



TEXAS A&M FOREST SERVICE

Selling and Harvesting Your Timber

A timber sale is serious business. It requires careful preparation and consideration. At stake are the cumulative efforts and expense of managing your forest over many years and the results of past timber growth. The condition of your forest after the sale greatly affects your forest's future productivity for many years to come.

Preparation:

Have a Plan. The most solid foundational building block that contributes to a successful timber sale is to have a clear forest objective and management plan in place that is tailored to what you want to do and what is right for you and your forest. A good management plan will help keep your decision making process in focus when the choices of the day seem overly confusing, emotional or optimistic. *Let a good Forest Management Plan be your guiding light.*

Educate Yourself. Fundamental forest management principles are not complicated and are widely available in easy to understand presentations and writings. Great sources of information are not limited to tutorials and lessons but are also available from other forest landowners that have experience with selling timber, from your Professional Consulting Forester or your local Texas A&M Forest Service Forester and at <http://txforestservicetamu.edu/>. *Knowledge is power.*

Consideration:

Gather Information and Advice. Before you start refining the particulars of your timber sale and harvest, reflect on your Forest Management Plan's long-term goals and objectives such as reforestation after the sale, sustainability of your future forest's productivity, and the tax implications and allocation of your sale proceeds. The next forest management decisions you make after the sale will likely be the allocation of some of your financial gain to your forest's continued health and growth. Become aware of cost share and incentive tax programs available to you by contacting your local Texas A&M Forest Service Forester before you sell your timber. *Plan for your forest's future.*



The Sale:

Retain the Services of a Professional Consulting Forester. A reputable Professional Consulting Forester (Consultant), being listed on a Professional Vendors List that requires an education degree, can manage your timber sale from start to finish or just be a source of expert advice when you need it. The expense of the Consultant's services can pay for itself many times over by guiding your sale through the numerous decision points that lead to a successful sale outcome. By properly ordering both administrative and on-the-ground needs and services, the Consultant will see to it that you properly negotiate the complex sale management process and avoid costly missteps that can result in the loss of the sale's potential profits. The Consultant will know the prices, markets, contracts, contractors, timing and the proper order of business both before and after the sale that need to be properly followed for a successful sale outcome. If you find that you are lacking a good Forest Management Plan before your sale, or that you are scrambling to understand what good forestry practices are, or fear that you are missing something important, a Consultant can quickly get you on the right track and up to speed so that you can rest assured that your timber sale will perform up to expectations.

The Basics of a Timber Sale:

1. Know and Identify Your Property or Sale Boundaries.



This is necessary to be able to measure the size, scale and estimated worth of your sale, and very importantly it will prevent accidental trespass.

Knowing your property and sale boundaries is fundamentally important to a timber sale.

2. Know What You Are Selling. The type and size of trees you are selling are very important to the value of the sale. Pre-sale work of identifying and measuring harvest trees, identifying product categories, noting restriction and special treatment areas are all important factors to know ahead of the sale. Important factors to know about your timber are:

- Species, size and quality of timber you are selling – the substance of the sale
- Timber products you are selling – pulpwood, fuel, chip-n-saw, sawlogs, poles
- Volume of timber you are selling – how much product

Local markets, product demand and the type of harvest system that is used will have a bearing on the price of what you are selling. Selective harvesting, where only a select portion of the forest trees are harvested leaving others for continued growth, will have a different cost than a clearing operation where all trees are removed. There are many other different harvest systems in-between, all having implications for after-harvest reforestation, forest health and continued growth of your forest. The harvest system should be identified and described in the Forest Management Plan prior to the sale.

3. Advertise Your Sale. There are two principal ways to sell your timber: Negotiated or Bid sales. A negotiated sale is a bargaining process with one buyer and requires a very well informed and knowledgeable seller or seller's representative. A bid sale is more reliant on the seller's accurate portrayal of what is for sale, then getting multiple offers, preferably sealed bids, for the sale from many different potential buyers after they inspect the sale area with a sale prospectus.

A sale prospectus for the bidders should include a map of the sale area showing roads, slopes, streams and ponds, special areas and any limits or restraints to the harvest operation area. The prospectus will outline what is for sale, the terms and conditions of the sale, and any special circumstances. Good and plentiful information in the prospectus gives the bidders more confidence in what they are buying and how much it will cost, making the bidding process more competitive and delivering a best fair market price for your timber. An accurate and complete prospectus combined with the competitive bidding process assures that both you and the buyer get a good and fair price for your timber.

4. Check Credentials and References of Your Buyer. The buyers may be the contractors themselves, they may be independent brokers for various other product buyers, or they may be wood product company representatives. These various types of buyers will look at your sale with different interests but they are all members of the wood products industry and as such will have backgrounds, reputations and credentials. Credentials can be through the Better Business Bureau, the Local Chamber of Commerce, trade associations such as Southern Forest Products Association or Texas Logging Council, or contractor accreditation such as Pro Logger. A good starting point is the Texas Forestry Association that certifies professional foresters, tracks contractor Pro Logger training and certification, is the State's American Tree Farm system coordinator and supports local Forest Landowner Associations across the State. Reputations are generally by word of mouth and asking for references from your potential buyer will facilitate inquiring about past performance and professionalism.



Some *Don'ts* of Selling Timber:

The value of standing timber and the complexity of marketing that timber can lure uninformed owners into questionable deals and costly decisions. If any of the following circumstances present themselves, **STOP** to think and get advice before you act:

Don't Accept Cash on the Doorstep – Tempting and enticing, but this is the hallmark of a questionable deal and a sure bet that you are not getting the true value of your timber. If you take that money, there is no going back.

Don't Sell Timber on the Spur of the Moment – Another hallmark of a questionable deal, there is something you don't know about your timber that the buyer does know. If the deal is legitimate, the deal will still be there after you investigate.

Don't Sell Timber Without a Written Contract – That is very risky and may leave you unprotected and without proof of claim. A simple bill of sale documents ownership, but does not necessarily protect you from a legal challenge about the terms of that ownership.

Don't Sell Timber that is Not Marked or Specifically Identified – Allowing this situation to occur leaves the rest of your timber vulnerable to theft when your back is turned.

Don't Sell Only the Biggest/Best Trees or on a Diameter Limit – This is also termed 'High Grading' and is a particularly poor practice for your forest's health and future growth.

Don't Sell Timber to an Uninsured Buyer – You may be unable to collect damages or even become liable and subject to a lawsuit.

5. Have a Comprehensive and Detailed Written Contract.

In the State of Texas, it is unlawful to sell or buy any wood product without a written bill of sale that documents the ownership of that wood product. The most appropriate bill of sale is a detailed written contract; anything less puts you and your sale at the risk of legal challenge. The purpose of the contract is to identify the what, when, where and how of your sale, to document prices and payments, and to protect both you and the buyer from misunderstandings and changes to the terms of the sale. Not being all inclusive, the contract should have detailed descriptions of the following basic elements:

- A general description of the timber sale
- What will be harvested
- The selling price(s)
- The terms of payments and deposits
- Restrictions and limits to operations
- Effective times and dates
- Forestry Best Management Practice (BMP) requirements
- Legal State and Federal business requirements
- Insurance and bonding requirements
- Liabilities are identified
- Dispute resolution measures

This is the place to have all of the timber sale particulars specifically identified and finely described. Timber Sale contract templates are available through many sources in the wood products industry and forest landowner organizations, or contact your local Texas A&M Forest Service office for guidance. A Consultant will have the knowledge and resources to develop a complete and effective contract tailored for your timber sale. The contract is legally binding and needs knowledgeable and experienced care and attention in its development.



Timber Management: Guidelines for Selling Timber

6. Have a Pre-harvest Inspection of the Sale Area with the Buyer/Operator.

Once a contract is in place and before harvesting operations begin it is very important that you or your representative, the buyer and the operator meet on the sale area and inspect the sale boundaries, areas of restriction or special importance, and discuss BMP operational expectations. A well-managed forest uses BMPs to protect the soil, water, wildlife habitat and other forest values that are a part of growing a healthy, sustainable, and productive forest. BMPs are important and most visible during harvesting operations as simple and sensible conservation practices that effectively protect soil and water resources that are impacted during and after harvesting operations. BMP expectations should be included as a part of the written contract.



7. Monitor and Inspect the Active Sale.

Inspection and monitoring the sale during operations for contract compliance is good for both you and the buyer. Identifying and resolving issues early in the harvest operations will make for a better overall harvest operation outcome. Most unexpected problems encountered can be resolved by respectful discussion between the seller and buyer on the job. All matters of importance should be dealt with directly between the seller and the buyer. As the logging process progresses through the sale area, erosion control, slash treatment and general clean-up behind the logging operation should follow in a professional manner such that when the job is nearing completion much of the logged area is finished to the satisfaction of the contract terms and seller's intentions.



8. Close-out the Sale.

As the sale's operation nears completion, past monitoring and inspection will have resolved any unexpected issues and ensured that proper erosion control and clean-up matters will have followed behind the logging operation. After the logging operation has finished and as the sale approaches completion, a final inspection is necessary to satisfy both the seller and buyer that the terms of the contract have been met and all work is done. The final inspection will confirm that all skid trails, log sets and roads are properly shaped and drained, that slash treatment is complete, all work-place trash has been removed, and that all other contract provisions have been met. With the approval of the final inspection by the seller, the timber sale is complete.



Texas Forestry Association <https://www.texasforestry.org>

Association of Consulting Foresters <https://www.acf-foresters.org>

Texas A&M Forest Service: Managing Forests and Land <http://txforestservicetamu.edu/content/landing.aspx?id=19856>

Consulting Forester List http://txforestservicetamu.edu/uploadedFiles/TFSMain/Manage_Forest_and_Land/Landowner_Assistance/referral.pdf

East Texas Forestry Vendors [http://txforestservicetamu.edu/uploadedFiles/TFSMain/Manage_Forest_and_Land/Landowner_Assistance/Stewardship\(1\)/East%20Texas%20Forestry%20Vendors.pdf](http://txforestservicetamu.edu/uploadedFiles/TFSMain/Manage_Forest_and_Land/Landowner_Assistance/Stewardship(1)/East%20Texas%20Forestry%20Vendors.pdf)

Best Management Practices [http://txforestservicetamu.edu/uploadedFiles/TFSMain/Manage_Forest_and_Land/Landowner_Assistance/Stewardship\(1\)/What_are_BMPs.pdf](http://txforestservicetamu.edu/uploadedFiles/TFSMain/Manage_Forest_and_Land/Landowner_Assistance/Stewardship(1)/What_are_BMPs.pdf)

Texas BMP Handbook [http://tfsweb.tamu.edu/uploadedFiles/TFSMain/Manage_Forest_and_Land/Water_Resources_and_BMPs/Stewardship\(1\)/Texas%20Forestry%20BMP%20Handbook.pdf](http://tfsweb.tamu.edu/uploadedFiles/TFSMain/Manage_Forest_and_Land/Water_Resources_and_BMPs/Stewardship(1)/Texas%20Forestry%20BMP%20Handbook.pdf)