



Northeast Texas Forest Landowners Association Newsletter

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TEXAS FORESTRY AND BIOENERGY

John Boyette, District Forester, Texas Forest Service, Nacogdoches, Texas

SFA's Arthur Temple College of Agriculture and Forestry held another workshop on May 17th and 18th. They periodically host meetings to address current issues affecting Texas Forestry that are often very timely and enlightening. This one was no exception. Bioenergy is a topic that has been making the headlines recently with a wood-fired electrical generation plant being proposed for northwestern Nacogdoches County. The workshop filled in a lot of the blanks for me about the current status of bioenergy and its future prospects.

Bioenergy is the production of a consumable energy product such as electricity, solid fuel, or liquid motor fuel from a renewable biologically based resource such as agricultural crops or residues which are often referred to as biomass. Currently, the fastest growing bioenergy product in this country is motor fuel produced from corn.

Everyone is painfully aware of what is happening to the price of gasoline. Some folks think it is a giant conspiracy or price gouging, but the truth is it is simply a matter of economics. This was a common thread that ran through the entire workshop, economics. The price of gasoline has risen lately due to a rapid increase in the demand for crude oil on a fairly static supply. China and India are the fastest growing economies in the world and their demand for oil has skyrocketed. The worldwide demand for oil has caused the price to increase dramatically. This has been predicted and should not come as a surprise, but, of course, that does not mean we have to like it.

Oil prices can affect the entire energy market, not just motor fuel. One effect of this rapid increase in prices is to spur interest in alternative energy sources such as bioenergy. We have actually been using bioenergy for sometime, and in increasing amounts. Right now, the U.S. depends on oil for about 40% of its energy needs. Natural gas, coal, nuclear and hydroelectric make up about 54%, and the remaining 6% is classed as "renewables". Of the renewable sources, about 43% is solid fuel, 47% is liquid fuel, and the rest is wind, solar, and geothermal. Most of the liquid fuel is ethanol that is made from corn. Most of the solid fuel is mill residues, or hog fuel, that is generated by our forest products industries.

The forest products industry has been producing energy from wood for decades. They burn their sawdust, edgings, shavings, etc. in boilers to produce steam and electricity. This is referred to as co-generation. Many forest products mills are actually energy independent and some even are able to sell electricity back to the power company.

In recent years, the corn methanol industry has grown considerably. Last year, there were about six *billion* gallons of motor fuel, or ethanol, produced from corn.

That may sound like a lot, but compare that to the 140 billion gallons of gasoline that we consume every year, and you see that it is literally just a drop in a very big bucket.

However, the corn methanol industry does provide us with a model for the future of bioenergy. Not just the technology, but the economics. Technology usually runs way ahead of the economics of new industries and bioenergy is no exception. Current technology exists to produce all sorts of energy products from wood and other cellulosic materials. We can make methanol, ethanol, and another fuel product called butanol from wood using existing technology. The problem is the economics. Even with the price of oil what it is today, it is still cheaper to make motor fuel from oil than from most biomass sources. Even the corn methanol that we keep hearing about has to be subsidized to make it competitive with gasoline. The subsidy is in the form of a fuels tax exemption.

We were fortunate enough to have an economist from the corn growers association speak at the workshop. He presented some interesting statistics. For instance, because of the sharp increase in corn methanol production, corn prices rose from an average of about \$2.50 per bushel to around \$4.50 in just a few years. U.S. corn farmers got busy and planted about 20% more acreage in response to this demand, which brought the price down somewhat, but greatly expanded their market base and total revenues. The ramifications for forest landowners are obvious.

Although the number of acres available for agriculture is vast, it is still small compared to the acreage that is available for forestry. In fact, economists predict that we will soon start nearing the limit of acreage that we can plant in corn which thereby limits the potential for ethanol production. The potential for bioenergy from wood is absolutely enormous and has much more room for growth than corn. Right now, the burning of wood or other cellulosic materials is the most feasible. That is the reason for the proposed power plant. The economics of wood based liquid fuels are not there yet. However, as the price of oil continues to rise, it is only a matter of time before some of these alternative technologies become cost effective. When this may happen is anyone's guess.

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FROM THE FOREST



There are many important political and financial issues we could discuss, but let's just relax and skip them all. By the time you receive this letter, it will be August, when all politicians and Supreme court justices will be going on vacation, and can do no further harm. And that's a very good thing.

Another good thing is that the rainfall total here on the driest hill in Camp County, the driest county in our six-county group, stands at 41.2" so far. Reckon the 2 1/2 year drought on this place is officially broken. All of the East Texas lakes are full, except Bob Sandlin, (just 1/4 mile from "the driest hill in Camp County") which this week's Pittsburg Gazette tells me was 9" low. Might be full now, and in any case, that's close enough.

Most of us wailed at the drought and prayed for rain, but have lately found that too much water brings its own problems. Seems like almost every day Wood, Upshur, Morris, and Cass counties have been under a flood warning. On our place, we've had some hardwood trees turning up their toes because their roots were drowning. I rebuilt the 600 foot dirt drive after the winter timber thinning, complete with turn-outs, etc., and it lasted fine until about July 4, when all the family traffic in and out almost did it in. Driveway was a bit of an adventure, but my full smoker-load of barbecued ribs came out great. All in all, think I'll still take the wet over the dry.

Recently, our own Harry Earl of Franklin County received the Texas Forest Service's Certified Forest Steward Award. Most of you that are certified under the American Tree Farm system could also qualify for this award as well. There is no charge and a great sign. Will go for it myself this winter.

And please note the Texas Forestry Association membership application. Virtually all of the NETFLA members who regularly attend our meetings are also members of TFA, but many of you who live too far away may be missing out on a wealth of information on timber management and timber, water, and property issues. By the way, none of the articles in the TFA monthly newspaper are reproduced here, so non-members are really missing a lot.

Finally, a little story to think about. Used to spend a lot of time as a kid fishing with Uncle Bob up in the Cherokee part of Oklahoma, and he had some good ones.

Two Wolves

One evening an old Cherokee told his grandson about a battle that goes on inside people. He said, "My son, the battle is between two 'wolves' inside us all.

One is Evil. It is anger, envy, jealousy, sorrow, regret, greed, arrogance, self-pity, guilt, resentment, inferiority, lies, false pride, superiority and ego.

The other is Good. It is joy, peace, love, hope, serenity, humility, kindness, benevolence, empathy, generosity, truth, compassion and faith."

The grandson thought about it for a minute and then asked his grandfather, "Which wolf wins?"

The old Cherokee simply replied, "The one you feed."

Bill Tucker

What Is the Value of That Load Going Down the Highway?

Wayne Pfluger, Consulting Forester, Lone Star Forestry, Conroe, Texas

This is a question often asked of foresters. It seems like a very simple question of which I'd like to give you that very simple answer. The answer is that it all depends.

As a forester with a degree in forest management it's ingrained in me that my calling is to **grow** trees. As a consulting forester my clients retain me to look after, care for and in most cases, we eventually sell some of their trees.

I therefore look at a loaded log truck leaving one of my managed tracts and think of how much it cost my landowner client, or his/her parents, or even grandparents to grow those trees. Some of those trees were planted anytime from fifteen to sixty years ago, while others may have seeded in naturally over the years. Either way, it took a great deal of perseverance, a certain amount of capital, some luck and a lot of faith for that landowner to get those trees to this point. Many of the forests I manage have had a variety of silvicultural activities performed on them over the years. Many activities may have been performed to insure a forests health or aide in its growth. Things like herbicide applications, fertilization, controlled burns may have been conducted. Many of those activities I may have personally conducted or supervised.

What is the value of that load? What about all the years of paying taxes? How many tornadoes, hail storms, droughts, ice storms, bug infestations, wind storms, lightning strikes, wild-fires, and hurricanes did those trees dodge?

When material is actually on a truck and has left a property I manage, I am relieved. I have done my job. I look at a load on the highway and think about how much it cost some landowner in time, equity; monetary equity and sweat equity, and luck to get that load to the pavement. To me the price of a load headed down the highway is the sum of all the years of caring, nurturing and concern that has just ended.

On the other hand, that load does have an actual cash value. Here's a step by step method to determine the actual value to the landowner of a load.

First of all, what kind of wood is it? Is it pine or is it hardwood? Once you've made that distinction a load should fall into one of the following categories:

Hardwood – If you are looking at a load of hardwood you will generally see one of these three types of loads:

Hardwood Pulpwood – A load of this material will be made up of small stems, too small to make log material, and larger stems that have many knots, crooks and even hollows. The stem lengths on these loads will be random. These loads are most likely going to chip mills so length is of little concern.

Hardwood Tie Logs – These loads are made up of fewer stems, fifty or less, because the stem diameters are larger. Individual stems are generally straight, mostly free of crooks and sweeps. They are clear, void of hollows and free of many limb knots. These stems will have a minimum top diameter, or small end, of eight inches or more. The stem lengths are precisely measured so you'll see the stems cut to length. There may be several different lengths on one load but you can tell that they've been measured and cut at specific lengths.

Grade Hardwood Logs – These loads will be just like the Hardwood Tie Log Loads with one basic exception. The grade or quality of the logs will be better. These logs will be virtually clear of any defects, i.e. straight, no sweeps or crooks and very few limb knots.

Pine – If you are looking at a load of pine you will generally see one of these three types of loads:

Pine pulpwood – Unlike hardwood pulpwood where small stems are put in the same load with the larger, crooked, knotty stems and tops, pine pulpwood loads will in general be either/or loads. That is because these loads are either coming from a plantation where the material is all small stems or the load is coming from a log stand and you are looking at a load of tops. So pine pulpwood loads will be one of these two classes.

Pulpwood stems – These loads are made up of hundreds of small diameter stems. They'll generally be straight, stacked high with butts towards the cab of the truck, or occasionally stacked in either direction. The key in recognizing these loads is that the top diameter is usually 2" in diameter or less. These stems will also be cut to random lengths, wherever that minimum top diameter occurs.

Pulpwood tops – These loads are the knotty, rough looking, top ends of the larger log trees. The trees on these loads will have larger butt and top diameters. They will also be of random lengths on the truck.

Pine Chip and Saw – This is a category that many times is hard to understand. These trees are of better quality; straighter, cleaner and larger in diameter than pulpwood trees. But when you are looking at a load of this on a truck it will not quite

have the top diameter to meet log specifications. So it's an "in between" stage and the majority of timber sale tracts have very little of this material. Chip and Saw stems are cut tree length, another term used for random length, meaning the entire tree is cut to a specific top diameter. This minimum is usually 3" to 5". This load will look like an "in between" stage load because the quality and size of the trees look like small logs but the random lengths give it the appearance of a pulpwood load. This material is called Chip and Saw because when this load is processed at the mill they will merchandize the material by cutting all they can from the butt end to make small sawlog material, the saw part of chip and saw. The remainder of the material goes down the line to be used as chip material, the chip part of chip and saw.

Pine Logs – Just like the hardwood tie material and grade log material these loads are made up of fewer stems than the pulpwood or chip and saw loads, usually fifty or less stems, because the stem diameters are larger. Individual stems are generally straight, mostly free of crooks and sweeps. They are clear, void of hollows and generally free of limb knots. These stems will have a minimum top or small end diameter. This top diameter varies widely with the mill the material is delivered to and many mills pay differently on those top diameters. For example, many mills will pay more for logs cut that are cut to a fourteen inch top diameter than logs that are cut to a ten inch top diameter while another mill may pay the same for all logs cut to an eight inch top diameter. This difference in mill specifications can really make selling timber on a pay-as-cut basis difficult. Anyhow, the stem lengths are precisely measured so you'll see the stems on a load cut to length. There may be several different specified lengths on one load but once again, you will be able tell that they have been measured and cut at precisely measured lengths.

Now, whatever type of material it is, the accepted unit of measure these days is weight. The common weight unit is the weighed 2,000 pound ton. Trucks are weighed at the mill going in full and coming out unloaded. The difference in these two weights is what was hauled. Weight restrictions on our state's road system keep the average load weight between 50,000 to 60,000 pounds, 25 to 30 tons.

Once you've determined whether a load is hardwood or pine; pulpwood, chip and saw, tie logs, grade logs or logs, keeping in mind the average load will weigh close to 30 tons, you'll then need to determine what kind of prices are being paid in your area for the type of material you're looking at. There are several publications out there that can give you ballpark figures.

The Texas Forest Service publishes a bimonthly pricing guide called the Timber Price Trends. Your local Texas Forest Ser-

vice office should have the latest edition or it can be found by searching their website at:

<http://texasforests-service.tamu.edu>

Another good quarterly pricing guide is put out by the University of Georgia and is called Timber Mart South. It can be found at the following website:

<http://www.tmart-south.com/tmart/prices.html>

Keep in mind that you must look at stumpage prices. This is the price the landowner is being paid. Also remember to use these publications only as guidelines. The price actually paid per ton to landowners is going to vary depending on ground conditions, road conditions, distance to mills, the amount and kind of material being harvested from a tract and a number of other variables.

To quickly review and formulize how to value a load going down the highway::

Determine if the load is hardwood or pine. Determine whether the load is a load of pulpwood, chip and saw, tie logs, grade logs or logs. Check a pricing guide for a ballpark price per ton and multiply by the average weight of a load, 27.5 tons.

On a given day, on just about any farm to market road in East Texas you'll see many loaded log trucks traveling from woodlot to mill. Now I hope I've shed some light and made it fairly easy for you to calculate the monetary value of that load. I'd like you all too also remember that there is a landowner, and in many cases a relieved forester, at one end of that trucks route that has invested a lot of time, a lot of money and a lot of faith to put that load on the highway.

Websites of Interest –

You really need to check out Sid Greer's web site (shameless plug for a good friend and past president) at www.greerfarm.com The Greer family is definitely in high gear. Check the organic beef, berries, and produce. A great site — have fun exploring — Bill

Texas Forests Today (2007) –

<http://texasforests-service.tamu.edu/uploadedFiles/Landowners/Texas%20Forests%20Today%202007.pdf> . This is a very large file. For hardcopies, please contact Jessica Coffin, TFS, College Station, at jcoffin@tfs.tamu.edu or (979) 458-6606.

Glossary of Forestry Terminology -

<http://texasforests-service.tamu.edu/main/popup.aspx?id=187>

Terminology for Forest Landowners - <http://cru.cahe.wsu.edu/CEPublications/eb1353/eb1353.pdf>

Market Report – April/May, 2007

Product	Statewide Ave. Price		Previous Ave. Price		Volume Difference (*)
	Volume	Weight	Volume	Weight	
Pine-Sawlogs	\$322.50/mbf	\$49.47/ton	\$370.57/mbf	\$48.32/ton	-12.9%
Pine-Pulpwood	\$31.95/cord	\$11.86/ton	\$29.72/cord	\$11.06/ton	+7.5%
Pine-Chip'n'Saw	*	*	*	*	*
Mixed Hardwood-Sawlogs	\$168.62/mbf	\$17.69/ton	\$101.38/mbf	\$11.01/ton	+66.3%
Hardwood-Pulpwood	\$24.49/cord	\$8.76/ton	\$26.96/cord	\$9.67/ton	-9.2%

1. 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.
2. Stumpage price statistics include gatewood sales. They are estimated by subtracting cut-and-haul costs, other expenses, and profits provided by the reporter.
3. Price is calculated from a specific conversion factor for each sale, if available; otherwise the average conversion factors listed on page 8 of Timber Price Trends are used. MBF = Thousand Board Feet. Doyle Log Scale used for board foot measurements.
4. * indicates insufficient sales to report price statistics (less than 3 sales).
5. Prices listed for previous periods may differ from previously published values because additional data have been received.

Harry Earl Wins Forest Stewardship Award

Excerpts from the Mt. Vernon Optic Herald article by Lillie Bush-Reves

Local landowner and resident, Harry Earl, was recognized as a certified Forest Steward by the Texas Forest Service. He received his certification in informal ceremonies on his property on Friday morning, June 22.

Brian Pope, district forester with the Pittsburg District of the Texas Forest Service, presented the certificate

"We recognize Mr. Earl for his commitment to a land stewardship ethic that focuses on timber management, fish and wildlife habitat, water quality, soil productivity, aesthetics, and recreation as a valuable legacy for future generations."

The Texas Forest Stewardship Program is administered by the United States Department of Agriculture's Forest Service in partnership with the State Foresters. The program recognizes good stewards of the land with the Certified Forest Steward award.

This award is [accompanied by] a metal sign for their property and a certificate signed by the State Forester. There are no time-lines or deadlines to meet to receive this award and nominations can be made by anyone.

Foresters with the Texas Forest Service or other natural resource professionals

helped to develop a Stewardship plan for the property. The plan is a 10-year course of action, out-lining step-by-step measures to keep land productive now and in the future.

Any other land owners who think they might initially qualify and are willing to help develop their Stewardship Plan are urged to contact Mr. Pope at (903) 856-7181 or e-mail bpope@tfs.tamu.edu.

The Good Guys List — Are You On It?

This is the list of those in NETFLA whose dues are paid as of this date for 2007. Remember, we were all supposed to pay in January, and we use the funds for non-profit purposes such as The Woodland Clinic Scholarship Program and sponsoring teachers to the Teachers Conservation Institute.

No red dots this time. If you don't see your name on the list, please drop your check in the mail or bring it to the next meeting. Thanks!

Last Name	First Name
Andrews	Tod
Best	Benton
Blacketer	Talitha
Bolin	Kenneth
Brewington	Andrew
Brewington	Peggy J.
Coley	Harold & Patsy
Conaway	Kenneth
Connor	Curtis

Connor
Dalby
Dean
Dyke
Earl
Emerick
Erwin
Ewan
Greer
Handy-Sparks
Hart
Hart
Hoffman
Holcomb
Holman
Johnson
Laschinger
Lindsey
Mitchell
Morris
Murphrey
Pope
Priest
Proctor
Pyle
Ray
Roane
Rogers
Rust
Shirey
Smith
Stewart
Tucker
Weiss
White
Winters

Michael H.
Jan and Diane
R.J
Weldon
Harry
Robert
Betty
Thomas
Sid
Blanche
Curtis V.
Arlis
Larry
Vernon
John
Oscar
David
Orval and Carol
Wanda R.
Robert
Michael
Brian
Robert
Warren
Henry B.
Donald
Andrew
Mr. and Mrs. C. M.
Leo
W. Rex
Betty
Kenneth
Bill
Glenn and Judy
James C.
Fred

More than 90 years have passed since a handful of conservationists, motivated by a deep concern for Texas' forest resources, formed the Texas Forestry Association. As the years passed, they were joined by others, forming a continuous bond of dedication, service and support to the forestlands of Texas.

Today, the Texas Forestry Association, still guided by a conservation philosophy, has become more than just an association of forest-minded landowners, businesses and professionals. It has reached far beyond the original concept of the TFA in 1914 and, today, offers programs for almost every Texan interested in conservation, business, history, education, wildlife and much more.

What TFA does for you...

- **Lobbies in Austin** for environmental, forestry and other regulatory issues affecting you and your timberlands.
- **Supports pro-forestry state legislators** through the Forestry Political Action Committee (FORPAC) and keeps contributors informed with a government affairs update.
- **Assists with preserving the forest productivity tax law** of Texas, and helps with timber classifications for taxation. Supporters of fair competition for your forest products at home and abroad.
- **Provides rewards** for information leading to the

arrest and conviction of anyone stealing or vandalizing a TFA member's equipment, property or timber; for illegal dumping; or for arson in the forests.

- **Publishes a monthly newspaper** to keep you informed on forestry issues, tips, people, trends, forest management and research, and much more.
- **Sponsors meetings and workshops** to provide you with the latest information on forestry and related subjects, including water and property rights.
- **Education and youth programs** to help teach our leaders of tomorrow that the forestry community is environmentally responsible and an integral part of our daily lives.

Editor's Note: They forgot to mention that DUES ARE TAX DEDUCTIBLE FOR ALMOST ALL OF YOU LANDOWNERS, AS ARE YOUR NETFLA DUES!!

JOIN NOW!

Clip this form or rip off the whole danged page, make your check payable to, and mail to:
 Texas Forestry Association
 P.O. Box 1488
 Lufkin, Texas 75902-1488
 Phone 936-632-8733 • Email:
 tfa@texasforestry.org • www.texasforestry.org

I am interested in learning more about:

Texas Tree Farm Program Texas Forestry Museum
 Texas Logging Council Teachers Conservation Institute
 Texas Forest Landowners Council TFA Forestry Political Action Committee

Timberland owners: \$50 plus 2 cents per acre over 500 acres.

Individuals: ___ \$50 active. ___ \$15 student. ___ \$1,000 life.

Name _____

Company/Affiliation _____

Mailing address _____

City, State, Zip _____

Telephone _____ Fax _____

E-mail _____

Your county _____

Occupation _____

Recommended by: ___ *Northeast Texas Forest Landowners Association* _____

Payment enclosed. Bill me. Send Texas Logging application.

Northeast Texas Forest Landowners Association
P.O. Box 642
Mt. Vernon, TX 75457

Forestry Calendar of Events –

- August 18 “Carbon Credits and the Opportunities for Forest Landowners”, Montgomery-Harris CFLOA, 9-11:30 a.m. in the Conroe/Montgomery area, location TBA. Call John Ross for more information – (936) 760-9439. Invitation extended to all CFLOA members in Texas.
- September 29 Cooke Outstanding Tree Farm Field Tour – Tour the 2007 Outstanding Tree Farm of Texas located in Panola County. Contact Texas Forestry Association for more information – (936) 632-8733 or <http://www.texasforestry.org>.
- October 6 Forestry Field Day, Jones State Forest, FM 1488, Conroe, TX. Topics include: use of GPS units for private landowners; GIS mapping your forestlands; and, forest inventory and valuation. 9:00 a.m.-2:00 p.m. Dutch treat lunch.
- October 24-26 Texas Forestry Association’s Annual Convention – College Station, Texas. For more information, call (936) 632-8733 or see <http://www.texasforestry.org>.
- October 26-27 1st Annual Texas Forest Expo, Lone Star Convention Center, Conroe, Texas. Free. Contact John Warner for further information. (936) 273-2263 or jwarner@tfs.tamu.edu.

Les Reeves Lecture Series, SFASU Mast Arboretum, Room 110, SFA Ag. Building on Wilson Drive. 7:30-8:30 p.m. Free. Refreshments served. Rare plant raffle held. For further information, contact, SFASU Agriculture Department, (936) 468-3705.

August 16 - George Hull, Mountain States Nursery and the University of Arizona at Phoenix, Arizona - “It’s 118 in the shade and all I can think is why am I here?” george@mewn.com

September 20 - Barney Lipscomb, BRIT, Fort Worth, Texas - “Art and Science: Redoute” - barney@brit.org