

TEN THINGS

10 THINGS FOREST LANDOWNERS SHOULD DO BEFORE THEY THIN THEIR PINES

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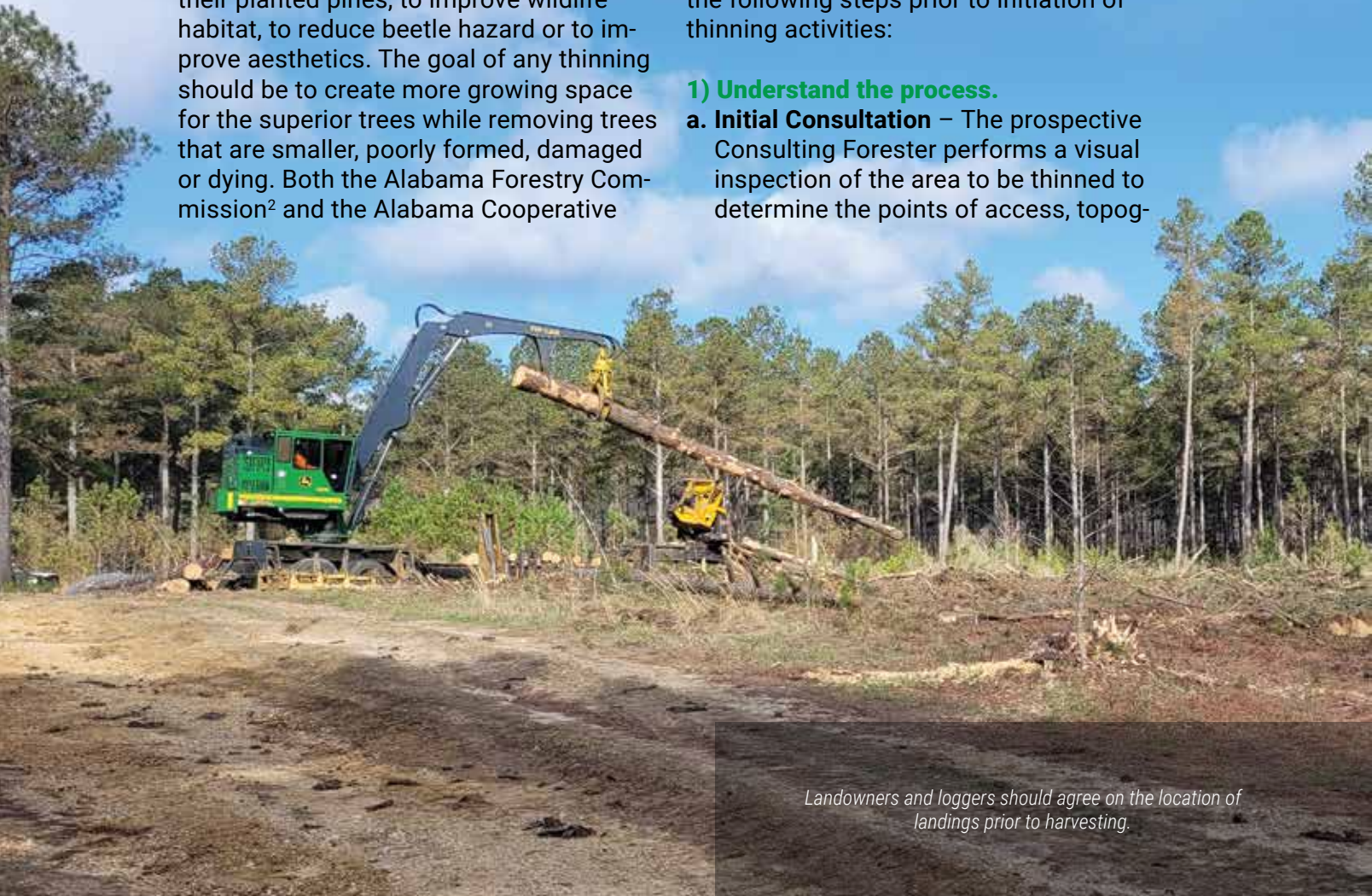
According to the Alabama Cooperative Extension System, thinning harvests are cuttings made in immature stands to stimulate the growth of the remaining trees¹. Landowners often implement a thinning to improve the economic rate of return from their planted pines, to improve wildlife habitat, to reduce beetle hazard or to improve aesthetics. The goal of any thinning should be to create more growing space for the superior trees while removing trees that are smaller, poorly formed, damaged or dying. Both the Alabama Forestry Commission² and the Alabama Cooperative

Extension System³ recommend that forest landowners use a professional forester to coordinate all timber harvests including pine thinnings.

Once a Consulting Forester has been identified, the landowner should consider the following steps prior to initiation of thinning activities:

1) Understand the process.

a. Initial Consultation – The prospective Consulting Forester performs a visual inspection of the area to be thinned to determine the points of access, topog-



Landowners and loggers should agree on the location of landings prior to harvesting.

raphy, the quality, and the quantity of timber to be removed.

b. Consultation Agreement – A written contract or consultation agreement usually follows the initial consultation should the landowner and the Consulting Forester come to agreement on the terms. This written document specifies the period, terms of service and fees.

c. Negotiations with Timber Buyers – Once an executed Consultation Agreement is received, the Consulting Forester will market the thinning to qualified Timber Buyers in the area and negotiate the terms of the harvesting.

d. Title search - The selected Timber Buyer typically conducts a title search prior to closing to ensure that no challenges will be made to their purchase of the timber. Any liens or other claims against the title will need to be resolved prior to the execution of the timber sale contract. The landowner may need a release from the lienholder if there is a mortgage on the property being harvested.

e. Timber Sale Contract – A written contract with the conditions of the sale will be presented at closing. A good contract will specify:

- i. The Seller and Timber Buyer.
- ii. Location of the thinning.
- iii. Duration of the agreement.
- iv. The prices per unit for the various products to be harvested.
- v. The methods of payment for the timber harvested.
- vi. Specifications of trees to be harvested/retained.
- vii. Provide for the protection of the property, existing roads, and improvements.
- viii. The type of insurance required of the Timber Buyer.
- ix. Liability clauses.
- x. Any penalties for non-compliance.

f. Harvesting – The Consulting Forester typically inspects the harvesting operation on a regular basis to verify that the Timber Buyer's activities follow the timber sale contract.

g. Payment – Most pine thinning harvests are sold "pay-as-cut." The landowner is typically paid weekly as the timber is harvested. Payment and settlement sheets are usually provided by the Timber Buyer to the consultant and typically cover the period two weeks prior to their receipt. The Consulting Forester will review the ticket summaries, scale tickets, logbooks from the loader and pay-

ments for accuracy. Once the settlements check out, the consultant will mail a copy of the settlement summary, the stumpage check from the Buyer, and the Consultant's invoice to the landowner.

h. Completion – Upon completion of harvesting, the Consulting Forester will perform a final compliance check and return any performance bond to the buyer if the requirements of the contract have been satisfied. The landowner is released from the timber sale contract at this point and is free to use the land as desired.

2) Do the homework.

At a minimum, landowners should make the following preparations before proceeding with a pine thinning:

- a. Define the objectives for the thinning.
- b. Make sure there is a consensus among all the owners to proceed with the thinning.
- c. Notify the Consulting Forester of any liens on the timber/property.
- d. Discuss the harvest with accountants or estate planners to determine the potential impact on the landowner's estate/tax planning.
- e. Clearly define any no-cut or partial-cut areas, as well as any improvements (buildings, fences, roads, etc.) that need to be protected.
- f. Notify hunters or others that may use the property of the upcoming thinning.
- g. Notify appropriate government agencies if cost-share monies were ever received for the stand of



A properly timed and implemented pine thinning would have prevented this mortality and the loss of growth on the best trees.

pine being thinned.

- h. Notify the proper authorities if the stand of pine being thinned is enrolled in a Conservation Easement.
- i. Secure access for the Timber Buyer, if necessary.

3) Understand the thinning methods available.

- a. **First Thin.** Most foresters prescribe a combination of thinning methods for a first-time thin. Typically, every third or fifth row is removed to permit access for the harvesting equipment. The remaining rows are thinned in a manner where the best trees are retained. By removing more of the best trees, a third-row thinning will generate higher revenues than a fifth-row thin at the time of harvest. However, a fifth-row thinning will yield a higher return on investment by retaining more of the best trees.
- b. **Second Thin.** This thinning typically occurs eight to 10 years after the first thin, depending on the soils present, objectives, markets, etc. Most foresters prescribe a thin where only the smaller, poorly formed or diseased trees are removed. Occasionally, some of the well-formed trees are removed to improve spacing of the best trees.
- c. **Third Thin.** If the pine stand is not clear-cut by this stage, a third thinning may be conducted in a sim-

ilar manner as a Second Thin. However, as more sawmills decrease the maximum size of pines they will accept, landowners may need to clear-cut sooner to avoid having pines that are too large to sell!

4) Understand the need for a survey.

Landowners should have all property lines surveyed by a licensed surveyor where the harvest area reaches the property boundary. Well-marked boundaries will help avoid claims of "adverse possession," reduce hunting trespass, and reduce timber trespass. Boundaries marked by those other than a licensed surveyor are often more expensive in the long run.

5) Secure access.

This is only a concern if the landowner's property does not have direct access to a public road. Most Consulting Foresters will require the Timber Buyer to secure his or her own access to the property. However, many landowners have obtained higher prices for their timber by arranging for access with adjoining property owners prior to marketing their timber.

6) Discuss the location of landings.

The timber harvester will need an area to sort



This is an example of a first thin. The trees on the left had every 5th row removed and the remaining rows were thinned to the Consulting Forester's specifications.



BEFORE HARVESTING



AFTER HARVESTING

Landowners should have reasonable expectations on the restoration of their roads. This road functions the same even though it looks different than it did prior to harvesting.

the trees by product and load them onto trucks for transportation to the mill. These areas are known as landings and are typically one-half to three-quarters of an acre in size. They look like small clear cuts and are normally located near a road (whether existing or created by the logger). Landowners should discuss potential landing locations with their Consulting Forester prior to marketing the timber for sale.

7) Manage expectations of road conditions.

Most Consulting Foresters specify in the timber sale contract that the Timber Buyer will leave all roads in at least as good of condition as they were prior to the initiation of harvesting. However, the equipment used to harvest and transport wood is extremely heavy and landowners should be reasonable in their expectations of the restored condition of the roads. ATV trails are usually excluded from the provision to be restored to their prior condition.

8) Provide closing information.

After acceptance of an offer and prior to closing, the Timber Buyer may request the name of the landowners as they appear on the deed as well as an IRS W9 form. This will be used to report their purchase of the landowner's timber to the IRS.

9) Avoid visiting the logging site during active harvesting.

Landowners should not visit the logging site while harvesting equipment is being operated. Should the landowner choose to visit the area being harvested while the equipment is inactive, they should exercise caution as walking and/or driving across logging sites can be hazardous. Unless there is an

emergency, landowners should not provide harvesting instructions to the logger. If there is a potential non-emergency problem, the landowner should contact the Consulting Forester, who will work with the Timber Buyer's agent, to correct the situation in accordance with the timber sale contract.

10) Understand mitigation of problems.

Most Consulting Foresters will make every effort to ensure that the marketing, harvesting and sale closure proceed as smoothly as possible. Since there are many variables that are beyond the control of the Consulting Forester, some disruptions and inconveniences to the process should be expected. By preparing a timber sale contract that is written from the landowner's perspective, securing a performance bond, and by monitoring harvesting activities, the forestry consultant will greatly increase the likelihood that the timber sale process will be a success. 🌳

References

- 1 Thinning Pine Stands for Top Returns. Alabama Cooperative Extension Service. ANR-396, New August 1983. Frank A. Roth II, former forester, Woodland Management Demonstrations.
- 2 Selling Your Timber. Alabama Forestry Commission.
- 3 Forestry: When do I need a consulting forester? When planning a timber harvest. Alabama Cooperative Extension System website: www.aces.edu/natural-resources/forestry/foresters/whendoineed.php