

# *Southern Maine Forestry Services*

## *Spring Newsletter*©

P.O. Box 910, Windham, Maine 04062, Tel # 207-892-6562

[Tanya@someforest.com](mailto:Tanya@someforest.com), Website: someforest.com

*Forestry is not rocket science. It's harder!*

### **Happy Spring!?**

We hope you enjoy our latest newsletter. The articles may seem directed more to folks who are not using us, but you are our best ambassadors and most of our new clients come from your referrals. Let me take this opportunity to thank you for your business and the faith in us you show by referring your friends and neighbors.

We are having a typical spring. Whatever that is? Lots of rain and cloudy weather has delayed our getting crews going on many logging projects where soils are too wet. However, our clients with well drained land are benefiting from an extended mud season and good markets.

The Maine legislature has had a fairly quiet session in regards to forestry. There was one issue around the Tree Growth Tax Law that had some onerous things included. It has been voted out of the Tax

Committee "ought not to pass" but with a note directing the Maine Forest Service to study it and report back to the legislature this coming winter. This needs to be watched.

News close to home: Check out our updated website, someforest.com. Our new webmaster, Pine Point Creative, has done a great job dragging us into more modern times. We will use this to provide timely info on forestry issues, markets and other items of interest. Go there for more information on these articles and more.

Other news: Our summer intern has returned and is helping us with technician duties on your lands. We are now at four foresters and one intern and thanks to your faith in us we are close to deciding to bring on another full time forester.

### **Markets**

Don't believe everything you hear in the media. In general, markets are good. The bad news is largely from the central part of the state and because of low natural gas prices, mills using softwood pulpwood have permanently shut down flooding the remaining markets. Locally, white pine pulpwood and biomass fuel chips have been most affected. Hardwood pulpwood and firewood moved well all winter. Biomass chips, though down in price moved surprisingly well. Hardwood log prices have held gains made last year and in some cases have gone up. Demand for hardwood logs suitable to saw into cants to be made into construction mats has softened a bit. Prices are still historically good for low

grade hardwood logs which normally would have gone into pallets. Softwood log markets are steady. Hemlock log supply exceeded market demand this past winter and small logs were hard to move. Spruce and fir held steady as did the market for white pine. The market for white pine seems strong for both good grade logs and pallet grade. We have yet to see that translate into price increases for stumpage, however, a late winter storm in NH blew down a large volume of pine and this harvest could have delayed demand pushing prices. We are seeing typical to low inventories of logs at mills this spring and expect markets to remain good through spring and early summer. ©Staff ...

## How to Get Half of what Your Timber is Worth



This is a picture sent to us by one of our loggers who followed this load into a pulpmill! It's a load of white pine. All but 2 of the sticks that can be seen appear to be suitable for use as sawlogs. Pine pulpwood is worth \$5.00 a cord to the landowner, white pine sawlogs \$100.00 per cord. Yikes! How trees are manufactured into logs and marketed, directly affects your bottom line

This is a picture of stems containing saw and veneer grade logs. A firewood dealer sorted them from wood sold to him as fire wood. The large bottom log is red oak. The dealer later told me the ring shake and cracks cleared up when he sawed one length of firewood from butt and it produced a veneer grade log that scaled 170 board feet. At current prices a landowner would be paid \$210.00 for that single log. A whole truck load of firewood got the land owner about \$300.00!

There is no secret to getting top dollar when you sell your timber. The factors to consider are price, utilization, (how a stem is manufactured into logs) scale, grade and markets.

Trees vary in quality and value. One tree may have 3 or 4 products manufactured from it.

A logger's skill and interest in manufacturing affects your bottom line.

High quality logs that can be sawn into lumber or made into veneer are most valuable. Processing trees to produce these products takes a well skilled logger.

The final part of the equation is marketing, sending the right wood to the right markets. Again who you sell your timber to, needs to be willing to seek out best paying markets.



We are constantly checking the market, mill inventories and prices. We are in contact with wood buyers, other foresters and our loggers on how wood is selling. We keep detailed records of loggers and mills. All this helps us know which loggers and markets get the most from a woodlot. Which mills are grading or scaling a little better. We regularly get phone calls or hear of a mills needing - and paying a premium for a specific type of log. Our clients benefit from that knowledge.

We often call wood buyers and loggers we don't respect point five (.5) loggers. These are the loggers who pay C grade (70%) prices and

manufacture product at a C grade (70%) level or worse. Or  $70\% \times 70\%$  equals 49% or **half what your timber is worth.**

Answers to two questions will tell if someone is looking out for a landowner. 1) To whom do you owe fiduciary responsibility? And 2) Are you willing to sell my timber by sealed bid? The answers to those 2 questions speak volumes. Don't sell timber to point five loggers and get half of what your timber is worth. ©RDN

### From High Graded to High Grade – How Long?

What is the worst thing you can do to a forest? Many would think the answer is clearcutting, but there's something even worse – high grading. This is the practice of “cutting the best, leaving the rest.” Possibly even worse is what I call slow motion high-grading. It is often what

happens when loggers, who lack the training and knowledge of foresters in silviculture do when they are trying to emulate the work of quality foresters'. It may look ok, but lacks quality stems with good future potential.



Do you want your forest to look like this?



Or like this?

To an untrained eye this may look okay but all the good quality trees have been cut leaving a forest of hemlock, beech and other low value stems. Beech sprouts can be seen coming to make up the next stand. This was a fairly nice stand that now has little future potential.

So how long will it take a forest to recover from high grading? The short answer is that it never will. Sure, with time and culture, the better stems can achieve their high grade potential, but when you selectively take the best trees and leave the other stuff to grow unattended, you never get that forest back to yield what it could have been if better forestry practices had been utilized.

A well managed lot can easily grow twice the value of one which has been miscut. On good soils, timber stands can

grow \$100.00 per acre, per year, on our best soils, \$200-\$300/ac/yr. Poor to average soils can achieve more than \$50.00 per acre, per year.

We typically find poorly cut lots growing \$10.00 to \$30.00 per acre, per year. A forest that has been high graded will never recover to its full potential. The depleted overstory stand needs to be replaced by the next generation of trees. In Maine and New Hampshire, it can take 50 to 100 years. The bottom line is that high grading your forest is never a good idea! ©RDN

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