



## FOREST LANDOWNERS OF CALIFORNIA SAYS GOODBYE

By John Williams



Dan Weldon

of our organization before the Board of Forestry, the state legislature, and numerous boards and commissions. Annual meetings organized under Dan's direction have always been fun and exciting events. I believe the membership can be proud of the work Dan has done for us, and we wish him success in his new job as Executive Director of the Tulare County Farm Bureau.

Dan's departure on September 15<sup>th</sup> compels implementation of the draft re-organization plans adopted by the Board in Chico on May 3<sup>rd</sup>. A Re-organization/Search committee has been created, led by George Belden, to review the current organizational structure of FLC and to recommend to the Executive Committee the most effective way to meet FLC's administrative and legislative watch needs within the constraints of our budget. Once the administrative and legislative watch structure of FLC is established we will immediately begin searching for the best qualified individual (s) to maintain FLC as an effective organization to serve our membership's needs. During our transition, Jim Chapin – Director and immediate past President – has generously offered his company, Shasta Land Management Consultants, to assume routine administrative functions of FLC. Thank you Jim!

While much remains to be done, in change there is always opportunity, and I look forward to a re-invigorated organization when we meet at our 2007 Annual Meeting.

Dan Weldon has chosen to say goodbye after 15 years of dedicated service to Forest Landowners. Dan has worked tirelessly and effectively as an advocate for the interests

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## CALIFORNIA TREE FARM COMMITTEE

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RETURN SERVICE REQUESTED



California Tree Farm News

FOREST LANDOWNERS OF CALIFORNIA

## Receiving the Tree Farmer Newsletter Electronically

Some Tree Farmers and Inspectors have expressed the idea of receiving the Tree Farmer Newsletter electronically to those who would like to use that option. Beginning with the Spring newsletter, I will employ that option. So if I do not hear from you, the newsletter will be mailed as usual. If you want the newsletter via the computer, please send your e-mail address to: [lake1777@pacbell.net](mailto:lake1777@pacbell.net).



### Tree Farm Mission

To promote the growing of renewable forest resources on private lands while protecting environmental benefits and increasing public understanding of all benefits of productive forestry.



# California Tree Farm News

*Dedicated to providing useful information to Tree Farmers and family forest owners.*

## California Tree Farm Committee and Forest Landowners of California jointly sponsor a field tour of the Jim and Ann Denny Tree Farm

By George Belden



Approximately 40 individuals attended this event on August 19, 2006, at the Denny Tree Farm located in Shingletown. Denny's forester, Jim Chapin, headed up the tour and provided information at each of the tour stops that resulted in educational discussion within the group. Denny's 682-acre tree farm is covered by an NTMP. The highlight of the tour, at least for me, was the biomass thinning sale of 2005 and 2006. This harvest of sub merchantable trees was to reduce stocking, reduce fuel loading, and to increase forest health. The harvest produced 1580 bone dry tons of wood chips which were sold to Wheelabrator. The post harvest site looked great, and accomplished the goals of the thinning project.

## FRED LANDENBERGER 2006 TREE FARMER OF THE YEAR

The California Outstanding Free Farmer of the Year for 2006 is Fred Landenberger. Congratulations Fred, as you have demonstrated a commitment and passion to promoting sustainable forestry for over 50 years. A little history of the Landenberger Tree Farm is as follows: Fred purchased 40 acres of cut-over Redwood/Douglas Fir timberland in 1961. The property was originally logged in the 1920's. He conducted the first selection harvest of 1989 and, because of the stocking levels maintained and sustainable management methods applied, was able to harvest an equal volume of time again in 2000. After retiring in 1988, Fred did not rest on his laurels; he continued to be involved in forestry and

promoting tree farming. He wrote a book, Gains and Losses: California Forest Protective Association 1909-1988, about the history of the association and their role in promoting forestry in California

Fred served as the Secretary/Administrator of the California Tree Farm Committee from 1991 through 2004.

Thanks to RPF John Sneed for nominating Fred.

The Tree Farmer of the Year plaque will be awarded by John Sneed to Fred at the Annual meeting of Forest Land Owners of California to be held in Fortuna at the River Lodge Convention Center May 3-5, 2007. So be sure and plan to attend this event.



## SELLING YOUR TIMBER

By Geronimo L. Zuniga, RPF #2798  
PALCO Procurement Forester

### A few different ways timber is sold in California

**Lump sum sale** – the owner sells the timber for a one time set amount of money. This amount may be negotiated between the buyer and the timber owner or the sale is put out for bid to several buyers. There is risk involved in this type of sale because the exact amount of quality and volume by species must be gained by the buyer (timber cruise may be needed); and should be known by seller (timber owner). These types of sales are set up differently and may require the buyer to obtain harvest permits (all cost associated with the permits), contract loggers, and truckers. Along with the risks, there is the opportunity for gain on both sides.

**Timber rights deal** – the buyer, usually a mill, will negotiate with a timber owner to buy the timber for a certain period of time (5, 10, 20, or 30 years). There are many ways to set up the specifics of this type of deal. The cost and risk of obtaining a harvest permit in recent years have made these deals more risky.

**Timber delivered to a mill and paid on a per MBF (Thousand Board Feet) basis** – the mill will usually pay for the volume delivered from the 1-15<sup>th</sup> and 16<sup>th</sup> to the end of the month; currently, this method is the most common. Much of the risk, both for the mill and the timber owner, is removed because both parties know what volume was exchanged for dollars.

### Options for “who” shows your timber

**Use of an agent** – the agent can be the forester, logger or any other person who represents the timber owner. From the buyer’s prospective, the agent should truly represent the owner and should get back to the buyer within a reasonable amount of time.

**Shown by the owner** – it is always desirable for the buyer and the owner to meet, it helps to establish a relationship and trust for both sides. Many timber owners choose a professional or agent to show the timber with the timber owner present.

**Give the log buyer a map or address** – this is the least desirable, mainly because it is not personal. Much can be learned on both sides when a face to face meeting occurs. The buyer may have questions, or even look at the wrong timber.

### Different ways to show your timber

**Standing Timber** – the buyer desires to see at least some of

the timber standing. Many factors determine the price given by the buyer; one that will affect the price the most is the physical characteristics of the timber, for example: the quality, the size of the limbs (small knot size is best), species, taper of the trees (low taper is best), and coarseness of the grain (finer grain is best) (see photograph 1). The percent of defect by previous logging damage and conks growing on trees will also be observed. Please do not fret if you have some



Photograph 1. Log shows buyer low defects, low taper and few knots. This type of log should bring a higher price.



Photograph 2. Logs with many branches result in low quality (knotty) lumber and will bring a lower price.



of the poorer qualities, many qualities of the timber stand take many years to improve. The timber is what it is..... by proper management, most stands can be improved (see photograph 2).

Many times the standing timber for sale will be in some sort of thinning, or selective type of harvest. This type of silviculture will require that the landowner/forester to mark (with paint or some other method) the trees to be removed or retained. It is important to the log buyer that the majority of timber is marked prior to the site visit; the buyer wants to know which trees are for sale.

If at all possible, the seller should show the timber so that the buyer is looking downslope much of the time. By looking downhill, more of the bole and the form of the tree can be seen; therefore, the timber looks aesthetically more attractive to the log buyer (See Photograph 3).

**Deck of Logs** – Showing a deck of logs is not always possible; however, if it can be done it is advantages for the log buyer to see the deck. The cross cut section of the log shows the coarseness of grain, the amount of defect in a log, and the manufacturing qualities of the logger. Logs with finer grain, low defect and manufactured correctly could demand a higher price. The mill desires logs in which it can cut straight boards with small knots and low defect. It is extremely important that the logger buck out excessive sweep, crooks, rot and breaks.

**Combination of Standing Timber and a Log Deck** – Ideally, the buyer would like to see both standing timber and a deck of logs.

**Fell and Buck Timber** – if the timber has been felled and buck and is lying in a big pile of slash and logs; this is the least desirable way for a buyer to see the timber. This is because only a few logs can be seen and it is difficult to see and walk through the fell and buck. (See Photograph 4)

### When is the best time to sell your timber?

**Basic economics on log prices** – says when supply is high, the demand is low; therefore, the log price will be low. The best time to sell your timber is when the mills are low on logs. For the most part this is in the spring time; mills have been going all winter on logs that they received the previous summer. Some winter logging occurs, but only on a limited basis, due to saturated soil conditions. Most of the non-industrial landowners do not have rocked roads, and therefore, do not have winter operations on their harvesting permits. Please note that some species may be at a low supply most of the year, and therefore, command a higher price most of the time.

**Basic economics on lumber prices** – the same principles



Photograph 3. A stand with few limbs, low tapered trees shows high quality logs; is attractive to log buyers.



apply to the lumber market. If there is a high demand from the consumers for lumber; the lumber prices will be higher. If the lumber prices are higher, the mills can afford to offer more for the logs. It also goes the other direction, if “housing starts” are down, and building is not occurring, the demand for lumber is not there; therefore, the lumber price is down, which means the log prices will follow.

### What types of permits are required in California to sell your logs?

**To sell, barter, or trade your logs in California you will need to obtain the proper permit(s).** – The harvesting permit is given by the State and helps to ensure proper environmental protection, public disclosure and review and enforcement by the California Department of Forestry (CDF) and a working plan for the Licensed Timber Operator (LTO). Harvest permit forms can be obtained from this site: <http://www.fire.ca.gov/ResourceManagement/HarvestingForms.asp> If you have questions concerning State permits please contact your local CDF office. State of California Board of Equalization uses the harvesting permit number to tract harvest and Yield Taxes for the State. In addition to the State harvesting permit other agency permits may be required. Here are some basic types of State permits:

**Timber Harvest Plan (THP)** – this permit is the basic permit and is used by industrial and non-industrial landowner. To obtain the permit; costs can be significant. A person with 100 acres of timberland could spend \$20,000-\$40,000. The THP has a three year life with two one year extensions possible for a total of 5 years to operate on the plan. A Registered Professional Forester (RPF) is required.

**Nonindustrial Timber Management Plan (NTMP)** – this permit is similar to a THP with limits and benefits. The silviculture is usually thinning, or a selective type of harvest, because the maximum cut is based on the amount of growth in a ten year period. A major limit is the acres; 2,500 maximum timber acres to be qualified. The owner must be a nonindustrial timber owner. The biggest benefit is that this permit does not have a termination date. The owner of an NTMP can take advantage of high and low markets. The cost of this permit is usually a little more than a THP due to the timber cruise and growth analysis of the timber. A Registered Professional Forester (RPF) is required.

**Three acre conversion permit** – If the timber land is going to be converted from timber to some other use, such as a home site, this permit is required. The cost for this permit is approximately \$3,000-\$5,000 maybe a little less, but is only for three acres. A Registered Professional Forester (RPF) is required.



Photograph 4. Make it easy for the log buyer. The log buyer cannot see the log quality when logs lie in slash.

**Fire Hazard Exemption permit** – This permit is for removing some of the timber within 150’ of a structure used for human habitation. The purpose is to make a home fire safe. This permit is a low cost permit and is used by many homeowners to harvest a few trees around the house. A Registered Professional Forester (RPF) is not required.

**10% Dead and Dying Exemption permit** – This permit is also a low cost permit and is used to harvest trees that are not contributing to a healthy forest. A Registered Professional Forester (RPF) is not required.

### Why the certification of your logs is important.

Our mill and many others have become “certified,” producing environmentally certified forest products. Two programs that have been identified as keystone organizations are the Sustainable Forestry Initiative® (SFI) and The American Tree Farm Program (ATFP). <http://www.treefarmssystem.org> The SFI certifies primarily large landowners and recognizes the ATFP certification. ATFP primarily provides local landowners with a **no cost** process, recognition and means to certify their forestlands.

In order for companies to continue to be certified a percentage of certified wood must be maintained. Logs off the company lands count as certified and any purchased logs that are certified also count. It is extremely important to a certified company to maintain the certification; therefore, if a landowner is certified it could at some point place a premium value on the certified landowner’s logs.