

# Types of Timber Sales –

a brief overview

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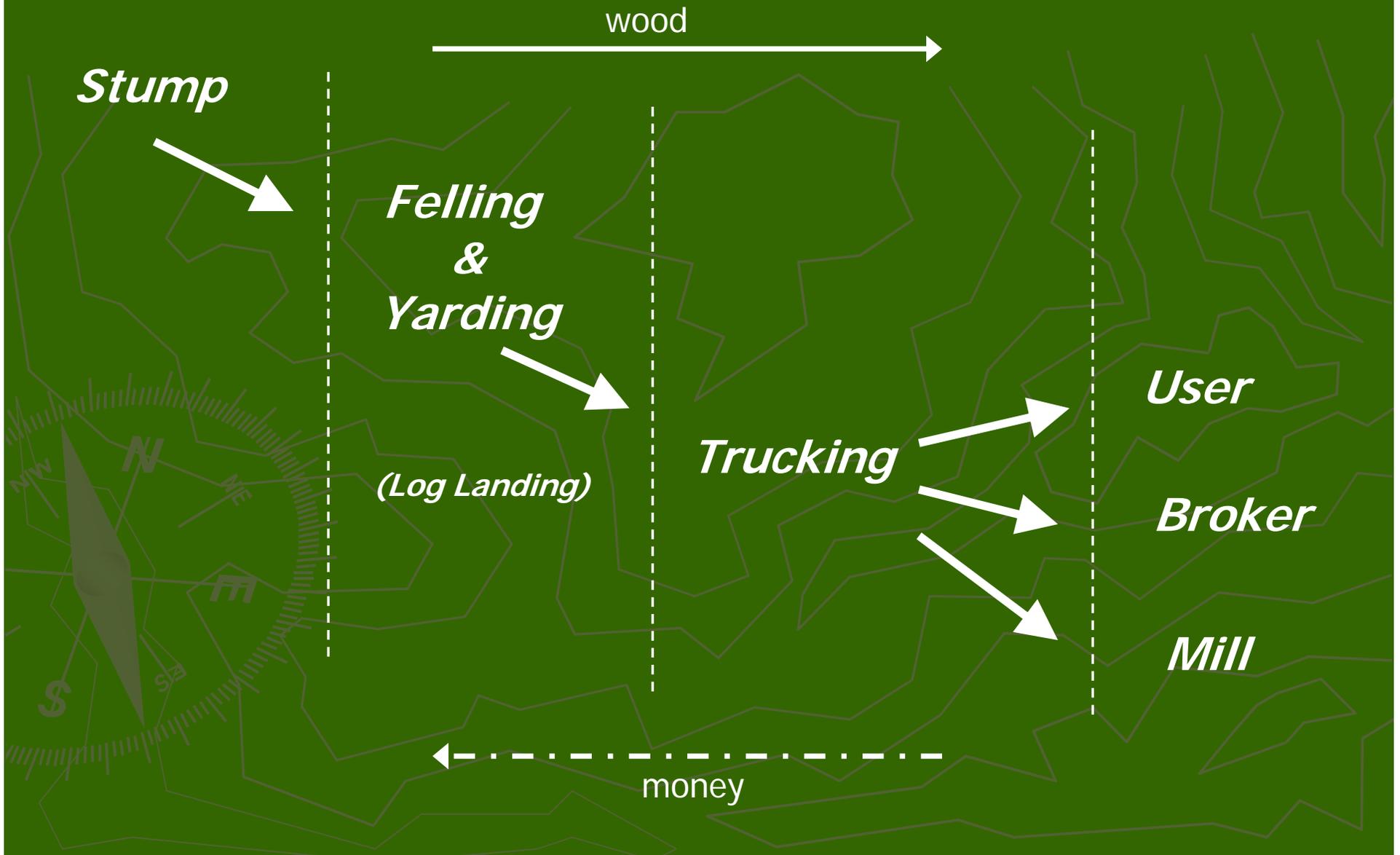


# Types of Timber Sales - terms

## ▶ Timber "sale"

- = a "commercial harvest"
- = any timber harvest where wood is sold
- = logging job, timber cut, logging operation, etc.
- As opposed to a "precommercial" forest operation
  - ▶ cutting is done primarily to improve future conditions, no wood is sold, trees cut are left in the woods or used by the landowner

# Wood movement



# Timber "Sale"

## ▶ Who is selling wood?

- You (the landowner)
- Your forester
- A logger/contractor
- A trucker
- A wood broker or concentration yard

## ▶ Who is buying wood?

- A logger/contractor
- A trucker
- A wood broker or concentration yard
- A procurement forester
- A mill/mills
- Any "user" eg. firewood

# Types of timber sales

- ▶ Stumpage sale/Pay as cut sale (*most typical*)
  - Landowner sells trees “on the stump” for an agreed set of prices (“stumpage prices”) to the logger
  - Logger re-sells or “markets” the wood to various outlets -
    - ▶ a trucker,
    - ▶ a wood buyer/concentration yard
    - ▶ a mill or procurement forester
  - Each truckload of wood is measured or “scaled” by the receiving mill or concentration yard (or other buyer)
    - ▶ Sawlogs/veneer – thousand board feet (MBF)
    - ▶ Firewood/pulp/biomass – cords or tons or mlbs.
    - ▶ “Scale slips” or “Mill slips” show volume/quality of each load
  - Logger pays the landowner based on scaled volume & price agreed

# Types of sales (2)

## ▶ Lump sum sale

- Landowner sells all wood to be cut to logger/contractor for a single sum

## ▶ Roadside Sale

- Landowner cuts/yards the wood to where a truck can get it
- Landowner markets the wood to a trucker or wood buyer

## ▶ Service Contract (Roadside Sale)

- Landowner pays logger a service fee for cutting and/or yarding
- Landowner (or landowner's forester) markets any wood

# Types of sales (3)

- ▶ Any of these types of contracts –
  - Stumpage/pay as cut
  - Lump sum
  - Service....

...can be...

1. Negotiated (with a single logger/contractor)
  - Usually used to allow more give and take on conditions of the sale
2. Put out to bid (to multiple loggers, buyers, contractors)
  - Usually used to maximize the value of the sale where there's substantial volume/value

# Working with Professionals

- ▶ Foresters
  - Woodland assessment, planning, and oversight of forestry activities (incl. harvesting)
    - ▶ Professional State License required to practice forestry in Maine based on education, experience (internship), state exam
- ▶ An independent Forester hired by & representing the landowner can help arrange the timber sale on the landowner's behalf/in the landowner's best interest
- ▶ A Forester representing a mill, log buyer, or logger can provide valuable services but will also be representing the other interests.