

Preparing and Conducting the Sale

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February 28, 2013

Preparing the Sale



It's Time to Put Everything Together

- Understand Your Goals
 - Revenue
 - Wildlife
 - Future Stand
- Take Advantage of Professional Assistance
 - Free
 - Consultants
- Mark Timber to Meet Goals
 - Marking Leave vs. Cut vs. No Marking
- Boundaries and Sensitive Areas
 - SMZ's
 - Old Home sites
 - Cemeteries

Putting it all together continued

- Ideally determine volume & estimate of value
 - Difficult without timber cruise
 - Can pay flat fee to forestry professional to determine
 - Value is not static
 - Trees grow/die over time
 - Values for each species can swing dramatically in short time period
 - Value is most sensitive to price/species preference swings
 - Value is less sensitive to growth/mortality
 - Exception for storm, insect, and disease event
 - Get an updated Timber Appraisal after 6 months
 - Should only involve desk review
 - Generally a minimum volume is necessary to be operationally feasible

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Marketing and Conducting the Sale

Determine Sales Method & Terms

- Sealed Bid
 - Usually preferred method
- Negotiated
 - Sometimes only choice
- Lump Sum
 - My preferred method
- Per Unit
 - Per 1000 board ft
 - Per ton
- “Shares”
 - 50/50 split of log revenue
 - 60/40 most common

How would you sell this log?

- \$450 per thousand Doyle scale stumpage
- \$350 per thousand International scale stumpage
- \$800 per thousand delivered
- \$75 per ton stumpage
- 50% share



20'' Cherry Log 1 and 1/2 logs (24')

- \$450 per 1000 Doyle = \$81
- \$350 per 1000 International = \$82
- \$800 per 1000 Delivered = \$144 (assumes Doyle scale, but you don't really know **and** you've got to get log to mill)
- \$75/ton Delivered = \$69
- 40% Share = ???

Develop Marketing Plan

- Put sale prospectus together
 - Sale date
 - Sale details (i.e. sealed bid-lump sum)
 - Map
 - Pertinent Details
 - i.e. Blue trees are to be cut
 - Avoid old cemetery flagged in pink
 - Optional Details:
 - General Contract Terms
 - Volume Estimates
 - Timber Quality
- Get in the hands of as many buyers as possible!
 - VDOF can provide buyers list

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The Timber Sale Contract

Only use a written
contract!

Timber Sale Contracts

- Many good contracts online for review – check additional resource tab in handout
- 2 Contracts included in handout
 - University of Georgia – Explains terms
 - The Nature Conservancy – Used in most recent timber sale
- Have your attorney review contract

Contract Terms

- Turn to University of Georgia Contract
- Divided into
 - Essential
 - Other Important Considerations
 - Special Provisions
 - Contract Tips – Read Them!
- Questions?