



Northeast Texas Forest Landowners Association Newsletter

January 2010 Published by the Northeast Texas Forest Landowners Association Vol. 25 Issue 1

Texas Statewide Assessment of Forest Resources & Texas Statewide Forest Resources Strategy – Comments Requested

– Jan Davis, Staff Forester III, College Station, TX

The size and diversity of the great state of Texas bring many challenges in managing the forest and tree resources of the state. Many of the issues and challenges, and thus opportunities, result from these characteristics. The rapidly increasing population is placing an unprecedented demand on Texas forests, whether for wood and paper products, wildlife habitat, clean water, or 10-acre ranchettes. As urban sprawl expands into the forest and other rural areas, less area becomes available for providing the traditional benefits of these lands. These challenges are not unique to Texas. In fact, the changes that create these challenges are occurring in every state in the nation.

Significant threats to forests, such as insects and diseases, catastrophic fire, and loss of critical forested landscapes to development, coupled with pressure placed on local economies by the increasingly global nature of the forest products industry, point to the need for more progressive strategies for conserving forest resources.

In 2008, the USDA Forest Service implemented a “Redesigned” State and Private Forestry (S&PF) program. It was conceived in response to the combined impacts of increasing pressure on the nation’s forests and decreasing S&PF resources and funds. The 2008 Farm Bill requires each state to analyze its forest conditions and trends and delineate priority rural and urban forest landscapes. From this state assessment, a statewide forest resource strategy, or response plan is developed that will be the basis for formulating competitive proposals for S&PF funds and prioritizing program activities in priority areas.

At a minimum, statewide assessments of forest resources:

- Describe forest conditions on all ownerships in the state
- Identify forest-related benefits and services

- Identify threats to the forest resources
- Highlight issues and trends of concern as well as opportunities for action
- Delineate high priority forest landscapes to be addressed
- Are required to be geospatially based

The **Texas Statewide Assessment of Forest Resources**, completed in Sept 2009, was developed around the issues facing the state’s forest and tree resources rather than being based on the forest resources themselves. With input from interested stakeholders from across the state representing the diverse interests of the forest resource, Texas Forest Service program leaders identified six primary issues for the rural and urban forests of the state in the assessment:

1. Population Growth and Urbanization
2. Central TX Woodlands Conservation
3. Sustainability of Forest Resources in East Texas
4. Water Quality and Quantity
5. Wildfire and Public Safety
6. Urban Forest Sustainability

A DRAFT of Texas Forest Service’s **Texas Statewide Forest Resources Strategy**, completed in Jan 2010, will be posted to the Texas Forest Service website, <http://texasforests-service.tamu.edu>, on January 22nd. The document, which includes a summary of strategic actions and an overview of current TFS programs, highlights how TFS plans to utilize the S&PF program to address priority issues and areas identified in the Statewide Assessment.

TFS welcomes stakeholders to review this draft and provide comments on the document **prior to March 1, 2010**.

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**NETFLA WEB SITE:
www.txforest.org**

Welcome to 2010 and a new president for our Northeast Texas Forest Landowners Association. Let me begin by thanking Bill Tucker for his leadership and for serving as president of the association for the past four years. He will be a tough act to follow.

The first thoughts that come to mind are why the Association exists, and why should you pay your annual dues to be a member. The constitution answers why the Association exists. The specific purposes of the Association are:

1. Encourage landowners in the six counties represented by the association to develop and maintain sound forest management, conservation and other such plans designated by the Texas Forest Service or other groups that promote best forestry management practices.
2. Educate landowners in good harvesting practices and encourage all loggers to practice best management harvesting techniques.
3. Encourage landowners to use a bid process for sale of timber and utilization of legal timber contracts for sale of timber.
4. Encourage landowners to mark the boundary of their forest land with purple paint as specified by the State of Texas.
5. Provide continuing education to all forest landowners.
6. Keep members informed of proposed legislation, laws, regulations and public policy that affect forestry and encourage members to support legislation beneficial to private forest ownership.
7. Keep members informed of current timber prices.
8. Create an environment conducive to forestry as a profitable investment.

My objective for the next two years is to select programs and field days that will provide continuing education opportunities, and to keep members informed on issues such as Carbon Credits, Woody Biomass Electricity Plants, and anything else that impacts Forest Landowners. So if you have a need for continuing education in forest management and/or keeping up to date on forestry issues, then Association membership is for you.

We begin the year with a program presented by Ron Hufford, Executive Vice President of the Texas Forestry Association. Ron will speak on forestry issues and provide highlights from an October, 2009 Forestry Summit that focused on the future of forestry. Hope to see you at the February 13 meeting in Pittsburg.

Glenn Weiss

Emerging Green Markets

Estimated 31 Million-Ton Demand by 2015

From "Treelines Fall 2009", the Arborgen Quarterly Newsletter

[Editor's Note: These two articles are not meant to be a recommendation of the company's products or strategies, although their seedling nurseries are, and have been, highly respected by the industry and private forest landowners for many years.

In line with our February meeting, however, we thought you might appreciate another take on the future.]

WE ALL KNOW that the business of forestry is in a major state of transition - from the transfer of land to timber investment management organizations (TIMOS) and real estate investment trusts (REITs) to the collapse of the housing market and greater emphasis being placed on cash flows derived from thinning-the market is moving in a new direction. On the surface, it may seem that forestry won't continue to pay, but what if you knew that an emerging market equal to the demands of somewhere between 25 and 50 new pulp mills is right in your back yard?

Renewable energy mandates are creating this new market. Our map *[Sorry — the map did not reproduce well in black and white — ed.]* shows current designated sites for biomass energy generation facilities, wood pellet production plants and cellulosic biofuels plants, and those alone create a demand for woody biomass that could reach 31 million tons by 2015. With many other facilities projected, that estimate could double. It's your wood that will help meet these renewable energy mandates, and by planting with our new Flex Stand™ System, (page 5) your profits from this market can increase substantially.

The Changing Marketplace The transfer of managed forestland in the southeastern United States from long-standing integrated companies into the hands of TIMO and REIT organizations is resulting in newly defined investment and financial parameters. Investment horizons are being defined in decades or less instead of over multiple rotations, and financial expectations are being calculated annually and re-evaluated. Demonstration of rapid asset value enhancement and early cash flow expectations is now very important.

In addition, the collapse of the housing market has reduced and altered the type of timber demands. Solid wood saw timber is in low demand, leading to a decrease in clear-cutting. More emphasis is being placed on cash flows derived from thinnings. This shift in harvesting patterns could influence product price recovery in the future. While an expanded and extended focus on thinning would be expected to reduce future supplies of pulpwood, it would also increase the accumulating standing inventory of chip-n-saw (CNS) and sawtimber. Lower prices for solid wood timber products could continue for an extended period of time.

What About Carbon Credits? The need for today's forests to assist in carbon sequestration to help abate the rise in atmospheric carbon dioxide is well recognized. Protocols have been defined by the California Climate Action Registry (CCAR) and the Chicago Climate Exchange (CCX) for officially accounting for the role forests can play in offsetting atmospheric carbon dioxide increases. Though the role that improved productivity of intensively

managed forests can play in increasing carbon sequestration is not fully understood and acknowledged, many managed stands being established today are sequestering carbon dioxide at a rate twice that of the previous stand, since poorly managed forests eventually become saturated with carbon and lose their ability to store more. The impact of intensive management on acres that are being converted from low to intensively managed forests would be even greater.

Carbon credit markets are still emerging and haven't become clearly enough defined to calculate financial benefits for forest landowners. However, there are established carbon markets in the United States including Regional Greenhouse Gas Initiative (RGGI), APX's Voluntary Carbon Standard Registry (VCS), and CCX. Federal mandates requiring carbon caps are still up in the air, but the EPA has projected that if the proposed federal mandates are made law and phased in, the value of carbon could increase \$13—\$23/ ton by 2012 and \$16-\$30/ton by 2020.

A recent article by John Fenderson, Environmental Affairs and Outreach Coordinator, Tennessee Department of Forestry, advises landowners to learn more before getting into long-term contracts, as a mandatory cap and trade program will cause the price of carbon credits to increase. Fenderson also states that it currently takes about 1,000 acres to make carbon trading worthwhile although some have done it with as few as 100 acres.



Flex Stand System: How You Plant Is How You'll Grow

—Treelines, Fall 2009

To keep your forestlands profitable, you've got to plan for multiple markets and utilize new advancements in forestry wisely. By using our Flex Stand System of planting and managing forests, you'll reap the maximum benefits from any and all markets.

The Flex Stand System optimizes production of multiple products on the same acre by alternating rows for sawtimber and biomass. For sawtimber, the improved genetics of MCP® Seedlings and varietal SuperTree Seedlings greatly increase yield and quality with their rapid growth and superior stem quality. And for biomass, you'll use an open pollinated (OP) seedling that has been genetically proven to be good at capturing inherent site resources and converting them to biomass. The Flex Stand System allows for many configurations, but the simple one is one row sawtimber, one row biomass, etc.

The Flex Stand System takes you from site prep to planting and site management to derive maximum benefit and profits. With this system, you'll be able to tightly control your use of herbicides, fertilizers and other treatments to your high-value sawtimber crop trees and have easy access to your biomass trees for optimum thinning advantages

By using this system of forest management, you'll capitalize on advancements in forestry, increase production and quality of timber, and create a forest that can be optimally managed for carbon sequestration and resource conservation. The yield of each product is optimized, and input costs are applied based on the expected value of each product component. Designating products by row within a Flex Stand can also improve harvesting efficiencies.

If you want to recoup your forest establishment capital as soon as possible or obtain periodic cash flows throughout a rotation instead of deferring investment returns, use our Flex Stand System as your new method of forestry.

Flex Stand™ System Guide
Call 1-888-888-7158 or go to
www.supertreeseedlings.com.

FINANCIAL BENEFITS OF USING THE FLEX STAND™ SYSTEM

realize greater profits and achieve higher sustainability.

Allows you to grow trees specified for multiple end products (timber, bio-mass or pulpwood) on the same acre.

Gets the most bang for your buck from top genetics like MCP® Seedlings and varietal SuperTree Seedlings.

Focuses resources such as herbicides, fertilizers and protection treatments directly on valuable crop trees.

Permits deploying higher cost genetics and technology across more acres.

Improves environmental and social benefits related to resource conservation and creates a forest that can be optimally managed for future carbon credits.

Allows for high-efficiency thinning and improves cash flow both at early thinning and at clearcutting.

Allows accounting to be based on the expected function of each stand component, which is important in certification for both timber and carbon.

Boggus Named State Forester

January 21, 2010--COLLEGE STATION, Texas--Tom G. Boggus has been named sole finalist for director and state forester of Texas Forest Service, the agency where he has worked for nearly three decades.

Texas A&M System Chancellor Michael D. McKinney recommended Boggus upon the recommendation of Dr. Mark A. Hussey, Vice Chancellor & Dean for Agriculture and Life Sciences, as the sole finalist for the post. The designation was approved today by the Texas A&M System Board of Regents. State law requires regents to now wait 21 days before formally offering the job to Boggus.

Boggus has served as the agency's interim director since June 2008. He previously held several administrative positions including forester, associate director for Administration and associate director for Forest Resource Development and Sustainable Forestry.

The leader of Texas Forest Service serves a dual role as both director of the agency and state forester charged with ensuring natural resources are protected and sustained. The director oversees the enforcement of laws pertaining to the protection of the land and its resources, and the prevention and extinguishing of wildland fires. The director also monitors the state of the forests, recommends and implements plans for the future of forestry and testifies to legislature the agency's critical messages, needs and success stories.

Boggus' appointment, if formally approved next month by regents, would make him the eighth director of the Texas Forest Service, administering an annual budget of more than \$65 million and overseeing more than 365 employees across the state.

Bobwhite Quail & Timber Management

Populations of northern bobwhite (*Colinus virginianus*) have declined significantly over the past 50 years, and the primary factor contributing to this decline has been the loss of habitat. Clean-farming practices, forest harvesting regimens, dense forests with closed canopies, and intensive mono-culture farming and timber management contribute to a change in habitat that does not favor the quail.

The optimal forest density for bobwhite management lies in the range where the potential for income from forest products begins to decline. However, forest land-owners who are concerned with providing bobwhite habitat as well as generating revenue from timber can balance the silvicultural (forestry) requirements of timber production with the biological needs of the bobwhite. Bobwhite are dependent on herbaceous and shrubby cover. Management practices such as forest thinning, grazing, herbicide, burning, and disking are often prescribed for creation and maintenance of bobwhite habitat.

Practical management recommendations for balancing timber revenue and bobwhite production include using the widest practical spacing when planting, introducing fire at the earliest possible juncture, using frequent fire (1-yr to 3-yr burn interval), thinning heavily and at the earliest practical time, and shaping individual stands through harvesting so that mature stands are less dense.

Ching-Hsun Huan of the Northern Arizona University School of Forestry conducted a study to determine the economic tradeoffs between bobwhite and timber management and how to minimize loss or maximize profit

when managing for bob white and timber simultaneously.

The study showed that the annual per- hectare (2.5 acres) economic gains of managing for both bobwhite and timber ranged from \$19.27 to \$41.37 on low- productivity land, and ranged from \$32.63 to \$50.02 on high-productivity land.

Analysis indicates that bobwhite management provides an investment opportunity to landowners whose low-productivity sites would be unprofitable if timber is the only product. Since the revenue from quail hunting leases increases the profitability of pine plantations, private land-owners may extend their investments on low-productivity sites that would be unprofitable if timber is the only product.

This study provides an example of integrating multiple uses of goods and services in a way that maximizes economic returns and aids land managers in producing better habitat for bobwhite.

Reasonable BMP Expectations –

Hughes Simpson, Program Coordinator, Texas Forest Service, Lufkin, TX

Forest landowners, primarily those that have not harvested timber before, are often unaware of the outcomes associated with these operations, including the use of environmental practices, or Best Management Practices (BMPs). Knowing what to expect or stipulate can help prevent misunderstandings and hard feelings, as well as protect the health and productivity of your forestland for future rotations. Remember, the more demands you place on your contractor, the less income you will receive from the operation, so a balancing act is critical. Listed below are some reasonable BMP expecta-

tions that forest landowners should have regarding operations conducted on their property.

- **Roads should be left in good condition.** Forest roads should be reshaped if necessary and stabilized to prevent erosion from occurring. Ditches and water control structures should not direct runoff into streams. Landowners however, should not expect these roads to look like interstate highways.
- **Water resources should be protected.** Buffers, or stream-side management zones (SMZs), should be left along streams and other sensitive areas. Careful, selective harvesting may be done, however roads, landings, and firebreaks should be located outside of these areas. Equipment and logging debris should be kept out of stream channels if possible.
- **Streams should be crossed appropriately.** If stream crossings cannot be avoided, minimizing the number of crossings as well as utilizing proper methods can help. Crossings should consider the intended traffic, duration, and hydrological characteristics of the stream. Dirt crossings should not be used.
- **Operations should be halted when the tract is too wet.** Rutting caused from operating during wet conditions can lead not only to impacts to water quality, but site productivity as well. Operations should cease when significant rutting is evident.

- **Trash generated from the operation should be disposed properly.** Tires, hydraulic fluid containers, batteries, and seedling bags should be properly disposed of and not left on site.
- **Operations should be conducted on the contour.** Conducting operations on the contour can significantly reduce the amount of erosion, especially during mechanical site preparation and machine planting.
- **Chemicals should be kept out of waterways.** Herbicides and fertilizers should not be applied directly to waterbodies. Equipment should be serviced away from streams.

Websites of Interest

Ties to the Land - offers resources to guide family forest landowners through a smooth transition of their family forest land from one generation to the next- <http://www.tiestotheland.org/>

USFS estate planning website – www.na.fs.fed.us/stewardship/estate/estate.shtml

National Timber Tax website – www.timbertax.org

OSHA’s Logging eTool for instructions/diagrams about how to cut trees, etc. - <http://www.osha.gov/SLTC/etools/logging/mainpage.html>

Forest Landowners Association – limited access to magazine archives without membership - <https://www.forestlandowners.com/>

East Texas Timberland Owners to Sponsor Controlled Burn

Our neighboring ETTLO landowners association will sponsor a controlled burn at 1PM on February 18. Plans also include a supper following at about 6PM. They have invited and welcome NETFLA members to this event, which will be a “cool” understory burn.

For more details and to confirm this information, contact Fred Winters at 903-639-1267, or email him at fwinters@hughesnet.net

Market Report – September/October 2009

Product	Statewide Ave. Price		Previous Ave. Price		Weight Difference
	Weight	Volume	Weight	Volume	
Pine-Sawlogs	\$26.87/ton	\$184.79/mbf	\$22.81/ton	\$178.54/mbf	+18%
Pine-Pulpwood	\$5.12/ton	\$13.79/cord	\$5.85/ton	\$15.80/cord	-12%
Pine-Chip’n’Saw	\$13.91/ton	\$37.55/cord	\$11.80/ton	\$31.85/cord	+18%
Mixed Hardwood-Sawlogs	\$19.69/ton	\$183.72/mbf	\$19.07/ton	\$171.64/mbf	+3%
Hardwood-Pulpwood	\$6.38/ton	\$17.87/cord	\$4.47/ton	\$12.52/cord	+43%

Texas Timber Price Trends is a bimonthly publication reporting average prices paid for standing timber in Texas. *This report is intended only as a guide to general price levels.* It should not be used to judge the fair market value of a specific timber sale, which may vary considerably due to many factors. It is recommended that you use the services of a professional consulting forester in managing any timber sale. Important factors affecting timber prices include the type, quality and volume of timber for sale, accessibility, distance to mills/markets, weather conditions, economy/market conditions, who is handling the sale or is buying the timber, and con-

Conversion factors between volume and weight vary from sale to sale, so the differences in volume prices above may not equal differences in weight prices.

Stumpage price statistics include gateway sales (estimated by subtracting cut-and-haul costs, other expenses and profits provided by reporter).

Statewide data excludes U.S. Forest Service sales.

Price calculated from specific conversion factor reported for each sale if available; otherwise, average conversion factors listed on page 4 of Texas Timber Price Trends (<http://texasforests.tamu.edu/main/article.aspx?id=145>) are used. MBF = thousand board feet. Doyle Scale used for board foot measurements.