



Ecological Timber Sales

Frequently Asked Questions

PRUDENTERRA'S FORESTER, LUKE GRAN



YOUR GOALS GUIDE AN ECOLOGICAL TIMBER SALE

Why should Prudenterra administer my timber sale?

Receive the highest price.
Foresters can help landowners earn at least 30% more for their timber. A sealed, lump sum bid process creates competition between multiple, independent timber buyers. One Iowa landowner¹ who worked with Prudenterra earned 200% more than the first offer they received from a logger.

Tap into local expertise.
Luke Gran understands the ecological and economic trade-offs of harvesting timber in Iowa. He has more than ten years of Iowa field experience. Luke hand selects reputable, bonded² timber buyers based on the location of the trees and quality of the timber.

Prioritize stewardship.
Prudenterra will design your timber sale to work towards your long-term vision. Your goals will determine which trees are sold, how the timber is harvested, and how the woodland will be managed after harvest. Prudenterra will communicate your terms for the sale to the timber buyer.



1. prudenterra.com/2017/01/10/acreage-timber-sale
2. See Iowa Code 456A.3

What makes a timber sale ecological?

Following a timber sale, more sunlight enters openings in the forest canopy and stimulates the growth of wildflowers and young trees. Tree tops on the forest floor boost habitat for songbirds and amphibians, and provide screening for game animals.

Many landowners sell only the trees that are fully mature or poorly formed and will soon decline in value. Some use a portion of the revenue generated to perform woodland management for wildlife habitat and to regenerate high value hardwood trees.



TREES MARKED FOR SALE

LOGS ARE STAGED NEAR A ROAD PRIOR TO HAULING



What part of the tree is harvested?

Trees are harvested in log sections of eight feet or longer. A log begins at the base of the tree and continues up to the first branches or fork. Above this fork, compression and tension forces strain the wood fibers, making it unsuitable for lumber.

PRUDENTERRA GATHERS DATA FROM EACH TREE OFFERED FOR SALE



LOGGERS USE A SKIDDER TO MOVE LOGS OUT OF THE FOREST



Who does what in a timber sale?

The **landowner** explains his or her goals to the Prudenterra forester, selects the timber buyer, and receives payment for timber sold.

The **Prudenterra forester** evaluates and marks trees, gathers data, announces the sale, collects bids, and provides contract options to the landowner.

The **timber buyer** purchases the trees from the landowner. They may subcontract the cutting of the trees with a logger or are loggers themselves. Timber buyers may also subcontract with truckers.

The **logger** cuts the trees down and skids them to a yard (staging area) near a road.

The **trucker** hauls the logs to a mill or exporter.

Mills cut lumber into boards for furniture, gunstocks, barrel staves, and other fine wood products.

Exporters sell veneer logs to buyers abroad.

How are the trees marked for sale?

Prudenterra uses blue tree marking paint to indicate that a tree is included in a sale. Paint is sprayed around the circumference of the tree at breast height, and on one side at the base to mark the stump. Additionally, each black walnut is painted with a unique number. Under normal conditions, the paint will remain visible for at least five years.

Poorly formed trees with a log shorter than eight feet have uncertain value. These "culls" may be suitable for a market known only by the timber buyer and are marked with an "X." Culls are included in the sale because they may increase its value and their removal will speed the growth of better formed trees.

A Timber Sale in 10 Steps

1 Evaluate trees

A free timber sale review with Luke from Prudenterra determines that there are enough quality trees for a timber sale.

2 Determine goals

Luke and the landowner meet to define the goals of the sale and desired future woodland conditions.

3 Mark trees, gather data

Luke marks each tree to be sold with paint and records the species, diameter, merchantable height³, timber quality, longitude, and latitude.

4 Announce sale

Prudenterra mails a Notice of Timber for Sale to at least 30 timber buyers.

6 Sign contract

The landowner selects a timber buyer--usually the high bidder. The timber buyer and landowner sign a timber sale contract.

7 Payday

When signing the contract, the timber buyer makes a payment. For sale values up to \$10,000, a single payment is made. On larger sales, the buyer pays 20% down with final payment due before cutting begins.

A MILL SAWS THE LOGS INTO LUMBER



LOGS ARE HAULED TO A MILL OR EXPORTER



8 Commission paid

When payment is received from the buyer, the landowner pays a commission of 10% of the total sale price to Prudenterra for administering the sale.

9 Cut trees

A logger fells the marked trees and moves the logs to the area designated for temporary yarding.

10 Haul the logs

A trucker transports the logs to a mill or exporter.

5 Receive bids

Timber buyers visit the site to evaluate the trees offered for sale. If a buyer wishes to purchase all of the trees, they submit a sealed, lump sum bid to Prudenterra within the 30 day sale period.

How will timber buyers know to look at my trees and submit bids?

Prudenterra will mail prospective timber buyers a Notice of Timber for Sale. It will include a map of the trees offered for sale, details about each tree, how to access them, proposed yard locations, and property boundaries.

How will the logger access trees on my land?

When unclear how to reach the timber, Prudenterra will draw trails on the map. If a stream stands in the way, the logger will construct a temporary crossing using the tops of sold trees. The Notice of Timber for Sale will show the crossings and state who is responsible for making them. Loggers typically use cabling to move logs together into a skid trail area to minimize extraction time and disturbance to the forest floor.

How long does it take to conduct a timber sale?

It takes one to three months to review the timber, mark trees, mail a Notice of Timber for Sale, receive bids, and sign a contract with the timber buyer. Then, it will take up to two winters for loggers to conduct the harvest.

3. The length of usable timber in a tree.

What determines the value of my timber?

Price is primarily determined by species, quality, the number of trees, and the volume of timber in each tree. It is also driven by ease of harvest, proximity to mills or exporters, market trends, and competition among timber buyers.

Species:

The relative value⁴ of timber by species:

- Black walnut: \$\$\$\$-\$\$\$\$\$
- White oak group: \$\$-\$\$\$\$
- Silver maple or hickory: \$\$
- Ash, hackberry, cottonwood, red oak group, cherry: \$

Timber quality:

Iowa woodlands produce the highest quality black walnut timber in the world. The best formed trees are categorized as veneer quality. These trees have no

wounds, disease, lateral branches or deformities in the first eight feet, and have a diameter of at least 18 inches. They are cut into thin slices to cover the exterior of lower quality lumber. A single high quality veneer tree can earn a landowner as much as \$5,000 to \$15,000.

Size of the sale:

The larger the timber sale, the more attractive it will be to timber buyers. Neighbors can conduct timber sales concurrently to achieve an economy of scale that yields higher bids from a greater number of timber buyers.

Market trends:

Iowa's timber industry is dynamic, highly specialized and driven by global demand. Every veneer log harvested in the state is purchased by one of five businesses. Over the past generation, veneer log prices have stayed consistently high. The price of lumber grade black walnut logs has increased substantially. The value of white oak group logs has risen due to a recent upsurge in the market for barrel staves used to age craft liquor and wine.

THIS LUMBER GRADE BLACK WALNUT HAS A DEFECT KNOWN AS BUTT ROT



VENEER QUALITY BLACK WALNUT IS THE MOST VALUABLE TIMBER IN IOWA



4. Relative values for Iowa as of 2019.

What will my woods look like after the sale?

Loggers harvest timber when the ground is firm or frozen, usually between November and March. Some skidder trails may be visible after logging, but they tend to disappear after a year or two of normal woodland growing conditions. Summer logging is also an option when access to trees is not obstructed by crop fields.

It is the responsibility of the landowner to manage the forest after harvest. The tree tops usually remain where they were felled. Many landowners cut them into smaller pieces for firewood or to speed up decomposition.

What will it cost to hire Prudenterra to administer my timber sale?

The cost is 10% of the revenue generated by the sale.

Prudenterra is paid after you have signed a contract with the timber buyer and have received their initial payment, which is the amount in full for sales under \$10,000, or 20% down for sales of \$10,000 or more.

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