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**Growing Tomorrow's Future Today** 

Summer 2011

# Preserving the Family Forest: Where Do We Go From Here?

David Watson, Certified Financial Planner

Author's Note: This will be the last article in this series. The column has run its course and we need to make room for new subjects in Green Horizons. I have appreciated the opportunity to share my thoughts with you on this vitally important topic (as did Kirk Fine, CFP – one of the original contributors to the Preserving the Family Forest series). I have enjoyed working with Hank Stelzer, and the MU staff. I have especially enjoyed the phone calls, emails, and questions from all of you over the years. Please feel free to continue to call, or email me, if I can ever be of service to you and your family in this succession planning process. Forestland is a unique asset. We have a great opportunity to do something special in this state. I would welcome the chance to help you preserve your wonderful forestland resources. Best of luck in your endeavors.

After four years of reading this column, and digesting numerous "family succession planning" topics, it is appropriate to step back and assess where we are in our quest to preserve our forestland for future generations. Forestland succession planning is a very personal endeavor, and each of us is in our own unique situation (family, property, finances, health, etc.). Therefore, it makes sense to reflect on our *personal* progress, and what still needs to be done to achieve *our objectives*. (cont. on page 7)

## Don't Blame the Mailman!

With my co-editor's departure (see back page), teaching at the MU forestry field camp, and conducting agriculture teacher forestry workshops, the summer issue of Green Horizons is beyond late. Please accept my sincerest apologies. I promise to get back on track with the fall issue. H.S.

# Being a Certified Tree Farmer is Like Winning a Trifecta

**Bob Simpson, American Forest Foundation** 

This spring the American Tree Farm System (ATFS) and the USDA Natural Resources Conservation Service (NRCS) signed a memorandum of understanding (MOU) recognizing each other's forest management plans as equivalent. And, not quite two years ago ATFS and the USDA Forest Service signed a similar agreement recognizing the equivalency of Tree Farm management plans and state forestry agency Forest Stewardship management plans.

The signing of the agreement with the NRCS adds tremendous benefit and value for Tree Farmers. In essence, if you are a certified Tree Farmer, it's like winning a trifecta. For those not familiar with horse racing, a trifecta is when three horses pay off in one race. Being in the Tree Farm System and having a current Tree Farm management plan now pays off in three ways.

First, the recognition of ATFS management plans by NRCS now allows Tree Farmers much easier access to many cost-share programs available in the 2008 Farm Bill (that will hopefully be extended in the upcoming 2012 Farm Bill); in particular, programs available through the Environmental Quality Improvement Program (EQIP). (cont. on page 3)

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## **MO Ag Teachers Learn Forestry Basics**

#### Hank Stelzer, MU Forestry Extension

Agriculture teachers from across the Show-Me State participated in forestry workshops during July where they learned how to identify trees common to Missouri's forests, measure tree diameter and height, and assess stand stocking levels. Other topics included the process of selling timber, log quality, lumber grading and value-added forest products. Indoor classroom instruction was reinforced with visits to some of the state's premier forest product companies and working Tree Farms.

Peppered throughout the three-day workshop were discussions revolving around the FFA Forestry contest and ways to make the contest better. Several teachers who have never formed a forestry team found 'more experienced' teachers more than willing to mentor them.

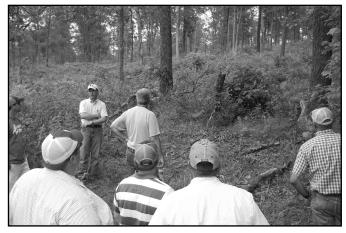
Several teachers have taken the time to provide feedback. One teacher wrote, "I really enjoyed your workshop and found it very informative. I have been to a lot of workshops over the years and this one was one of the best."

MU Forestry Extension would like to thank the Missouri Forest Products Association and the Missouri State Tree Farm Committee for sponsoring various portions of the workshops.



(Above) Johnny Agnew, a log buyer for Missouri-Pacific Lumber in Fayette instructs teachers on the effects various log defects have on black walnut lumber quality.

(Right:) A&K is one of a handful of value-added coopers that turn Missouri's white oaks into high-value wine and whiskey barrels for wineries and distilleries worldwide.



2009 Missouri Tree Farmer of the Year, Mark Nussbaum, shows teachers sustainable forest management on his Cape Girardeau County Tree Farm. This recent shelterwood harvest yielded over 3,500 board feet of lumber and 17 tons of pulpwood (on a per acre basis), and left crop trees for future growth. Since the harvest last year, Mark has seen an increase in both deer and turkey populations



Dale Kirby owner of A&K Cooperage in Higbee discusses the finer (and funnier) points of crafting white oak barrels destined for Napa Valley wineries.



# Community Forestry: New Lawn Chemical is Chief Suspect in Conifer Deaths

Hank Stelzer, MU Forestry Extension

This spring, DuPont released Imprelis, a low-volume herbicide containing the active ingredient, aminocyclopyrachlor, that by all accounts gave solid control of a wide range of weeds, including dandelions, clover, and hard-to-eradicate species like ground ivy and wild violet

But since Memorial Day, applicators and university researchers in the Northeast and Midwest have been reporting curling needles, severe browning and dieback in trees near turf that had been treated with Imprelis. University and state researchers from Michigan and Indiana say they've seen symptoms in evergreens, more specifically conifers, and mainly Norway spruce and white pine trees.

On the spruces, newly emerging shoots will brown up or wilt, followed sometimes with a twisting appearance to them. In most cases reported to date, the whole tree is affected. The damage is so extensive that the EPA is in contact with departments of agriculture from several states to gather information about a possible link between Imprelis and the trees.

In a June 17 letter to Imprelis customers, DuPont said it is investigating the incidents, and has found them to have the following variables in common:

- A majority of the reports involve Norway spruce or white pine.
- In most cases, Imprelis was not applied alone, but in a mixture with other herbicides, either pre-emergent, post-emergent and/or with a liquid fertilizer.
- Some reports indicate there may have been errors in use rates, mixing practices and/or applications to exposed roots or the tree.

The company also stressed that the majority of applications have not resulted in these symptoms. If you or your contract lawn care company have applied Imprelis and you are observing problems among your Norway spruce or white pine trees, contact the Missouri Department of Agriculture at aginfo@mda.mo.gov or 573-751-4211

## Being a Certified Tree Farmer (cont. from front page)

The MOU means Tree Farmers with current management plans no longer need to jump through the hoops of having another plan written through the NRCS to be eligible for EQIP funding. This saves considerable time and money. Last year, nearly \$60 million was received by forest landowners through the EQIP program (\$1.9 million in Missouri alone).

Second, in the MOU signed with the USDA Forest Service, Tree Farmers with current management plans may join their state's Forest Stewardship Program without having to wait for another plan to be written and approved. This makes it much easier to participate in the Forest Stewardship Program and take advantage of many services, education, and cost-share dollars that many of these programs offer.

Third, Tree Farm management plans are part of Tree Farm certification. This certification is now internationally recognized and endorsed by the Program for the Endorsement of Forest Certification (PEFC). PEFC endorsement gives Tree Farmers access to emerging markets for certified forest products, both domestically and internationally. So, make sure that when you are planning a timber sale, you let all interested companies know your forest is certified by the American Tree Farm System.

And if all this was not enough, to make it easier for Tree Farmers and other family forest landowners, ATFS, NRCS and the USFS have agreed on a management plan template. Missouri was one of four states heavily involved in crafting this new template. The template is a tool that lets you see what is needed to have a current management plan and how to go about creating or updating one. The template even comes with a guide for forest landowners as well as for professional foresters.

No other national forest landowner organization offers these benefits to their members. This is just part of the continuing development of benefits and values that ATFS is creating for vol



## Woody Biomass: Dedicated Energy Crop Research Taking Root

Michelle Hall, Marketing and Communications Coordinator, CAFNR Communications

Planting 18,000 cuttings? It's all in a day's – no, make that a couple of hour's – work for the Egedal Energy Planter. The machine is made in Denmark specifically for planting hardwood cuttings. Five-foot-long willow 'whips' are hand-fed through a series of blades, which slice the cuttings into 8-inch pieces and insert them into the ground. The planter is designed to plant the cuttings in a double-row configuration, 2 x 2 feet, and 5 feet between the double rows.

The planter and whips were brought in from Double A Willow of Fredonia, N.Y., which specializes in planting willow. Ken Blitz, operations manager, said they have planted willow with the fast-working machine in Ohio, Michigan, Wisconsin, Pennsylvania, New York and now Missouri. Most of their customers have been researchers, as well as consortiums with power plants — "anyone looking at biomass" he said. "Folks are playing with it all over." Planting willow for bioenergy is Double A's "niche," Blitz said. "We have the machine and now we travel the country."

In addition to the 18,000 willow, there are 18,000 cottonwood and 16,000 silver maple planted on the tract to study as a dedicated bioenergy plantation. John Dwyer, MU associate professor of forestry, is the primary investigator for the project.

The willow will grow through the summer and then be cut back at first frost to encourage multiple sprouts; a process called 'coppicing.' The trees then will be allowed to grow for three more summers before they are harvested.

(Top) Crew from Double A Willow of Fredonia, NY and the Egedal Energy Planter. Operations manager, Ken Blitz is holding a bundle of 5-foot-long willow whips.

(Middle) The Edegal machine plants the cuttings in double-rows,  $2 \times 2$  feet, and 5 feet between the double rows.

(Bottom) A willow cutting is typically 8 inches long







The final product of the shrub-like trees are wood chips, which will go to the new MU biomass boiler on campus (more on this project in an upcoming issue of GH).

The two varieties of willow are the researchers' guess for what will grow best in Missouri, based on varieties spun off by The State University of New York (SUNY) for biofuel purposes. SUNY's research shows three years' growth leads to optimum yield.

Dwyer and colleagues are looking to secure additional funds for two more blocks of plantings. They will plant further blocks based on the cottonwood varieties that look best after one year, he said.

This study is funded by a Mizzou Advantage grant.



Above: Cuttings are planted deep, so that less than one inch remains above ground.

# Forestry 101: Stumpage vs Mill Delivered Price

Hank Stelzer, MU Forestry Extension

What does the phrase "stumpage price" mean to you? Most landowners have heard the words "stumpage value" or "stumpage price" but probably are not certain what the words mean to them. Basically, a timber buyer will offer landowners a price for trees standing "on the stump." Webster's Dictionary defines stumpage as "standing timber with reference to its value," or "the value of such timber."

The word is derived from stump + age, which means that older trees generally have more value over time, "on the stump." For example, pole-size trees (5-10" in diameter) have less value "on the stump" compared to larger trees (diameters greater than 12") such as saw, stave or veneer logs according to their size and quality. Of course, we also know that trees blown down or broken during storm events also have a residual value, although that value is less than standing trees.

Most stands of timber increase in value over time if managed properly. This includes timber stand improvement and intermediate commercial harvests, resulting in increased growth rates. Remember that trees are a crop and need to be managed like any other crop to produce good quality products. The time frame is longer compared to row crops, so proper management becomes a critical factor for good tree health and quality. More volume per acre created by bigger trees is another benefit achieved from proper management and will be worth more to most timber buyers.

A common phrase among buyers and sellers of any product is that 'anything is worth only what someone is willing to pay' for that product, or what someone is willing to sell that product.

Some landowners make the mistake of selling their timber to the first buyer that makes an offer, without seeing other offers. NEVER tell a buyer what you are willing to accept for your trees without seeking other offers. Better yet, advertise your timber and accept sealed bids. More detailed information will soon be available in a new MU Guide, "Selling Your Timber."

Landowners may be offered several different prices for different products. Products are generally determined by size class ranging from pulpwood, saw logs and stave logs to veneer logs. Quality also factors into the equation, as a low-quality saw log might only be marketable for pulpwood and the units of measure might vary with the product. Throw in the fact that pine prices will be different from hardwood prices, and now I hope you can see the value of having a professional forester assisting you in the sale of your stumpage.

Landowners should not get stumpage prices confused with "mill delivered prices" for several reasons. Wood-consuming mills pay different prices according to the products they manufacture from trees. (cont. on page 10)



## Professionally Trained Timber Harvesters Raise the Bar

Josh Stevens, Missouri Forest Products Association

Would you like to hire a logger who is safe? Would you like to hire a logger with advanced cutting skills? Did you know that there are loggers available that have completed a training program in safe and efficient logging practices?

The Missouri Forest Products Association, with assistance from the Missouri Department of Conservation, has offered a training certification program to timber harvesters since the late 1990's. A professional trainer with extensive experience provides instruction on advanced cutting techniques that improve personal safety and protects the standing timber in your forest from excessive damages. Timber harvesters greatly appreciate the new skills they learn in the class, and many 'old-time' cutters are impressed with their new-found knowledge.

Timber harvesters also learn about forest management and techniques for preventing soil erosion in the woods. Once the initial training has been completed graduates are awarded a certificate and can renew it every year by attending an advanced class.

Advanced classes range in topics from insect and disease issues to lumber grading, skidder operations and advanced soil erosion prevention techniques. The Missouri Department of Conservation requires loggers working on state property to hold the Professional Timber Harvesters Certification. There are many loggers in southern Missouri who hold the certificate, but less timber and less state land north of the river means there are less certificate holders there.

The training is offered to improve the quality of Missouri's timber resource and protect our soils and water from excessive runoff. A trained workforce ensures that loggers have the skills and know-how to accomplish this goal. The training also protects loggers, as many of the new cutting techniques they learn are safer than those that we all grew up with.

The techniques I learned in the class have changed the way I cut, and I haven't gone back to my old ways. My experience is similar to most everyone that completes the certification. I can now cut trees that I would have walked



Professional Timber Harvester trainer Joe Glenn (in safety vest) discusses cutting technique with a group of loggers at a training at Peck Ranch in July 2011.

away from before because I considered them out of my skill range. I can also cut lower on the tree more safely, providing me comfort and the ability to harvest more of the log.

Directional felling is taught and is critical to protecting surrounding trees so they don't get large branches knocked out of their canopy or the main stem roughed up. In the training we choose a target by dropping a piece of flagging on the ground and are taught to hit the target. One's confidence improves when they can show their colleagues that they can precisely aim a tree and drop it where they said they would. Directional felling also reduces damage to the standing timber because the skidder will have an easier time dragging the log out of the woods if placed appropriately.

The Missouri Forest Products Association provides an upto-date listing of certified Professional Timber Harvesters on its website that can be found at: http://www.moforest.org/loggers/index.php

Anyone interested in completing the training is encouraged; it's not just for loggers. Landowners, caretakers, foresters, volunteers and municipal and electric distribution workers have attended to improve their forest resource and skills. To learn more about the program call Josh Stevens at 573-634-3252 or email at josh@moforest.org.

## Preserving the Family Forest: Where Do We Go From Here?

(cont. from front page)

Some of us have begun our succession planning and some are still assessing their situation and objectives. Some have talked with heirs... some have met with their advisory team (attorney, accountant, financial advisor)... some have begun to review the current ownership structure of the forestland... We all find ourselves in a slightly different phase of our planning, and that is OK. After all, this is a work in progress. However, we should ask ourselves – where do we go from here?

In an effort to accurately assess our progress, we suggest that readers return to where we began – What is your vision for your timberland? What do you want to see happen with the property in future generations? What is the legacy you wish to leave for your heirs? Is this a financial asset or an "heirloom" asset? Do you want your connection to your timberland to transcend you, and your time on earth? The answers to these questions hold the answers to our succession planning progress, and our future path.

Dust off your vision statement and take a hard look at it. The beauty of a well articulated vision statement is that it can guide virtually all of the decisions that need to be made, be they operational, financial or succession-related in nature. The first question to ask, is "does this vision statement still reflect my desires?" If not, make the necessary adjustments. If it is still appropriate, where are you at regarding the underlying goals necessary to make that vision a reality?

If all of the goals are not completed (and they almost never are because people, families and the world change continually), then what specific strategies need to be undertaken to accomplish those goals? For example, a timberland owner may need to...

- Honestly assess heirs regarding their desire/ability to own and manage the timberland in the future
- Begin to involve heirs in management decisions/ activities of the farm/forestland
- Begin periodic family meetings to improve communication and develop the next generation of owners
- Begin to set aside "non-timberland" assets to "equalize" the distribution for heirs that will not be

- involved in the property in the future (this will make you feel better and it will help to avoid conflicts between heirs)
- Talk to an attorney about creating a trust, or a limited liability company (or both) to hold the property (this helps to limit liabilities, as well as providing some help in transitioning to the next generation)
- Explore the possibility of donating a conservation easement to a land trust, in order to protect the timberland from division and/or development in perpetuity

For families who are fortunate enough to own forestland, and who have the desire to preserve this unique asset, there is no shortage of things to do! This is a dynamic, long-term process. It is a continual moving target. As health, finances, and families change, plans need to be reviewed and adjusted periodically. Just like the "on the ground" work we like to do on each of our properties (TSI, food plots, habitat management, tree planting, pruning, etc.), succession planning work is an ongoing endeavor. Hopefully, it is a labor of love that continues to bind us to the land and brings our families closer together. Current owners and their heirs should see succession planning as the "next level" of good land stewardship. If done properly, it should bring stability to the forestland and peace to the family.

Editor's Note: In the future, you are welcome to contact David at david@dawatsonco.com, 636-230-3900.

David Watson is a financial advisor specializing in working with rural landowners, sportsmen and conservation-minded families. D. A. Watson & Company, 17263 Wild Horse Creek Rd., Suite 202, Chesterfield, MO 63005, 636.230.3900, 888.230.3999, www.dawatsonco.com, david@dawatsonco.com. All investing involves risk including the potential loss of principal. Specifically, investing in timberland is subject to substantial price fluctuations of short periods of time and may be affected by unpredictable property and timber valuations and supplies. The market for timberland is widely unregulated and concentrated investing may lead to higher price volatility and there may not be a secondary market available for this product. Material discussed herewith is meant for general illustration and/or informational purposes only, please note that individual situations can vary. This information is not intended to be a substitute for specific individual tax, legal or investment planning advice. Please consult a qualified professional for legal advice/ services. Securities offered through Royal Alliance Associates, Inc., Member FINRA & SIPC. Royal Alliance Associates, Inc. does not offer tax or legal services. Advisory Services offered through Pines Wealth Management, LLC, a Registered Investment Advisor, not affiliated with Royal Alliance Associates, Inc. D. A. Watson & Company is not affiliated with Royal Alliance Associates, Inc., nor registered as a broker-dealer or investment advisor.



## Forest Health: Tree-Branch Flagging

Rob Lawrence, Missouri Department of Conservation

Brown leaves can appear on trees in many patterns for many reasons. Insects, such as the jumping oak gall wasp, or diseases such as pine wilt, can cause browning over the entire tree. But often in other cases, brown leaves appear on individual branches scattered throughout the tree crown. This condition of "branch flagging" can be caused by insects, diseases or weather-related injury.

### **Major Causes of Branch Flagging**

In years when **periodical cicadas** emerge, branch flagging can be widespread and dramatic. Female cicadas damage many kinds of trees and shrubs by using a saw-like appendage on the abdomen to slice into the underside of 1/8- to 1/2-inch diameter twigs and deposit their eggs. The weakened twigs are often broken by wind and dangle from a branch or fall to the ground. Large quantities of twigs and leaves can litter yards in June and July. However, on more vigorous branches, cicada-caused wounds will heal and branches continue growing.

**Kermes scales** are a group of sap-feeding insects that damage many kinds of oaks. Post oaks are particularly hard hit in some years. Large numbers of leaves and small twigs often drop to the ground in early summer. Kermes scales

are not your typical-looking insects. They are tan to reddish brown spheres ranging in size up to 1/4-inch diameter and are attached to twigs. They're often confused for an insect gall or bud. Scales feed by inserting tube-like mouthparts into plant tissue and sucking out fluids. They can excrete honeydew (sugary solution) on which sooty mold builds up, causing twigs to become blackened. Honeydew is more commonly seen on trees in the red oak group. It is not usually associated with Kermes scales on post oaks.

Flagging, dangling and fallen branches are often caused by beetles called **twig girdlers** and **twig pruners**. Oaks, hickories and several other hardwood species are affected. Damage is most often seen in late summer, fall or winter. A twig girdler female adult chews a V-shaped groove around a twig, girdling it. She then deposits eggs, and the worm-like larvae develop within the outer portion of the twig beyond the girdling cut. Winds eventually break twigs at the cut. Among twig pruners, on the other hand, it is the larvae that make the most damaging cut. Twig pruner female adults deposit eggs near a twig tip, and larvae tunnel inside the branch toward its base. When larvae are full-grown, they cut through all the wood at one place inside the twig, leaving only the outer bark intact. The branch eventually breaks at that point.

## How to Identify Major Causes of Branch Flagging

Host Plants	Diagnostic Characters	Insect or Disease
many trees and shrubs	a line of small slits in the underside of twigs	periodical cicadas
oaks, especially post oaks	tan to reddish brown spheres up to 1/4-inch diameter attached to twigs	Kermes scales
oaks, hickories, pecan and other hardwoods	v-shaped cut in twig that leaves a ragged center on broken twig end	twig girdlers
oaks, hickories and other hardwoods	flat or spiraled, smooth cut end of broken twig with ragged bark edges where twig breaks	twig pruners
oaks	distinct transition on twig between healthy and diseased (dark, shriveled) portion	Botryosphaeria canker
black walnut	wilted, brown leaves remain attached to branches in July & August. Beetle tunnels and brown cankers present under the bark, not visible on bark surface	Thousand Cankers Disease



#### (cont. from page 8)

**Botryosphaeria canker** is caused by a fungus and generally affects the terminal 4 to 6 inches of oak twigs. Leaves bend back toward the twig, turn brown and remain attached to the tree. A distinct transition can be seen from healthy to diseased (dark and shriveled) portions of the twig. If you scrape back the bark with a knife, a more obvious difference is visible between green healthy tissue

and brown or black diseased tissue.

An invasive pest threat to black walnut, Thousand Cankers Disease (TCD), causes branch flagging with brown, wilted leaves remaining attached to branches in July and August. This is a serious disease that could eventually kill all black walnut trees where it becomes established. See the related box for more information on TCD.

#### What You Can Do

- For all causes of branch flagging, reduce further stress on the tree to provide the best chance for it to recover from the injury, or at least slow decline in tree health. Provide supplemental water (1 to 2-week intervals) during drought. Avoid injury to trunk or roots with mowers or string trimmers. Avoid damage due to construction, trenching near roots, or changing the level of soil above the roots.
- Avoid doing corrective pruning of oak branches during the growing season. Fresh wounds at that time of year attract sap beetles that can spread the oak wilt fungus.
- For cicadas, do only very light pruning in summer to remove dangling twigs on small trees, if needed. Additional damage will become visible in late summer. New shoots may sprout below where twigs have broken and need to be thinned later. Wait until trees are dormant in winter to do corrective pruning of branch structure.
- For Kermes scales, either do nothing and allow natural controls of scales (predators and parasites) to build up, or treat with insecticides registered for use on soft scales on oaks. There are at least two species of Kermes scales that cause damage, one on post oaks, bur oaks and other species in the white oak group, and a second on pin oaks and others in the red oak group. Timing of treatment differs depending on the host tree.
- For **twig girdlers** and **twig pruners**, rake up and burn or remove fallen twigs from the site before spring larvae overwinter inside the twigs.
- For **Botryosphaeria canker**, damage has minimal effect on tree health, so no action is needed.
- For **Thousand Cankers Disease**, refer to the information in the related box for details on identifying and reporting suspected infested trees.

## Thousand Cankers Disease Update

#### Simeon Wright, Missouri Department of Conservation

There's been a new Thousand Cankers Disease (TCD) detection on black walnut in Virginia. This is the second state in the eastern range of black walnut with TCD detections.

In Missouri, visual surveys for TCD have begun at high risk sites across the state. The Missouri Department of Agriculture is surveying sawmill sites and urban areas and MDC is surveying campgrounds, high-risk natural forested areas and plantations. We are also following up on reports of declining walnut from the public. So far we have not detected TCD in Missouri.

Keep watching for declining walnuts with possible TCD symptoms. This is the time of year when we expect to start seeing fresh branch flagging, wilted brown leaves

attached to branches and epicormic sprouts that may begin to become visible below dead branches in the upper canopy. Keep in mind there is other damage visible now as well including cicada injury, walnut caterpillar defoliation and foliar anthracnose.

If you haven't watched the webinar on finding and reporting walnut trees with TCD, you can find that, other information and reporting forms at www.mdc.mo.gov/thousand-cankers.

There are three ways to report suspect walnut trees:

- Online at http://extension.missouri.edu/scripts/eab/ eabreport.asp
- Email suspect photos to forest.health@mdc.mo.gov



## Forestry 101: Stumpage vs Mill Delivered Price

(cont. from page 5)

Trees are then valued by timber buyers "on the stump" after deducting costs associated with cutting, transporting the felled tree to the log landing at the edge of the forest (a process called 'skidding'), hauling the logs to the mill and other costs. These costs vary with equipment costs, maintenance, fuel prices, insurance, labor, markets for forest products (supply and demand), logging conditions, volume of timber per acre, road conditions and other variable costs.

Loggers pay very high prices for equipment that has a limited lifespan and high maintenance costs. With all their costs of doing business, they must cut and haul a minimum amount of timber per day just to meet their minimum costs. Remember too that skilled labor is required to get all this work done safely and efficiently. Weather is also a factor that may increase costs for loggers, along with equipment breakdowns that stop all production.

So, when a logger finally gets a load of pulpwood, saw logs, or veneer logs to the mill, they have a tremendous amount of money invested in the process involved in the delivery. They are paid "mill delivered prices" to hopefully compensate them for all their costs, plus a minor profit for their labors.

All the costs of "stumpage prices" + cutting + skidding + loading + hauling + other fixed costs + variable costs = "mill delivered prices." Many loggers have gone out of business over the past few years as they have not been able to sell their products to make payments and feed their families and workers.

This relationship between supplier and customer plays out again and again as we go up the value-added chain. Forest products manufacturers are at the mercy of the markets, and can only pay "mill delivered prices" for raw materials (trees) that allow them to make a modest profit and stay in business.

Unless you have been on the moon for the past two years, you know that domestic and world markets for forest products have declined dramatically, thus affecting both "mill delivered prices" and "stumpage prices."

However, markets for high-value species like black walnut and spot markets can be very favorable IF you are in the position to take advantage of the situation. And how do you get in position? BY HAVING AND IMPLEMENTING A FOREST MANAGEMENT PLAN that gives you advance notice of what needs to be done to maximize your profit!

To develop your forest management plan, contact your local consulting forester or state service forester today. In Missouri, consulting foresters can be found online at www.missouriforesters.com. To find the Missouri Department of Conservation resource forester in your county, go online www.mdc.mo.gov/contact-us and select your county from the drop-down menu in the "Who's My Local Contact?" box.

And if you are approached by a prospective buyer who wants to purchase your timber, remember to CALL BEFORE YOU CUT. The toll-free number is 877-564-7483 or online at www.callb4ucut.com.

## The Bid Box

Timber sales are once again fairly sluggish, reflecting the economy's slow return to 'normal.' With stumpage prices for most species well below pre-2008 values, it is more important than ever to get a professional forester involved in the sale of your timber to ensure the best price possible.

#### Pike County, May 2011

- 39 acres
- 762 mixed hardwoods (235 white oak; 221 black oak; 74 northern red oak; 55 pin oak; 48 ash, 44 silver maple, and 85 misc hardwoods)
- Estimated volumes: 85,000 bd.ft.
- · Forester valued the sale at \$11,000
- · Two bids

\$15,250 accepted \$13,200

· Return: \$391 per acre



## The Back Page

#### Adieu, Mon Amie

They say all good things must come to an end. Green Horizons bids a fond farewell to coeditor, **Michelle Hall**, as she moves over to the MU College of Food, Agriculture, and Natural Resources' communications group as their marketing



communication coordinator. I will personally miss Michelle and our quarterly, '11th-hour' drill as we scrambled to get GH over to printing services. It was real, it was fun... it was real fun (honest)!

#### **Welcome Paige!**

Please welcome my new GH co-editor, Paige Pritchard. Paige is an information specialist intern with the MU Center for Agroforestry. You didn't think they would let me run GH by myself, now did you?

#### **Deadlines for Newsletter Submissions**

Spring Issue: March 15
Summer Issue: June 15
Fall Issue: September 15
Winter Issue: December 15

#### E-mail or Snail Mail?

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#### **Editorial Contributors**





















Missouri Chapter Walnut Council



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### **Calendar of Events**

September 9: MU Southwest Center Field Day, Mount Vernon, MO. Portable bad sawmill demonstration showing relationship between log defects and lumber quality. For more information, go to http://aes.missouri.edu/swcenter/fieldday/index.stm

**September 17: MO Nut Growers' Association Pre-harvest Meeting, Washington, MO.** Vern Spaunhorst hosts this annual meeting. Topics to include orchard rehabilitation including tree thinning an cultivar replacement. For more information, go to http://missourinutgrowers.org

**September 24: MU South Farm Showcase, Columbia, MO.** Portable bad sawmill demonstration showing relationship between log defects and lumber quality. For more information, go to http://cafnr.missouri.edu/aes/southfarm/

September 30 – October 1: Midwest Forest Industry Show, Cape Girardeau, MO. Come see the latest in timber harvesting techniques and equipment. Representation from the forest industry will include sawmill machinery, pallet machinery, chippers, de-barkers, chainsaws, logging equipment, trucks, trailers, and service companies. For more information, go to http://moforest.org/mfis/index.html

October 7: MU Wurdack Farm Field Day, Cook Station, MO. Shortleaf pine restoration, silvopasture and portable bad sawmill demonstration showing relationship between log defects and lumber quality. For more information, go to http://aes.missouri.edu/wurdack/

October 8: Ozark Regional Timberfest, Doniphan MO. This annual event takes place at the Ripley County Fairgrounds on the south side of Doniphan and highlights the Ozark's rich forest industry heritage. Catch them on Facebook.