

Just Say “No!” to High-Grading

Current prices for timber in the Northeast are good. As a result, harvesting activity has increased. However, forest landowners must realize that some harvesting techniques can limit both short-term and long-term options. A well-planned timber harvest increases both your immediate and future benefits.

High-grading--the practice of cutting the highest value trees and leaving the less valuable trees--and related practices should be avoided. Since most of Maryland's forests are even-aged, the high value trees are those best suited to the growing site. The smaller ones are less suited for the site, malformed, or diseased, and not ideal to remain as the next forest or seed source for future forests. When only the larger, better trees are removed and the smaller, inferior ones remain, the quality of the forest declines rapidly. This seriously limits the economic and silvicultural potential of the forest. A mix of all sizes and quality should be included in a timber sale.

Other high-grading practices

High-grading also is called *diameter-limit cutting*, the removal of all trees above a certain minimum diameter, typically 12-14 inches, with the premise that the smaller trees will be left to grow. Because the smaller trees may be just as old as the larger ones, they will not grow well, even when surrounding trees are removed. In addition, the trees removed may be growing well and could continue to add value for several years.

High-grading can leave your forest looking like this while also reducing future productivity, economic gain, and wildlife habitat.

Selective cutting also removes the highest quality trees. It is another form of high-grading and is not part of good forest management. Selective cutting should not be confused with *selection* or *group selection cutting* which are tools in good forest management. Selection or group selection cutting includes removing trees from a range of diameters to develop a sustainable uneven-aged forest.

Why does high-grading occur?

The immediate financial gain of high-grading or diameter-limit cutting is tempting. Big dollars are offered for “just the larger trees.” The gain is brief, however. High-

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grading can sacrifice your management objectives for decades. Your forest may not recover enough in your lifetime to produce quality timber. An analogy would be a farmer getting rid of the blue ribbon bull and using the losers for breeding stock.

High-grading can occur because it benefits the logger. The logger gets high-quality timber for the same cost as logging and hauling lower-quality timber, creating a potential higher margin of profit. High-grading sometimes occurs when there is an inheritance tax or medical bill to pay. Cutting a few of the valuable trees can pay the bill but may leave lower quality trees and a less productive forest for the future.

What is the bottom line?

High-grading can limit seriously the future productivity of your forest. When the remaining trees can't grow as well as the trees that were removed, the overall quality of the forest has been degraded. Mast-producing trees and other trees with wildlife value are lost. The time until the next harvest is increased. In addition, the next harvest may be of the remaining lower quality, less valuable trees. For the health of your forest and for your future earnings, trees to harvest should be selected not for diameter but for age, growth quality, and other factors, including landowner objectives. Develop a management plan and work with a consulting forester to achieve current economic and forest health goals and to ensure that your forest has a healthy silvicultural and economic future.

[Portions excerpted from "The Forestry Advantage," in the *National Woodlands*, October 1998, by New York State Extension Forester Peter J. Smallidge and Michael C. Creason.]



Hire a Forester

Some landowners grow timber for many years, expending a lot of energy, time, and other resources. Then, with little or no experience, they conduct a timber sale on their own, making decisions that greatly affect the future of that forest. Hiring a consulting forester allows you to make the best decisions for you and your forest. Studies have shown that marketing timber through a consulting forester produces more income and retains more quality trees.

Three Types of Professional Foresters

To qualify as a forester in Maryland, one must graduate from a forestry school and be licensed and certified. Ask for proof--a license number and stamp. Most Maryland landowners' first contact with a professional forester is with the county Department of Natural Resources (**DNR forester**) who can help outline management possibilities

and direct them to other sources of information and assistance. For a fee, the DNR forester can prepare a Forest Stewardship Plan. However, they can not assist landowners with commercial timber sales. Landowners should engage a consulting forester or an industrial forester to assist with *all* the steps of a timber harvest.

A **consulting forester** works for the landowner as an independent agent and represent the landowner's interests in the sale. He/she can develop the management plan, determine the need for a harvest, mark trees, estimate board feet to be cut, solicit and receive bids, help select the logger, draw a contract, monitor the harvest, establish a basis for tax purposes, and provide other forest services. Fees for timber sales typically are 10-15 per cent of the sale or based on an hourly rate. Research shows that landowners recover this fee through increased value for their timber and improved silvicultural conditions.

An **industrial forester** works for a timber company and has a responsibility to supply the mill with raw wood products. Some timber companies provide free services to landowners in return for first refusal on timber sales. Others charge fees but do not require the timber be sold to them.

A list of consulting and industrial foresters is available from your local Extension or DNR office or the Internet. Contact several foresters from the list and talk with them about your forest stewardship objectives. Choose a forester who understands your goals, provides a good return on the cost of services, has good references, and has a personality that is compatible with yours.

Once you have chosen a forester, communicate often and honestly. Tell the forester your needs, desires, and goals. If you must change your plans, aren't pleased with some procedure, or don't understand the recommendations or activities, tell the forester. He or she is your partner in shaping the present and future of your forest.



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e-mail vs12@umail.umd.edu; or mail Maryland Cooperative Extension, 18330 Keedysville Road, Keedysville MD 21756.

The sponsoring agencies' programs are open to all citizens without regard to race, color, sex, or physical ability.

How Can You Conduct a Good Timber Harvest?

Most hardwood forest owners in Maryland will sell timber only a few times during their lifetime. Softwood forest owners may sell more often. A timber harvest can be a significant financial transaction and can have major implications for the present and future of your forest.

If you are approached by a timber buyer, you may be pleasantly surprised by the value you are offered and move quickly toward a timber harvest.

However, a harvest is a complex undertaking and demands careful planning. How will it affect the future of the forest, soil, and water? What types of trees are likely to replace those removed? What will the forest look like to wildlife and the neighbors? What is a good logging job? How will the income affect your taxes?

***Develop a management plan** before conducting any activity in your forest. Outline your objectives and the steps needed to accomplish them.

Cooperative Extension publications, the Department of Natural Resources (DNR)

forester, consulting and industrial foresters, and computer software are available to help you develop a plan. A plan prepared by a professional forester also can help you qualify for the Forest Stewardship or Tree Farm programs, reductions in real estate taxes, and cost-sharing on the management practices. Once you have developed a plan, you are in position to conduct a harvest.

***Hire a consulting forester.** Some forest owners are reluctant to hire a professional forester because a fee is involved. The fee often is recouped many fold in increased income, restored site conditions, and the improved future health of the forest. A consulting forester can help you through *all* the steps of a timber harvest.

***Know types of harvest** and say “no” to high-grading. Group selection, selection, shelterwood, seedtree, and clear cutting are sound harvesting methods.

***Check your mortgage** or any other encumbrance on the property to assure clear title to the land, the trees, and the income and that you are not restricted in what you do.

***Clearly mark property lines and harvest boundaries.** This may be the time to have a complete survey of your property. Mark areas to timber and those that are off limits. A consulting forester can communicate this to the logger.

***Choose a logger** who will harvest according to your objectives. You can select a logger who comes to your door and then take your chances. Or, you can hire a forester to prepare an invitation to bid, receive the bids, help select a logger, and monitor the harvest. Consider the logger’s performance, proper equipment/size of operation for the job, services such as road building and seeding, subcontractors,

adherence to Best Management Practices (BMPs), willingness to accommodate special concerns, and participation in logger training. Maryland’s Master Logger Program acknowledges loggers who have completed comprehensive courses in forest management, BMP’s, and safety.

***Sign a written contract** guaranteeing the rights of all parties. All timber sales, regardless of size, should be accompanied by a written contract. Consult an attorney. This is no time for a handshake agreement.

***Observe regulations** for sediment control. As the writer of a letter in the last *Branching Out* knows, harvesting timber is not a simple process. State and county regulations and forestry

boards govern timber harvests. There are differences among counties. A consulting forester can help with this. Ultimately, the landowner is responsible to see that harvesting complies with regulations.

***Evaluate the timber market.** Timber is a durable good and can be held until the market is advantageous. Get market information from a forester or another source (see *Take Note*).

***Consider tax implications.** Do you want a *lump sum* or *pay-as-cut* sale? Should you spread the income over more than one year? Will the income require payment of estimated taxes? The basis or book value of your timber is used to determine gain or loss on timber sales. This can be established even some years after you acquire the forest. Consult a qualified tax advisor *before* the harvest begins.

***Protect and enhance wildlife habitat** by leaving cavity trees and dead tops for dens and perches and saving shrubs that have nuts or berries for food. After the harvest, seed the landings and skid roads to attract wildlife.

A timber harvest is more than cutting trees. With proper planning, a harvest can enhance your forest, wildlife, neighborhood, environment, and current and future income. See the *Take Note* section for resources to help plan a timber harvest that will be good for you and your forest.

How to Have a Successful Timber Harvest

***Develop a management plan
Hire a consulting forester
Know types of harvests
Check your mortgage
Mark property & harvest boundaries
Choose a logger
Sign a written contract
Observe regulations
Evaluate the timber market
Consider tax implications
Protect wildlife habitat
Restore disturbed areas
Enjoy your well-managed forest***

Take Note

Now available! All seven fact sheets on riparian forest buffers: **An Introduction to the Riparian Forest Buffer** (FS724); **Riparian Forest Buffer Design, Establishment, and Maintenance** (FS725); **Trees for Riparian Forest Buffers** (FS726); **Understory Plants for Riparian Forest Buffers** (FS727); **Grasses for Riparian Forest Buffers** (FS728); and **Soil Bioengineering or Streambank Restoration for Riparian Forest Buffers** (FS729). Free from your county Cooperative Extension office.

From your county Maryland Cooperative Extension office (free unless noted):

Developing a Forest Management Plan, FS625.
Private Consulting and Industrial Foresters, 1998 listing of licensed and certified foresters in Maryland; also on website www.dnr.state.md.us/forests/oflists.
How to Determine Your Property Boundaries, FS619.
Measuring Your Forests, FS 629.
A Guide to Logging Aesthetics: Practical for Loggers, Foresters, & Landowners NR60; \$6.
Marketing Forest Products: The Sales Contract, FS628.

From other sources:

Forest Stewardship Planning Guide. Computer software; free from USDA Forest Service, 802-951-6368.
Pennsylvania Timber Market Report. Internet: www.cas.psu.edu/docs/casdept/forest/tmr/tmr.htm.
Maryland's Master Logger Program, from Maryland Forests Association, 301-895-5369.
Maryland Logging Companies and Maryland Sawmill Companies: lists from DNR-Forest Service or the Internet: www.dnr.state.md.us.
Forest Owners' Guide to the Federal Income Tax, Ag Handbook 708; \$10 from Purdue University Ag Communications Center, 765-494-6784; www.fnr.purdue.edu.
Timber Tax Management for Tree Farmers. Updated annually. \$24.95 from American Forest Foundation, 202-463-2455; www.treefarmssystem.org.

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Upcoming Stewardship Events

***December 3: Quarterly joint meeting of the Maryland Tree Farm Action Council and Tree Farm Committee**, Prince Frederick. See thinning, spraying, and road building; tour Tree Farms owned by Calvert County and Willem Roosenburg; lunch at the Prince Frederick Ponderosa; and discuss the Tree Farmer of the Year award guidelines. All tree farmers, especially those in southern Maryland, whether in the Tree Farm program or not, are encouraged to attend. Contact Howard Anderson, 888-455-7400 (toll-free). The Tree Farm Action Council is a newly-formed group of Maryland Tree Farmers, under the Tree Farm system.

***April 10, 1999: Income Opportunities for Private Landowners**, Everett, PA. Sessions on financing, marketing, decision making, fee fishing, herbs, ginseng, specialty vegetables, bed & breakfasts and more. Contact Blair County Cooperative Extension, 814-693-3265.

Hunting Lease Insurance

As a service to hunt club and forest landowners, the Maryland Forests Association (MFA) has endorsed affordable hunting lease liability insurance. This program insures the landowner and the hunt club to whom the land is leased, both of whom must be members of MFA. Contact Davis-Garvin Agency agent Ed Wilson at 800-845-3163 (toll-free).

MFA has represented Maryland's forest community since 1976 and has members from all segments of the forest community. For information on MFA membership, contact the MFA office at 301/895-5369 or visit their website at www.mdforests.org.

Guidelines on leasing your land for hunting and other recreational activities are detailed in *Recreational Access and Landowner Liability in Maryland, EB 357*, from your county Extension office.