

Top 10 Things That Affect the Value of Your Timber



#1 Who You Know *(Your Connection to the Market)*



They say, "It's not What you know but Who you know."

The timber industry tends to be a tight knit group of "Industry-Insiders." Every company has its strengths and weaknesses. Knowing which company best matches your specific harvesting situation is critical to getting the best end-result on your timber sale. For example, a high-production logging crew is not best suited for a highly sensitive site. They need a place to work that is free of environmental constraints so they can produce the volume of timber required to cover their high weekly overhead. Another example; a company that doesn't have a strong pulpwood market is not a good match for a tract that contains a high percentage of that product.

Harvest Timberland can match you with the right companies so your specific needs are met and you get the outcome you deserve.

Timber takes too long to grow so, don't go astray on this step.

#2 Government Restrictions



"It doesn't have to make sense...It's the Government."

I guess this could have been #1, because you could have the best timber on the planet but if the government won't let you harvest it, it's really **worth \$0!**

Did you know that despite the fact that harvesting timber can improve the health of a forest, reduce fire hazard, and promote wildlife populations, that some cities and counties in Florida have tree ordinances that prevent the cutting of timber. That's right. It's your land and your crop of trees...but is it? If you *really* owned it, wouldn't *you* control it?

(now's a good time to refer back to the quote above.)

Here's the deal. If you live in one of these areas, please contact your government representatives and let them know that this isn't right. Your voice matters. If they ask you to fork over tax dollars each year for owning that land, your opinion counts!...*sorry for the political rant, someone had to say it.*

#3 Distance From the Mills



"Distance does NOT make the heart grow fonder"

It's no secret that fuel expenses have gone higher and higher over the past few years. This appears to be an economic reality that we're going to have to live with for quite a while it seems. Freight is probably the largest contributor to logging costs. So, it stands to reason, that the farther a truck has to travel to deliver logs to a mill, the less money there is for the landowner. Owning timber close to a manufacturing plant is a good thing!

#4 Quantity of Timber



"You can never get too much of a good thing"

It's very expensive to move logging equipment from job to job. So, if a crew can work at one location for a long period of time, their downtime and moving costs are dramatically lower. This means more money for you.

Also, the mills are much more attracted to large volumes of raw materials that they can bank on receiving. If you own a large amount of timber, you're in a strong position. Using the product pricing knowledge we have, **Harvest Timberland** can negotiate a mill-direct supply agreement for you.

#5 Quality of Timber



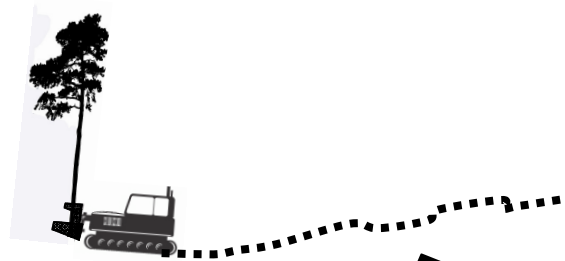
"Bigger Is Better"

You can't make diamonds out of granite rock...the same holds true for trees. You can't make high grade lumber out of small or defective timber. And since there's fewer of these kind of trees around, they are much more valuable than lower grade material.

In a rare and uncharacteristic time in America, our economy and the housing market has taken a beating. This has dramatically reduced the demand for this type of timber resource putting some timber sellers on the side-line temporarily...But don't despair!

Markets are cyclical and we'll rebound as we always do. In the meantime, landowners can alter their harvest strategy and thin trees of lesser quality out from underneath the higher grade timber. The larger trees can act as a seed source for natural regeneration while America waits patiently for the economy to get its act together.

#6 Tract Conditions



 **"The Hills Are Alive... With The Sound Of Money"** 

The world may not be flat, but Florida sure is. So, guess what happens when it rains? Every logger in Florida looks for higher ground to work on. But don't get too worked up yet about your timber on the hill. Some hills get really sandy and can't be worked when it's too dry.

The perfect tract is known as an "All-Weather" tract. This is the kind of land that allows logging operations to occur year-round. Beyond that, does your land have a stable, well-established road system? The easier it is to access the timber on your timberland, the more efficient the loggers and truckers can be. This translates into more money for you.

#7 Percentage of Harvest



"Needle in a Haystack"

If you're invited to a pizza party but, you're only allowed to eat a couple of pepperonis, chances are you're not going to be too thrilled. When considering how much timber to harvest, keep in mind that the companies you're inviting to your property will be more likely to pay you more for the *buffet* than the *appetizer*. If you only want to sell a small percentage of timber, that's Okay, but just don't expect big dollars to flow. **Harvest Timberland** can help you assess the appropriate percentage of timber to harvest based on your objectives and long-term goals.

#8 Number of Service Providers Involved



"It Takes a Village..."

Different Timber tracts require different levels of service. You may be working with a consulting forester or long-term land manager and there is nothing wrong with that. Everybody has their areas of expertise. Some landowners are very active in the management of their lands and spend a lot of money on silvicultural services. Others prefer to just periodically harvest a little timber from time to time.

Just realize that when it comes time to sell your timber, the more folks with their hand out, the less that goes in your pocket. **Harvest Timberland** can help maximize the return on your investment by streamlining the timber selling process. Trust me...Selling timber is not rocket science and it really doesn't take a village accomplish a successful timber sale.

#9 Amount of Clean Up Required During & After Harvest

"Timber Plus Two"

You have to crack a few eggs to make an omelet. Florida's timberland owners know what it takes to work the land. When logging crews perform a harvesting operation, there will be a visible change to the property and/or the roads. There's simply no way that thousands of tons of wood and equipment can move across a property and have no impact.

But have no fear! A wise old landowner once described the healing process of the land by saying "Timber Plus Two." They knew that extracting trees off of their land would leave a scar for a brief period of time. But, the remarkable thing about timberland is that within a couple of years it's often difficult to tell whether or not loggers have even operated on the property.

It's rare that today's logging professionals create unnecessary damage to the woods. Almost everybody in the timber business is trained annually on Florida's Best Management Practices. This continuing education ensures that your land is treated with respect.

#9 is a lead-in to #10... It's all about your expectations and how in line they are with reasonable timbering activity. Most timber contracts provide accountability and remedies for excessive damage and loggers typically carry quite a bit of liability insurance. So, there should be no need to worry about catastrophic problems.

The more road work and time-intensive land-clearing activities that a logger must do, the more it takes away from the value of the timber. It's a good idea to openly discuss your expectations and concerns up front before the timber deal is made. Then, everyone is on the same page and road work and clean up can be factored into the transaction.



#10 Disposition of the Seller

"Attitude is Everything"

Okay, we threw this one in just because it's true, nobody will tell you, and we think you should know. Although it's a rare occurrence and it's certainly the least of the TOP 10, if you've been in this business very long, you have no doubt met landowners that could be considered "High-Maintenance." And sometimes, clients are just *jerks!* Believe it or not, this has had an affect on some timber deals. It's also the most avoidable value killer because the people you'll associate with in the timber business are great human beings and real professionals in their craft. Call **Harvest** toll free at **(888) 763-7276** and we'll make sure you're matched with good quality companies that you'll like and that will provide you with excellent service.