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Growing Tomorrow's Future Today

Winter 2004

Forest Management Can I "Make" a Veneer Log?

R. Scott Brundage Consulting Forester/Tree Farmer

Many landowners liken having veneer logs in their timber sale to winning the lottery. However, unlike the lottery, a landowner can "stack the deck." We hope these questions and answers from Scott will be helpful as you consider this profitable timber product.

Q. I have heard a veneer log is worth from 10 to 20 times more than a top log from the same tree, or most other logs from other trees. True or False?

A. That's true, if it's a veneer log. A veneer log is a large (usually 18" dbh or more), straight log which has very few or no defects, including limbs, limb scars, holes, ring-shake or separation, lightning scars, pin knots, etc. (cont. page 3)



Forest Management Selling Your Timber on "Shares": It's NOT Like Selling Your Crops on Shares!

Hank Stelzer, Extension Forester, and Shelby Jones, Consulting Forester

For crop landowners who maintain share arrangements with farmers year after year, selling timber on shares seems only natural. Are these two arrangements the same? Comparing a crop share arrangement to a timber harvest share arrangement is like comparing apples to tomatoes — it's not even close!

Crop land is commonly shared with the farmer on a 50/50 arrangement. The landowner furnishes the land, the farmer supplies the labor and equipment, and they each share one-half the costs of seed, fertilizer, spray-

ing, harvesting and hauling. They also share the value of the sold grain. The landowner is usually familiar with the farmer, the yield expected from certain fields and the market prices for his or her various crops.

In contrast, a timber harvest share arrangement is typically developed with someone the landowner does not know. The landowner retains ownership of the cut logs until they are purchased by a mill. When the logs are sold, the landowner receives a predetermined percentage of the delivered price. The mill usually writes two checks: one to the logger and one to the landowner. Sometimes the logger collects the full amount and reimburses the landowner the agreed upon percentage. (cont. page 5)



Agroforestry

Chestnut Roast Launches New Fall Tradition: Entertains, Educates Families about Missouri Agroforestry

Rachel McCoy University of Missouri Center for Agroforestry

Under the bright sunshine of a warm fall day, more than 1,000 people enjoyed samples of some of the best of Missouri at the first University of Missouri Center for Agroforestry (UMCA) Chestnut Roast - from crisp local wines and elk burgers, to black walnut ice cream, and of course, fresh roasted chestnuts.

The first Chestnut Roast, held Oct. 4 at the University of Missouri Horticulture and Agroforestry Research Center (HARC) near New Franklin, Mo., kicked off an annual tradition designed to educate families about the ongoing research activities and initiatives of the Center for Agroforestry. The event featured large white tents bustling with Missouri foods, local wine vendors and agricultural information. Guests were escorted on guided bus tours of the HARC research projects, but many chose to enjoy the beautiful weather and landscapes on foot. Experimental black walnut, Chinese chestnut and fruit tree orchards, as well as examples of alley cropping and windbreaks, offered an up-close view of agroforestry practices.

Fresh roasted chestnuts draw a curious crowd as guests explore Missouri products and agroforestry practices at the first annual UMCA Chestnut Roast. (Photo: Jim Curley)

products, such as jellies and candies that contain the nuts," said Julie Rhoads, event coordinator.

Pine straw mulch, a new research focus of UMCA, generated many questions from guests and provided opportunities to educate landowners about this emerging market.

The Chestnut Roast offered family fun in the form of bluegrass and country swing music by the "Rank Sinatras." Inside the Children's Activities Tent, agricultural education mixed with fun as children enjoyed face painting, pumpkin painting and a large farm model displayed by the University of Missouri Extension Com-

> munity Food Systems and Sustainable Agriculture Program. A hay bale maze outside the Children's Tent became a favorite resting place as families enjoyed the day.

> Guests at the Chestnut Roast also enjoyed the opportunity to study the exterior of the historic 1819 Thomas Hickman House, one of the oldest brick houses still standing in Missouri. Gene Garrett, director, Center for Agroforestry, expressed the Center's enthusiasm for the event. "As we welcomed the community to enjoy the ongoing projects of the Center, we were taken aback by the interest level, both from landowners and families," Garrett said. "We will continue to offer opportunities like this to generate awareness for agroforestry practices and the products that can be harvested through them."

Many visitors enjoyed another special treat — their first taste of fresh-roasted chestnuts. UMCA faculty and staff roasted chestnuts harvested from the research farm over a smoking grill as curious onlookers browsed through chestnut recipes and nutritional information. Charlie NovoGradac and Debbie Milks of Chestnut Charlie's Orchard of Lawrence, Kan., offered bags of chestnuts and roasting pans for sale. The event also raised awareness for locally grown black walnut and pecan, favorite flavors served in ice cream made by Buck's Ice Cream and featured in a variety of snacks from Hammons Products Company of Stockton, Mo.

"We're excited about the consumer interest emerging for these nuts and for the production of value-added



Pumpkin painting is taken seriously in the Children's Tent.

UMCA 2004 Chestnut Roast — Saturday, Oct. 16 11 a.m. to 4 p.m. Horticulture & Agroforestry Research Center (HARC) New Franklin, Mo. - Free Admission

Can I "Make" a Veneer Log? (cont. from page 1)

Other factors, such as sapwood width, color, ingrown bark, and mineral stains are also quality considerations. In summary, a highvalue veneer log is a nearly perfect log.

Q. I want high dollar veneer logs from my timber. Can I produce such logs?

A. Yes, if you correctly manage your timber. First, you have to manage veneer species for veneer logs. Black walnut and white oak produce more than 89 percent of Missouri's veneer logs. Add red oak and black cherry, and you have four species that produce more than 98 percent of our state's veneer logs. Other species, including ash, maple, hickory, red cedar, etc., occasionally produce a veneer log, but these trees combined represent less than two percent of veneer logs.

\$ 83,400

\$ 75,000

\$ 65,000 \$ 56,190

\$ 50,001

\$ 30,000

Q. My woods contain some black walnut, white oak, and some red oak, along with other species. What do I do to produce, or "make," a veneer log?

A. Select the largest, straightest and most full-crowned young trees that are ideally three to five inches in diameter. These potential veneer trees can produce veneer logs *if* properly released so that they can grow tall; all vines are removed; and they are properly pruned to ensure clear, defect-free logs. Note that I use the word *properly* — there is a right way and a wrong way. If you properly manage these potential veneer trees, you have an excellent chance to sell veneer logs.

Q. I want to manage my forest the right way. How, or where, can I learn more?

The best and most immediate A. step is to join the Walnut Council, which is by far the best organization I have found in 44 years as a professional forester and Tree Farmer. Upon joining, you will receive the best management bulletins available and a quarterly magazine loaded with "how-to" information. You will also have the opportunity to attend at least two state field day meetings and an annual national meeting. Interested parties may send a \$30 check payable to the Walnut Council, c/o Dusty Walter, Secretary, Center for Agroforestry, 203 ABNR

Q. Can you tell me more about the Tree Farm Program?

Building, University of Missouri,

Columbia, Mo., 65211.

A. The Tree Farm Program is an excellent national program. It is also a recognition program for those that have completed some forest management following a management plan. The Walnut Council is more of a "how to" management organization, great for new or even more experienced forest managers. In fact, the best advice is to join the Walnut Council and learn to manage your timber, then become a Tree Farmer under the Tree Farm Program.

Remember, if you want to make much more money from your timberland and add value to your property, join the Walnut Council to learn how. If you own it — manage it!

Bid Range:Eleven bids were received this fall for a
lump sum timber sale in Macon Co., Mo.
The 202-acre forest contained approximately
750,000 board feet of predominantly white oak
timber.\$162,000The 202-acre forest contained approximately
750,000 board feet of predominantly white oak
timber.\$161,618These bids do not represent or imply prices that
could be paid for standing timber on your land.
Values of standing timber can vary significant-
ly due to proximity to solid roads and saw

The Bid Sheet ... It's baaack!

ly due to proximity to solid roads and saw mills, size of offering and proximity to other offerings, land terrain, prevailing conditions, and quality, size, density, and species of the timber.

What this *does* represent is the need to make sure that you (1) seek the highest value for your timber through competitive bidding and (2) get a professional forester involved in the sale of your timber. A check for \$30,000 or \$162,000? It's up to you!

Community Forestry

KC's "Right Tree Right Place" Coalition Offers Useful Resources Throughout the Midwest

Helene Miller, Urban Forester Missouri Department of Conservation



Few Missourians will ever forget the weather conditions at this time two years ago — a large portion of the state covered in ice, and the shotgun-like snap of hundreds of branches as they fell from its weight.

Image Source: www.RightTreeRightPlace.com

Following the intense ice storm that battered much of

the state in January of 2002, a concerned public/private coalition developed "The Right Tree in the Right Place," an initiative to address tree replacement. The coalition offers advice on what trees to plant — and how and where — to ensure fewer future growth problems.

The "Right Tree in the Right Place" project educates the public through an interactive web site; brochures and advertisements about tree selection, planting and care; and educational programs for neighborhood associations and groups.

The web site, *www.RightTreeRightPlace.com*, is an excellent resource for homeowners and others to use when making tree planting decisions and performing tree maintenance work. Though it was developed in response to an ice storm, the site holds significant value for people replanting trees after the May 2003 tornadoes and those simply adding trees to their yards.

The coalition has received numerous media coverage opportunities and continues to generate awareness for the project. Three special inserts in the largely-circulated *Kansas City Star* newspaper have promoted "The Right Tree in the Right Place," and a public service announcement promoting the web site has aired more than 1,500 times. Coalition partners have distributed a tree policy guide to city administrators. Educational bookmarks and brochures serve as public handouts, and several programs and displays have been completed through in-house staff time and resources (such as printing and web site management) from the coalition partners. The National Arbor Day Foundation recently rewarded these efforts with an award for Advertising and Public Relations, to be presented in May. Participants in the coalition include the Missouri Department of Conservation, Kansas Forest Service, Mid-America Regional Council, Bridging the Gap, *The Kansas City Star*, Time Warner Cable, Kansas City Power and Light, Powell Gardens, the Kansas Nursery and Landscape Association and the Missouri Landscape and Nursery Association. Numerous communities are also participating by sharing information with their citizens. Visit *www.RightTreeRightPlace.com* for additional information, helpful links and resources.

Storm Damage: Can This Tree Be Saved?

(source: www.RightTreeRightPlace.com)



It's a Keeper (20% or less loss): When there is only slight damage to your tree, you should remove damaged limbs and let the tree begin the process of repairing itself. <u>Do not</u> paint over wounds or wrap wire or strapping of any sort around a damaged branch to let it "heal". Use good pruning techniques instead.



Wait and See (20-40% loss): If several limbs are broken, you should remove damaged limbs and evaluate the tree over time. These trees may recover, depending on environment, species, and damage location on the tree. However, if the tree is near a house or any aboveground utility line, contact that utility

and have them evaluate the situation. <u>Do not</u> endanger yourself by doing trimming close to an electrical line.



Say Goodbye (50% or more loss): When there are fewer branches on your tree than off, you need to consider removing the tree. It is not possible to have a tree recover completely from this type of loss. If they are

not removed, it is very likely they will die eventually from disease or insect infestations. If they do live, they will continue to have structural problems which could pose a hazard to anything nearby. Hiring a professional tree care company is the best option in this situation.

Forest Commodities Grafting Nut Trees: How Do I Get Started?

Mark Coggeshall, Tree Improvement Specialist

Despite the cold winter weather, spring will soon be upon us. Those interested in establishing nut tree plantations this year should begin now to develop a plan of action including securing all necessary supplies and materials that will be needed in a few months.

A few tools are required to begin your nut tree planting. Perhaps the most important tool is simply information. For example, grafted black walnut trees will usually bear nuts five to eight years after grafting. For pecans, this timeline is a bit longer — usually seven to 10 years, depending on the cultivar. Choosing the right cultivar to buy or to graft is very important. Two key information sources to consult are members of the Missouri Nut Growers Association (MoNGA) and the staff of the University of Missouri Center for Agroforestry (UMCA).



When grafting nut trees, be sure to use a very sharp, high-quality knife.

I recommend attending the upcoming meeting of the MoNGA in Nevada, Mo., on Saturday, Feb. 7th. This meeting offers the annual "Nut Show," where growers from across the state bring nut samples for evaluation. Meeting attendees will also provide an opportunity to locate sources for the "scion" sticks needed to graft desired cultivars and a date for a spring "Grafting Day" will be set.

Another excellent source of information on grafting techniques for nut trees is a publication entitled, "Propagating Pecan and Black Walnut" by Dr. William Reid. This publication is available from UMCA online or by mail with the information listed below. Excellent guides for pecan and chestnut are also available, and a black walnut growers' guide will be available soon.

What else do you need besides information? A good, sharp knife is an obvious starting point. You will also need a pair of pruning shears — again, good and sharp. The grafting technique(s) you select should depend on the diameter of the trees you will be working on, and the cut surfaces of the scion and rootstocks will need to be strongly bound together to facilitate the healing process. Some propagators prefer to use grafting tape, while others use grafting bands, which are similar to elastic bands.

You may choose to locate suppliers of grafting tools and equipment online by typing "grafting supplies" into your favorite search engine. Grafting Knife Suppliers: A.M. Leonard Inc. P.O. Box 816 Piqua, Ohio 45356

Gempler's P.O. Box 44993 Madison, Wis., 53744 (800) 382-6744 www.gemplers.com

For UMCA guides and information: visit www.centerforagroforestry.org; call (573) 882-9866; or write UMCA Information Specialist 203 ABNR Columbia, Mo. 65211

Selling Timber on Shares (cont. from pg. 1)

Either way, selling timber on shares is like the fox guarding the henhouse!

Selling on "shares" can seem attractive by offering potentially higher prices to the landowner for standing timber. However, there are several elements of risk involved, as noted below, and any one of these can lead to less financial return than anticipated. Consider these facts before selling your timber on shares:

FACT: The landowner is assuming a portion of the risk of defective trees because he or she will only receive payment for those trees that are actually sold to a market.

You may be quoted a higher price per unit volume of wood on the front end of the share arrangement; but if all the trees are not sold, you lose on the back end.

Selling Timber on "Shares" (cont. from pg. 5)

FACT: The landowner typically does not know the quantity or quality of the standing timber being sold. One should receive a higher percentage for higher quality products, such as veneer logs, barrel stave logs, better species, etc., but may not even know these products are present in the timber. Therefore, even if the landowner has access to the limited amount of published timber market information, he or she would not necessarily be able to apply it to their trees.

FACT: The landowner must trust the logger to market each log for its best use (and highest value) and to be truthful in telling the landowner every mill to which logs are being delivered. Once again, the fox is guarding the henhouse!

FACT: Once the trees and logs are cut they have a limited "shelf life" during which time they must be sold. If a delay of market delivery occurs, the quality and the price received may rapidly decline.

Consider, too, that shares contracts are often sealed with a simple handshake — but they are more complex than they appear. Written contracts are always recommended, no matter how the timber is sold. Any sale of timber should be administered with care in a truly business-like manner. "Shares" arrangements, even between friends, can often lead to misunderstandings.

Selling timber in a "share" arrangement, however, can qualify the seller for capital gains tax treatment of the proceeds if specific conditions are met. Capital gains treatment is desirable because it potentially decreases federal income tax liability and may rule out assessment of self-employment tax on the proceeds of the sale.

A discussion with your forester and accountant concerning the relatively complex aspects of the federal timber tax regulations is advised before selling your timber. For more information on federal timber tax regulations, visit *www.timbertax.org*. To help ensure the fox is not guarding your henhouse, bring a professional forester to your woods today. For a list of professional foresters, visit the Missouri Consulting Foresters Association at *www.missouriforesters.com*; or the Missouri Department of Conservation at *www.conservation.state.mo.us*.

Upcoming Woodland Stewardship Conferences

Hank Stelzer Extension Forester

Missouri Tree Farm Conference:

The 24th annual Missouri Tree Farm Conference will be held Feb. 27-28, 2004, at the Country Club Hotel, Lake Ozark, Mo. Landowners will have the opportunity to gain new skills to manage their woodlands using good stewardship principles. For hearty souls wanting to get out in the woods, we will spend Friday afternoon talking about reducing non-point source water pollution resulting from forest management activities and demonstrating techniques to reduce the impact on water resources. Friday evening will allow landowners to talk one-on-one with professional foresters. Saturday will feature general sessions on Missouri's Forest Land Enhancement Program and what makes a tree a veneer tree. Concurrent sessions will highlight

basic tree identification; preparing forest management plans; improving forests for timber and wildlife; establishing forests; marketing timber and a wildlife health update. Cost for the conference is \$45 for



Participants at the Missouri Tree Farm Conference will explore methods to minimize water pollution during forest management activities.

individuals and \$80 for couples. If not pre-registered, there will be an additional fee of \$10 for walk-in registrations, and lunch cannot be guaranteed. For more information, or to register by phone, contact Glenda Fry at the Missouri Forest Products Association at (573) 634-3252. You may also register online at *www.moforest.org*.

<u>Tri-State Forest</u> Stewardship Conference:

The Tri-State Forest Stewardship Conference will be Sat., March 27, 2004, at the Grand Theater in downtown Keokuk, Iowa. The conference will feature multiple workshops presented by experts from Illinois, Iowa and Missouri. Topics to be presented include tree identification; nuisance wildlife; forest health update; thinning walnut plantations; pruning forest trees and control of woodland invasives. Cost for the conference is \$35 before March 16: and \$40 after that date. Registration is required. Brochures can be obtained from Hank Stelzer, Extension Forester, at (573) 882-4444; or email stelzerh@missouri.edu.

The Back Page



Rachel McCoy, Green Horizons Co-Editor

Greetings! I'm happy to introduce myself as your new Green Horizons co-editor, Rachel McCoy. I will be collaborating with Hank Stelzer as we continue to bring you the information you need for achieving the best results from your trees. As the Senior Information Specialist for the Center for Agroforestry, I look

forward to generating awareness

and support for agroforestry and forestry practices and their increasingly diverse benefits for landowners.

Register now for the <u>World Congress of Agroforestry</u> <u>Pre-Congress Tour</u>, a motorcoach tour of the Missouri and Iowa research and on-farm demonstrations of the five agroforestry practices, held June 23-25, 2004. The UMCA technology transfer team is coordinating the tour with assistance from additional sponsors, including the National Agroforestry Center and the Iowa State University Department of Resource Ecology and Management. For more information visit www.centerforagroforestry.org and select the Upcoming Events page.

FLEP Correction

In the last issue of Green Horizons, which outlined the Forest Land Enhancement Program (FLEP), it was incorrectly stated that a landowner must work with either an MDC forester or an NRCS-approved Technical Service Provider (TSP) to develop and implement his/her management plan. In fact, anyone can write the management plan. However, it must be approved by an MDC regional forest supervisor. The Editor erroneously added the information, and Green Horizons apologizes for any confusion created by this oversight. We do strongly encourage landowners to seek the professional help of either private consulting foresters or MDC foresters in preparing their management plans.

Forestry Fact

At the turn of the last century, Missouri was a leading timber-producing state. The peak of Missouri's timber production was in 1909, but by 1910, nearly all of the pine had been removed. By 1920, the boom was over — there were no more trees left to cut in the Ozarks.





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- Scott Brundage, President, Missouri Consulting Foresters Association and Missouri Chapter of the Walnut Council (573) 443-3977
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- Clell Solomon, Missouri Christmas Tree Producers Association (660) 273-2368
- Larry Harper, President, Missouri Nut Growers Association (573) 442-5326
- (573) 442-5326 Fred Crouse, Chairman Missouri Tree Farm Committee (573) 634-3252

We welcome your thoughts!

In order to prepare and mail *GH* in a timely manner, the deadline for material for the next issue is:

March 15, 2004

Send newsletter material, questions or comments to:

Rachel McCoy 203 ABNR University of Missouri Columbia, MO 65211

Phone: (573) 882-9866 Email: mccoyr@missouri.edu

Read past issues of Green Horizons online at www.centerforagroforestry.org



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Calendar of Upcoming Events

Jan. 28-30, 2004 - Missouri Natural Resources Conference, Tan-Tar-A Resort, Lake of the Ozarks, Mo.

This premier Midwest conference focuses on current natural resource issues and their wise management. Sponsored by Missouri chapters of the Society of American Foresters, the American Fisheries Society, The Wildlife Society and the Soil and Water Conservation Society, conference topics include oak and pine management; urban-wildland interface issues; innovations in natural resource technology; and management issues of the Loess Hills. Visit www.mnrc.org for more information.

Feb. 6-7, 2004 - Missouri Nutgrowers Association Meeting, Nevada, Mo.

This annual nut show and business meeting is free and open to the public. The nut judging begins at 9 a.m. Friday at the Community Center; the meeting, presentation of winning nut samples and the results of nut evaluations begins at 10 a.m. Saturday. Contact Larry Harper at (573) 442-5326 for information.

Feb. 27-28, 2004 - 24th Annual Missouri Tree Farm Conference, Country Club Hotel, Lake Ozark, Mo.

Program topics include best management practices for forest landowners, forest management plans, timber marketing and veneer. Contact Hank Stelzer, University of Missouri Extension Forester, at (573) 882-4444; or email at stelzerh@missouri.edu for more information about program topics. For registration information, visit www.moforest.org/treefarmsystem.htm or contact Glenda Fry at the Missouri Forest Products Association at (573) 634-3252.

March 27, 2004 - Tri-State Forest Stewardship Conference, Keokuk, Iowa

Mike Gold and Mark Coggeshall of the UMCA staff will present a talk on "Chestnut and Other Nutty Crops." Dusty Walter, also of the UMCA staff, will present a 1-hour talk on "Income Opportunities With Special Forestry Products." Contact Paul Wray at (515) 294-1168 or phw@iastate.edu for more information.

> Find more events and information at: www.centerforagroforestry.org