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LANDOWNER  
GUIDES  
*to a*  
**Successful  
Timber Harvest**

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## Economics *and your woods*

Trees provide a lot of value: natural beauty, wildlife habitat, oxygen, shade and inspiration for some of the better poems out there. But they also have a value in dollars. Sure, dollar signs aren't the first thing to come to mind walking through your woods, but if you're considering a timber harvest, you probably have money questions. Having a sense of what goes into a good contract with a logger and how your timber will be valued will go a long way in helping you cut with confidence.

### DID YOU KNOW?

*A forester knows which trees should be left in the woods to grow and add value, while making sure you get a fair price for the trees harvested.*



## Elements of a harvesting contract

A good contract (between a landowner and logger) is crucial to the success of a timber harvest. It lays out the details and defines responsibilities of the harvest to avoid misunderstandings and miscommunication. It's there to protect you and the contractor, so although handshakes seem honorable, nothing beats having the details in writing.

### A good contract should include:

- ✓ Name and address of buyer and seller (your logging contractor and you).
- ✓ Mapped location of the harvest area including: access roads, stream crossings, landings, property boundaries and any areas requiring additional protection.
- ✓ A breakdown of prices to be paid to you and a schedule of when payments will be received.
- ✓ Start and end dates including seasons when harvesting can take place.
- ✓ A requirement for the contractor to provide you a **cash or insurance bond, letter of credit** or other document to protect your interests for the duration of the harvest.
- ✓ Transfer responsibility for adherence to state and federal laws related to harvesting to contractors. Examples include: implementation of AMPs and securing necessary permits.
- ✓ A requirement for the contractor to carry insurance to cover liability, workers' compensation and equipment.
- ✓ The ability to suspend operations in the instance of adverse conditions.
- ✓ Clearly defined close-out activities including removal of temporary structures, clean up of area, smoothing ruts, seeding, mulching and placement & height of slash.

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For more on contracts, see the [Vermont Voluntary Harvesting Guidelines](#) (pp. 15-16) or read a sample contract at [VTCutWithConfidence.com](#).

# The value of trees

## So how much are my trees worth?

It's a question everyone considering a timber harvest asks. Unfortunately the only answer is more questions. What species are the trees? What's their size, health and number? How easy will it be to remove them? What products will they be turned into? Even with all of this, you have to factor in market conditions. It's no simple task. So the best thing to do is bring in a professional, just as you would if you were selling a house or the land the woods are on. A consulting forester will have the experience and market knowledge to help you determine how much your trees are worth.



Log sales and stumpage are the two basic ways timber is sold.

Generally, landowners sell timber as stumpage, meaning you sell the standing timber and the buyer is responsible for harvesting and processing. Alternatively, some landowners choose to sell the logs themselves. While this can result in added income, it also does come with added risks and responsibilities that just aren't worth it to many landowners.

# Measuring timber

Depending on the type of sale you contract and the end use of the material, there are multiple ways of appraising the value of your harvest.

## STUMPAGE

uncut value of timber as it stands.

## BOARD FOOT

unit of measure for saw logs representing a 12x12x1 inch board, sold by thousand board feet (MBF).

## CORD

wood sold in 4'x4'x8' stacks, generally as a measurement for pulp or firewood.

## TON

products sold in 2000lb increments. Pulp wood and chips are often sold by the ton.

## Stumpage sales

If you choose to have a stumpage sale, there are two ways to get paid, Lump Sum or Mill Scale. While there are pros and cons for both, a consulting forester can help you decide which is best for your harvest.

**Lump Sum**—you're paid an agreed-upon price for all of the trees harvested based on an estimate of their value.

**Mill Scale**—you're paid by each tree cut, and measurement and accounting occur at the mill.



**PULP**  
paper products

**CHIPS**  
burned or converted  
into pellets for fuel

**FIREWOOD**

**SAW LOGS**  
timber for  
construction, etc.

**VENEER**  
the most valuable  
large, thin boards  
used in furniture and  
flooring

## *What trees become*

Not only do different species of trees become different products, but different parts of the same tree will be used at the mill for different end products. As an example, this one tree could be used for the following:



For more about economics and your woods visit  
[VTCutWithConfidence.com](http://VTCutWithConfidence.com)