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YOU'VE BEEN ASKED TO SELL YOUR TIMBER: WHAT DO YOU DO NEXT?

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The demand for hardwood timber is high this year. If you are a woodlot owner you may be contacted by a timber buyer who noticed your nice hardwoods and very much wants to buy and cut them.

"Should I harvest?" Is the first question you may ask yourself. The best way to answer that concern is to think about your goals for the property. If your major goal is to create income, harvesting is the main way of achieving that objective. In that case, cutting trees is desirable if they are economically mature. Harvesting, however, can be an excellent tool to meet other owner objectives, even if providing income is not a major goal. For instance, harvesting could be done in a way that enhances deer habitat by creating openings and new food sources. Likewise, recreation and aesthetic considerations can also be addressed in the process of designing a harvest.

At a minimum, harvesting should be done in a way that preserves the value of that woodland for future generations. Sometimes, woodlots are harvested in an indiscriminate way that limits the possibility of it being used for future timber production, recreation or other uses. The best way to avoid that problem is to work with reputable professional foresters or timber buyers. Discuss your goals with them prior to harvesting.

If you decide to harvest, DO NOT TAKE THE FIRST OFFER! Experience has shown that timber owners who actively market their timber get significantly more income from their sale than do those who simply take the first offer. In some cases, owners have sold timber for twice the amount of the first offer! If you have enough volume of quality hardwood timber that one timber buyer contacted you, then it is likely that other buyers would be interested also. Plan to follow the marketing strategy outline below to get the most income and satisfaction from your sale.

Next determine what you have to sell and approximately what it's worth. Many timber owners do not know how to determine the volume of timber they have to sell and what its value might be. You can contact a service forester or hire a consulting forester to do this. The MSU Extension County Office also has bulletins which show you some of the basics in estimating timber volume (see references at end). Timber values vary with market demand, quality, species, total volume and location of the timber.

Advertise your sale or have a consulting forester advertise for you. Place an ad in the newspaper describing what timber you want to sell and ask potential buyers to send you bids and their qualifications. Open the bids at a specified time and place, and then select the best bid. Your best bid is one that is for a good price by a trustworthy buyer and harvester.

Prepare a contract for you and the timber buyer to sign. You need to make sure that you both agree about how the trees to be sold will be marked, what restrictions on time of day or year there will be on harvesting, how and when payments are to be made, and that anyone working on the sale is covered by Worker's Compensation Insurance by the buyer. You also need to decide if you want to sell your timber in one lump sum or if you want to be paid so much for each cord or board foot of timber that is removed (called sale-by-scale). If you sell timber frequently, you need to sell by scale in order to take advantage of certain income tax provisions. Your County Extension office also has bulletins on what to put into contracts, a sample timber sale contract and the income tax treatment of timber sales.

Finally periodically inspect the sale to make sure the harvesters are taking only the trees you marked, that they are not leaving tree tops in waterways or hung up in other trees, that the ground is firm enough for the equipment they are operating and they are not unduly damaging the trees you want left behind. If you have hired a professional forester, he or she can do the inspections and represent your interests.

Being clear about your goals for harvesting, knowledgeable about the process and using professional advice is the best way to have a good experience with a timber sale. Your County Extension Office has many resources to give you a good start on the process.

References:

- Bell, L.E. 1963. How Much Lumber in That Tree? Michigan State University Extension Bulletin E0461. 4p.
- Martin, A.J., K. Potter-Witter and J. Lapidakis. 1989. Marketing Timber. Lake States Woodlands Cooperative Extension Bulletin G3297. University of Wisconsin-Extension. 6p.
- Potter-Witter, K. 1993. How Much Are My Hardwoods Worth? Forestry Fact Sheet Number 10. Michigan State University Extension, Department of Forestry. 2p.