sale has an advantage for the logger, particularly smaller ones, in that it doesn't tie up large sums of money up front and it minimizes their risk if the timber has a large amount of unseen defect. If everything works perfectly in a share sale, the landowner <u>may</u> make more money since lump-sum-in-advance sales require bidders to factor potential risk into their bid. In exchange for the possibility of more money, the landowner gives up control of what's going on. If a logger splits a tree in cutting or a tree has unseen defect, the loss is the landowner's. The share logger can also cut just what he wants and then stop and leave at any time leaving the landowner in the lurch. There is no easily enforceable penalty to prevent this. In a lump sum sale, the landowner knows up front what he is getting for his timber with all risk and guarantee of performance transferred to the logger. Lump sum sales are cleaner for the landowner with guaranteed money and less opportunity for problems to occur.

If in selling timber, a landowner thinks he has the tools and the knowledge to do what a consulting forester can do then, by all means, he should try. But unless he has somewhat of a knowledge of timber and the industry, including timber markets, contracts, and what is and isn't required by law, a consulting forester will likely make that landowner much more than his commission and also dramatically lower the landowner's stress level as well.

LUMP SUM VERSUS SHARE TIMBER SALES

By W. Cary Perkins

There are two common methods in which standing timber is sold in Kentucky. One is by lump sum and the other is "on the shares."

In a lump sum sale, the landowner receives all of his money in advance before any timber is harvested. There are two common ways this is done. The first is that all money is paid with the signing of the contract. The second is a down payment of 10 to 25 per cent is made when the contract is signed with the rest due at some point before harvesting begins. The distinguishing factor in a lump sum sale is that the landowner receives full payment in advance of any cutting and transfers ownership of the trees sold to the logger.

A lump sum sale has the distinct advantage for the landowner that he knows exactly what he is going to get for his timber and has it all in advance of any harvesting. Because the landowner already has his money, the logger is obligated to fulfill his obligations under the contract if he intends to harvest the trees. Also, with the signing of the contract, the trees belong to the logger and the logger assumes all risk. If a tornado blows down trees before they can be cut, or nice looking trees have unseen defect, the loss is the logger's not the landowner's.

By contrast, the share sale usually involves the logger harvesting the landowner's trees, transporting them to a mill or to a buyer, and then paying the landowner a fixed per cent of whatever the mill or buyer pays him. In a share sale the landowner is entering into a partnership with the logger. The per cent the landowner receives may vary. A fifty-fifty split is normal in many places, but forty-sixty in favor of the logger (or even $1/3^{rd} - 2/3^{rd}$ for cedar) is not uncommon where logging conditions (land steepness, etc.) or other factors are unusually difficult. Often the landowner is also charged part of the transportation bill.

In a share sale, <u>IF</u> everything works perfectly, a landowner <u>may</u> possibly make more money since lump-sum sales require bidders to factor potential risk into their bid. <u>In</u> <u>exchange for that possibility, the landowner gives up any control of what's going</u> <u>on.</u> Read on!

Share sales have an advantage for many loggers, particularly small ones, because they don't have to pay large sums of money up front in advance of receiving any revenue. In a share sale, the only investment they have in a logging job is their time spent in harvesting and transporting individual trees. If they do not have a large cash base or a high credit line, logging on the shares may be the only way some loggers can do business.

The disadvantages for the landowner in share sales are numerous. The logs belong to the landowner until the logger transports and sells them to a buyer. Because the landowner retains an interest in the logs until sold and is a partner with the logger in their marketing, the landowner may be held liable for any accident or injury during the logging process. The same is true if there is an accident on the way to the mill. It's the landowner's logs he is carrying.

If a tree splits in falling or has unseen defect, it's the landowner's tree that's being cut. If logs are not marketed immediately after being cut and lie on a log deck for an extended period of time, they may decrease in value because of stain or other factors. Again, the logs belong to the landowner until sold. It may also be nearly impossible for a landowner to keep up with how much veneer is being harvested or how many truckloads of logs are being removed from his woods and to which mills or buyers his logs are being delivered.

In other instances, the logger may choose to cut only the highest value trees and then move on to another job. Or%u2026he may choose to leave the less valuable top logs from harvested trees in the woods. His profit is much less on these. If he chooses not to take these top logs to the mill, the landowner is out his share of their value and they are left in the woods to rot. In a lump sum sale, the logger owns those top logs, and any loss in not removing them is his.

Also, if the landowner has any kind of disagreement with the logger over the logging or the treatment of his property, the logger may choose to move out at any time leaving trees uncut or logs on the ground to rot. Because the logger has paid no money up front, there is no enforceable penalty, short of a large performance bond, to prevent this. If the logger leaves without cutting all the trees the landowner wants logged, then selling the trees that are left can be very difficult or impossible, particularly if the best trees have already been removed.

Another thing to consider is that lump sum sales are always eligible for capital gains tax treatment, whereas share sales are only eligible if specific language is included in the timber sales contract. Since the landowner is retaining an interest in the logs when they are cut, without specific contract language, it creates a different tax situation than if the trees were sold standing.

A variation of the share approach is that a logger will offer to buy timber on the shares but guarantee the landowner a fixed amount. At first glance, this would appear to have some of the best of both worlds. Since the landowner doesn't receive any money in advance, however, the same problems listed above apply and enforcing the guarantee becomes a problem. What if the timber does not cut as well as the logger projected and/or promised? What mechanism will the landowner use to enforce the guarantee? A law suit may be the only recourse if the case can be proved.

A second variation is the logger will cut and haul the logs to a log deck on the landowner's property and bring buyers there to bid on the cut logs. This eliminates any questions on number of logs sold and where they were taken, but most of the other things noted above still apply. Once sold, the logger must then transport the logs to wherever the buyer wants them taken and at least part of that transportation bill is assessed to the landowner.

In summary, impartial individuals knowledgeable in the timber sale process recommend a landowner sell timber by lump sum, and not on the shares. Lump sum is clean, enforceable, and the landowner has all his money in advance of any cutting. Selling on the shares is an invitation to a host of problems which could have easily been prevented by selling lump sum.Remember – any one can promise anything, especially when there is no mechanism to force them to deliver what they promise. Share sales are a lot about promises.

<u>The only reason a landowner should ever sell his timber by the share method is if, for</u> <u>whatever reason, it is not salable by lump sum</u>. Such situations would include the volume to be removed being so small, so scattered, or of such low quality, that no one is willing to consider buying it by lump sum. Those situations do exist, and a share sale may be a landowner's only recourse. A small share logger can get trees cut that a larger operator would not consider. But in <u>all</u> other situations, a landowner is better off selling timber by the lump sum in advance method.

One more thing%u2026timber should <u>ALWAYS</u> be sold by a written contract that documents everything agreed upon with the logger and that covers in detail exactly what the logger is going to do in harvesting the landowner's timber. A lump sum sale makes it easy to write a clear and easy to administer contract. The logger has already paid for the trees in advance and he must abide by the contract to be able to harvest them. It is nearly impossible to write an enforceable contract for a share sale without some kind of large performance bond -- a very unlikely possibility with most share loggers.

TIMBER PRICES

By W. Cary Perkins

If you thought I was going to tell you how to determine the value of your timber, I'm sorry to disappoint you. Timber prices are a moving target even for professionals.

Why is that? It's because there are so many variables involved, not the least of which are the markets of the individual mills or loggers who do the buying.

I once had a landowner ask me, "Isn't a board foot of oak a board foot of oak?" In other words, isn't all wood of the same species worth the same? The answer is a resounding, "NO!" I wish it was so simple.

Timber in Kentucky is sold two different ways -- by lump-sum-in-advance, and onthe shares. See my article entitled "*Lump Sum vs Share Sales*" for more detail on this. Lump-sum-in-advance is sold as "stumpage." Stumpage is the value of a tree standing in the woods before it is cut. Share sales involve selling cut logs. No matter which way trees are sold, however, there are a number of general factors which determine value.

The first factor is tree species. Are the trees walnut and white oak, or yellowpoplar and hickory? There is a lot of difference in market values between tree species at anything above the eventual product level of rough lumber, railroad ties, or pulpwood. The second factor, and just as important as species, is quality. Is there any veneer, and if there is, what grade is the veneer? There may be as many as a dozen different grades of veneer for some species, each with a different market value. If it's not veneer, what grade of lumber will it produce? There is also sometimes a vast differential between grades of lumber. Take, for example, the clear oak wood used in solid furniture and the knotty oak wood used in barn lumber and fences. With vast differences in quality, there is a vast difference in price. To confuse things further, multiple market grades are usually found in each tree.

If trees are sold standing as stumpage, determining quality is at best a guess because you can't tell for sure until a tree is cut and on the ground. Then, and only then, will you know if the trees have a hollow in the middle, or mineral stain, or the color of the heartwood is too dark, or a host of other things which can't be seen without cutting the tree down. Not knowing these factors will require those buying standing timber to factor risk into the price they are willing to pay. Before you fall into the trap of thinking selling logs on-the-shares is better, however, be sure to read all the many negatives involved with share sales in my "*Lump Sum vs Share Sales*" article. Even with risk, selling standing trees is by far the best alternative.

A third factor is logging conditions. Is the logger going to have to skid logs a mile to the log landing where they can be accessed with his truck or can he drive right up to the logs? How steep or swampy is the site he must log on? Time and trouble are money. The worse these conditions are, the higher the logging costs and the less a buyer can afford to pay for trees.

A fourth factor is transportation. Is the property next to the interstate or is it three miles down a one and a half lane gravel road just to get to a good highway? How far must the logs be hauled to the mill? Twenty miles or a hundred miles? Transportation costs are money and the further logs must be hauled, the less a buyer can afford to pay for trees.

And then there is the markets of individual mills or loggers. One mill may have a hot market for oak in China. Another might have a hot market for walnut or white oak veneer but be looking for a place to sell off the low quality sawlogs. Still another may be a small logger who takes his logs to a particular mill and accepts whatever that mill offers him.

Now...put all these things together for each individual mill or logger and you will get a wide range of values for each woods. Kentucky's hardwood timber is not worth any certain fixed price where you can say "This tree or this log is worth this." An individual buyer can say, "It is worth this <u>to me</u>." The next buyer can say the same thing but quote an entirely different figure. And neither would be exaggerating.

Let's add in three more variables. The first is tree size. Most people think the best wood is in the center of a tree. It isn't. The best wood is on the outside, whereas the worst wood is in the center. The center of a tree contains the knot for every limb that ever grew on that tree. As the tree grows larger and the limbs die and fall off, knots are covered over with clear wood. The larger trees grow, the higher per cent of quality wood they contain plus the added possibility of growing past the size threshold that makes them suitable for veneer. It also takes almost as much effort to cut and skid a small tree as it does a large one. Therefore, larger trees generally bring a higher price than smaller ones.

There is also volume of board feet per acre. A logger can be much more efficient when he is cutting a lot of trees in a small area than when he is chasing scattered trees all over a lot of acres. The threshold for commercial volume per acre is usually considered 2,000 board feet per acre although some loggers will come for less, particularly if there are high value trees involved. High or low volumes per acre also factor into price as they contribute to logging efficiency. Again, time is money.

Then there is total volume. There are fixed costs in hauling in and setting up equipment to do a logging job. The larger the job is, the less these costs are when factored over the whole job. Larger jobs mean more efficiency and translate into a higher price.

I said in the beginning that timber prices are a moving target. I hope you can see why. If you are a landowner, you may be saying, "This is a lot more complicated and confusing than I thought it was." So if you are a landowner, what are you to do? The best thing you can do is hire someone who knows and understands the ins and outs of all this to help you. That's where consulting foresters come in. Please read my article, "*Why A Landowner Needs a Consulting Forester to Help Sell Timber*."

A consulting forester will act as your agent and sell your timber for you. He knows the mills, and who buys or is looking for what product and can match that to what you have to sell. He often advertises in several states and knows the best way to get you the highest price for your timber while still seeing that your property is protected. He can almost always make you more than enough money to pay his commission over what you could get if you were trying to sell it yourself. At the same time, he will be shifting the worry and stress of dealing with the whole timber sale process from you to him. What price are you going to put on stress?

WHAT TO EXPECT IN A TIMBER HARVEST

By W. Cary Perkins

Many landowners do not know what they can expect in a timber harvest on their property. The purpose of this article is to help provide a better understanding of standard logging practices and what can be expected. This article <u>does not</u> focus on the sale of the timber. That is a separate issue and is covered in my articles "Why You Need a Consulting Forester to Sell Your Timber, " "Lump Sum vs. Share Sales," and "Timber Prices."

The first thing a landowner should remember with a harvest is that he should sell his timber by a written contract. The contact should specify what he is selling and any requirements or restrictions related to the harvest. The landowner may have a difficult time getting a logger to perform something that is not in the contract. Landowners should always make sure adequate clauses for the protection of their property are included in the contract. Larger mills often buy timber and then contract with someone else to cut it for them. The mill, however, is responsible for the performance of the contact with the landowner if they signed it.

When people ask me about logging, the most often asked question is, "Are the loggers going to make a mess?" Some of that depends on what is the landowner's personal definition of a mess. The short answer is usually, "Yes." But it isn't if they make a mess. It's if they fix it when they are done. That's what a good contract and the Division of Forestry logging inspector are there for. I've seen what to some may look like a horrible mess during the logging look like a golf course after the logging is finished and the grass has come up. I've heard it said, "If you are going to eat steak, there is going to be a little cow manure." There are standard operating practices used by the forest industry in the harvest of timber. There is very little room for negotiation by landowners on any of the things I'm going to cover below. This is how it's done, and the purpose of this article is to minimize surprises.

Now what to expect.... The logger will construct a log landing (or log yard) to stage logs prior to transportation as well as constructing log roads and skid trails to transport the logs to the yard. In most cases, the landing must be accessible by a semi-tractor trailer. Very few of today's loggers use the old-style, straight trucks.

Usually logs are skidded or dragged to the landing with a large, rubber-tired skidder or a bulldozer. This obviously requires some significant paths or roads in the woods to operate this equipment. Generally the trees are skidded tree length without cutting into smaller logs. At the landing, where the trees can be better studied, they are cut into log lengths depending on the log grades present in each individual tree and the market requirements for which each log will be used.

Some logging contractors use a knuckle boom to cut the trees to log length while others do it by hand with a chain saw. A knuckle boom operator picks up the whole tree, studies it, and then places it on a log carriage where he slices off logs to required length with a mechanical cutoff saw. The boom operator then stacks the logs in a pile. If a knuckle boom is used, it will be located adjacent to where the trucks will be loaded. The boom operator picks the logs up from the pile he has created and loads them onto the truck. If a knuckle boom is not used, the logs are marked off and cut to length with a chain saw. Logs are then moved around on the log yard and the trucks are loaded with a fork lift type, front-end loader.

As far as the timber harvesting itself, the logger fells trees while trying to cause as little damage as possible to the trees which will not be harvested. At times this is very difficult and some damage should be expected. That is just part of logging. It is not possible to take a large tree with an 80 foot wide top and drop it through a 20 foot wide opening and not break something on the way down. In addition, the use of large equipment in the woods, especially when dragging logs 50 feet or more in length, will skin up some of the remaining trees. There is not a reasonable way to avoid this. With a little care, this type of damage can be minimized but cannot be eliminated.

Occasionally, people ask about skidding with horses or mules rather than mechanized equipment. In concept this is a fine idea, but generally considered impractical for two reasons. Most of today's mills and loggers require much higher production than can be achieved with horses or mules. The second reason is that people who log with horses or mules are very difficult to find. Such loggers may not make as large a footprint in the woods as will large equipment, but there aren't many such loggers. With slow production, it's difficult to make enough money to stay in business in an industry where fast turn around is needed.

After the trees are felled, the logger removes the merchantable part of the tree stem. In many places this just includes the sound, merchantable sawlogs which are a minimum of eight feet in length. If there is a pulpwood market available, some of the rougher parts of the tree or the larger limbs may also be removed and used or chipped for pulpwood. The rest of the tree will remain in the woods, usually where it fell.

At the conclusion of a harvest, the logger will grade smooth the log landing as well as the log roads and skid trails and install water bars on them. He will then seed them. This is required by state law, but requiring the logger to do this should also be included in the timber sale contract. A logging inspector from the Kentucky Division of Forestry will inspect the site and make sure that these and other forestry best management practices are followed. He will only inspect it, however, if he knows logging is going on there. Any one having logging done on their property is encouraged to contact the Division of Forestry to advise them they are having a timber harvest. The Division of Forestry may be contacted at 502-564-4496.

Also, the cut off portions of logs that are not marketable will be left at the landing site when the harvest is completed. This may include a few low quality logs as well. This is standard industry practice. The logger, however, should push these pieces into a pile at the edge of the log yard. Most times these pieces are highly sought by neighbors for use as firewood, especially if the landing is in an easily accessible place. The remaining portions of trees left in the woods make wonderful firewood as well.

The best logging jobs I have ever seen still looked a little rough immediately after the harvest was finished. There are tree tops laying on the ground; there is a thinned-out tree canopy; and there is exposed soil on the landing, roads and skid trails before the grass comes up. How rough the woods itself will look will in part depend on how many trees were removed and how many were left. But...Mother Nature is very resilient, and the forest is a renewable natural resource. In a much shorter time than is usually expected, the site has healed itself, the tree tops have rotted down, and the forest is well into producing the next crop of trees.

HARVESTING YOUR OWN TIMBER

By W. Cary Perkins

Having worked in Kentucky as a professional forester for over 40 years, if I haven't seen it all, I've seen much of it. Very often I'm asked by landowners about them harvesting their own timber... or sometimes they just tell me they are going to harvest their own timber and don't need help from any one. My counsel is almost always, "Don't even think about it!" Of most people I've personally known who have actually attempted harvesting their own trees, I know of almost no one who has been satisfied...but I do know of plenty of disasters.

Well why is this? The overall thought is usually that, "I can do what the logger does, cut out the middle men, make a lot more money, and take care of my property the way I want it taken care of." Well, is that true? Under some very specific conditions it may be true. But more than likely it is not. In fact, you may actually make less money and regret the day you ever considered such an idea. Consider the four reasons below:

The harvest and sale of timber is a very exacting profession with its own set of rules and accepted practices. Many people seem to believe logging is as simple as cutting down trees, loading them onto a truck, taking them to a mill, and then picking up a check. As a general rule, that's not true...at least it is not for John

Doe landowner for him to get top dollar for what he had to sell without bringing a mountain of frustration upon himself.

First, and maybe most important, is markets. Once a tree is on the ground, you have to do something with it quickly. Even logs down a short time can badly check (end split from drying out) or the wood can stain from bacteria working on the fresh sap. If they are not sold quickly, they lose value. When a tree is down, you have to either sell it or it rots and you get nothing.

Added to that is that mills will give preference to their regular loggers. They are the ones on which they depend to stay in business. That may translate into how interested they are in your logs. So...you take a load of logs to a mill, then have them unloaded, graded, and measured...and they offer you a price you don't like. Then what? You either take that price, or have them reload the logs and go repeat the same process somewhere else.

Well, you ask, how about if you just cut them and drag them out somewhere and let mills come and bid on them lying in your field? Then after they buy them, they can just load them on their own trucks and haul them to their mill. Yes, you can do that...if you can get the mills to come. But, again, they know you are not a regular logger and that you have to do something with those logs...quickly. More than likely you will also have a relatively small quantity to sell compared to what they usually buy. And they will probably have to transport in a loader.

Remember...you NEED to sell your logs worse than they need to buy them. They may buy your logs but they certainly <u>don't</u> NEED your logs. That puts you at a disadvantage. Plus, you may only know what you want for them, not what they are really worth. The trees are cut and on the ground. You take the money they offer or they become firewood.

Second is log grades and bucking logs. Most trees have multiple log grades. Even veneer trees usually have some low grade sawlogs in their top. Do you know the market well enough to know what log lengths they want or will accept for each log grade? Or can you even differentiate between log grades to know how to buck up a tree to get the most out of it? Or let's say you hear they want eight foot logs. So you buck up the tree in eight foot logs. But they really wanted logs 8 feet and 6 inches to provide them a trim margin and will severely dock anything less. Or worse yet, for a particular tree species or log grade, they wanted logs 9 feet and 6 inches. You've just cost yourself a lot of money.

Third, do you know who to contact to get the most money for the log grades you do have? John Doe Sawmill may not offer you a premium price for your veneer logs. He may buy them for what you'll sell them and then re-sell them for big bucks. That's just business. Most landowners are at a severe disadvantage trying to market their own timber.

Fourth, logging is a very dangerous profession second only to commercial fisherman. It takes heavy equipment and a knowledge of how to use it to be able to move logs from the spot they fell to a mill. It's one thing to have and use farm equipment and farm flat bed trucks to do the farm things for which they were designed. It's another thing entirely to try to log with them. Can it be done? Yes, often it can...but not efficiently. To make money logging, you need to be efficient. There is a reason that most loggers today use semi-tractor trailers to take logs to market. Transportation costs are at an all time high.

Also, using a chain saw and felling trees can be very dangerous. What may appear to be the simplest thing can bite you before you can blink an eye. You can bleed to death from a chain saw wound before you can get medical aide or else be maimed for life. Even experienced loggers have accidents. Their workman's compensation rates are prohibitive for a reason.

Then...knowing how to fell a tree properly and make it fall where you want it to is a science unto itself. So is recognizing where the pressure loading is on trees and logs when you cut them. This is especially true when trying to lay down a cut tree which got hung up as it was falling. If you cut many trees, you will hang some. In the fall of 2011, I misjudged the pressure loading on a hung-up log. When I cut it and it broke loose, a big log rolled onto my leg and pinned my ankle. Luckily, my ankle was only pinned and not broken, but...if it were not for lucky cell phone reception, I might still be trapped there.

So where does this leave you? On the surface, harvesting your own timber sounds like a great thing to do. "The devil is in the details!" If you have previous logging experience and know what you are getting into, that may be a different story. If you know markets, have the mill contacts, and know how to market your trees properly, that's another big plus. If you are a farmer or "weekend warrior" who thinks this would be something nice to do to make a little money, then beware! Better leave logging to the professionals who have the training, experience, know-how, and equipment to do it.

Most impartial experts familiar with selling timber agree the best way for most landowners to sell their trees is to sell them standing (stumpage) by written contract with all money paid in advance. This is safest and cleanest and transfers all responsibility for logging to the buyer along with performance guarantees. My best advice...hire a consulting forester to market your timber for you. See my article "*Why A Landowner Needs a Consulting Forester*." Visit www.kacf.org. In the end, I promise you that you will be glad you did.