

# Forestry 101

Forestry for Woodland Owners

## The Value of A Tree

by Doug McLaren

Almost everyone will have the opportunity to buy or sell at least one car in their lifetime. If you are a woodland owner, you will also want to have the opportunity to sell timber from your woodlands. When the time comes to sell trees, as it is when you sell a car, the most obvious question for woodland owners is, "What is the realistic value of my timber?" You will quickly recognize that managing timber during the entire life of the stand will in most instances provide you with a higher potential value for your management efforts.

A number of factors can help in evaluating the potential value of your timber stand. One leading factor that improves the sale price of timber is the species of trees involved in the sale. Without question, having walnut as your major species component will provide a higher price. Stands that are composed primarily of pine, elm, and hackberry will be less attractive to potential buyers.

Individual stem quality is a very important factor to any buyer. Stem quality refers to how sound and free from defects the stem is. These defects might be the result of previous fires in the stand that have created internal blemishes and cavities that reduce the usable wood in each stem. The more defects found in any stem, the more work will be required either at the log landing or the mill to retrieve quality lumber. Handling unused wood will be an additional expense to the buyer.

Size of the individual stems being harvested will be assessed by a potential buyer. Individual large logs are extremely difficult to handle, but loggers are much more willing to handle fewer larger diameter stems than smaller stems. The reason? The larger the individual stem, the more valuable and more numerous the products that can be recovered from each stem. Larger stems also require fewer trips in and out of the woods and less time loading and unloading onto trucks and sawmill equipment.

Just as with any real estate venture, location of your woodland stand is important. There is the potential for a higher selling price if the stand is close to a major road system or to several competitive sawmills and if the woodland stand has an established woods roads.

These are only a few of the factors that a potential buyer evaluates when bidding on a timber sale. It can be seen now why woodland management needs to continue immediately after any harvest. It will benefit the forest manager for future sales to assure that the species favored in the management process are those stems with a potentially higher market price. Thinning and improvement cuts and other mid-rotation management investments are made to maintain a good growth rate on those trees to ensure quality and size when harvested. It is definitely important to maintain fire control at all times. Many of these woodland management operations can be carried out more effectively if a good road system is designed and maintained throughout the entire rotation of the trees.

Management throughout the entire rotation of your timber stand will help to ensure an increase in value of the stand when harvested.

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**Standing timber value (also known as stumpage value) is determined by a variety of factors including: tree species, size, quality, volume (overall and of individual trees), access, topography, distance to mills, and market demand. Woodland owners can positively impact several of these factors (tree species, size, quality, volume, and access) through woodland management activities.**