

Types of Timber Sales –

a brief overview

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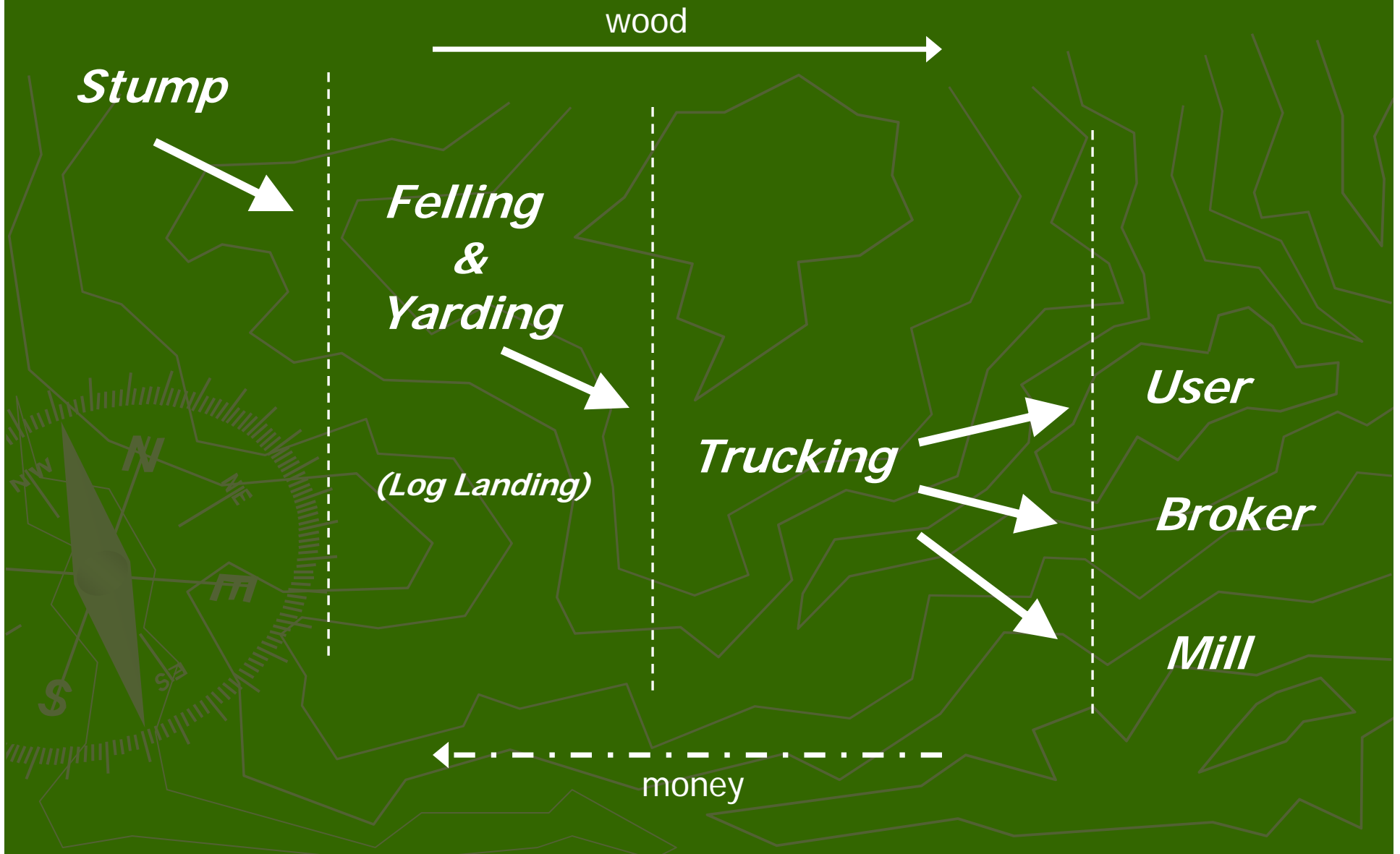


Types of Timber Sales - terms

▶ Timber "sale"

- = a "commercial harvest"
- = any timber harvest where wood is sold
- = logging job, timber cut, logging operation, etc.
- As opposed to a "precommercial" forest operation
 - ▶ cutting is done primarily to improve future conditions, no wood is sold, trees cut are left in the woods or used by the landowner

Wood movement



Timber "Sale"

▶ Who is selling wood?

- You (the landowner)
- Your forester
- A logger/contractor
- A trucker
- A wood broker or concentration yard

▶ Who is buying wood?

- A logger/contractor
- A trucker
- A wood broker or concentration yard
- A procurement forester
- A mill/mills
- Any "user" eg. firewood

Types of timber sales

- ▶ Stumpage sale/Pay as cut sale (*most typical*)
 - Landowner sells trees “on the stump” for an agreed set of prices (“stumpage prices”) to the logger
 - Logger re-sells or “markets” the wood to various outlets -
 - ▶ a trucker,
 - ▶ a wood buyer/concentration yard
 - ▶ a mill or procurement forester
 - Each truckload of wood is measured or “scaled” by the receiving mill or concentration yard (or other buyer)
 - ▶ Sawlogs/veneer – thousand board feet (MBF)
 - ▶ Firewood/pulp/biomass – cords or tons or mlbs.
 - ▶ “Scale slips” or “Mill slips” show volume/quality of each load
 - Logger pays the landowner based on scaled volume & price agreed

Types of sales (2)

▶ Lump sum sale

- Landowner sells all wood to be cut to logger/contractor for a single sum

▶ Roadside Sale

- Landowner cuts/yards the wood to where a truck can get it
- Landowner markets the wood to a trucker or wood buyer

▶ Service Contract (Roadside Sale)

- Landowner pays logger a service fee for cutting and/or yarding
- Landowner (or landowner's forester) markets any wood

Types of sales (3)

- ▶ Any of these types of contracts –
 - Stumpage/pay as cut
 - Lump sum
 - Service....

...can be...

1. Negotiated (with a single logger/contractor)
 - Usually used to allow more give and take on conditions of the sale
2. Put out to bid (to multiple loggers, buyers, contractors)
 - Usually used to maximize the value of the sale where there's substantial volume/value

Working with Professionals

- ▶ Foresters
 - Woodland assessment, planning, and oversight of forestry activities (incl. harvesting)
 - ▶ Professional State License required to practice forestry in Maine based on education, experience (internship), state exam
- ▶ An independent Forester hired by & representing the landowner can help arrange the timber sale on the landowner's behalf/in the landowner's best interest
- ▶ A Forester representing a mill, log buyer, or logger can provide valuable services but will also be representing the other interests.