



# Timber Talk

## SFC Newsletter

Quarterly Newsletter for Southern Forestry Consultants, Inc.  
Clients & Customers  
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[www.soforest.com](http://www.soforest.com)

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# Merry Christmas!

### From the Presidents Desk:

Season's Greetings from Southern Forestry Consultants, Inc., Southern Forestry Consultants Realty, Inc., and The Wildlife Company. Our wishes for each of you to have the merriest of holiday seasons comes sincerely from our collective hearts and, although expressed only in writing here in this rather uninspiring format of a newsletter, is offered to you with deepest appreciation and gratitude. We only wish the "Holiday Season" could last longer and encourage you and ourselves to attempt to make the "Season" more a part of our everyday lives.

Forest landowners across the nation have cause to celebrate as President George Bush signed into law on October 22 a new corporate tax reform package that included several items beneficial to them. Section 631b of the Internal Revenue Code was amended to remove the language which mandated that landowners "retain an economic interest" in the sale of timber to qualify for capital gains treatment of the income. In other words, landowners who, in the past, had to sell on a per unit basis to get capital gains tax treatment can now sell on a lump sum basis. Additionally, the reforestation tax incentive portion of the Code was revised to allow for expensing of up to \$10,000 per year of reforestation costs and an accelerated schedule of 60 months to amortize any remaining balance. The other two changes benefit the timber industry and REITs (real estate investment trusts) instead of non-industrial private landowners, but any benefit to the industry ultimately accrues to the growers of the crop, so we are pleased with these changes as well.

I think it prudent to say in summary that with better tax treatment on reforestation expenses and timber sale income, with the prospect of better timber prices ahead (see our timber market report), and with the rapidly rising value of land in the southeast, we are more optimistic about your financial future in the timber growing business than we have been in a long time. Maybe this good economic news will help prolong the "Holiday Season" for all of us.

Best Wishes for your Holiday Season and have a great 2005!

Michael Dooner, President

### **How Many Deer Do I Have?**

How many times have you asked yourself this question? It is one of our most frequently asked questions and a very difficult question to answer correctly. Good population estimates provide the platform upon which many key management decisions are made.

Accurately estimating deer numbers is difficult. Spotlight surveys, track counts and incidental sighting records all have associated biases that reduce their accuracy. Harvest data can measure certain herd health and population indices but provides little information on overall herd size and composition.

A relatively new technique is now available that not only accurately estimates how many deer you have but also provides buck/doe ratios, fawn production and identifies quality and inferior bucks. A trail camera census, conducted based on scientifically researched methods, can provide all this data. Normal census periods include early fall, (September/October) or late winter (January/February). An early fall census will provide information on deer prior to hunting season allowing you to fine-tune your harvest strategies. A late winter census provides information on deer that have survived hunting season and allows you to measure the effectiveness of your harvest strategies. Because of depleted food supplies, a late winter census may be more effective at "capturing" all the deer your property.

The Wildlife Company has the expertise and equipment to help you answer this very basic question. Give Jason Sellers a call in the Bainbridge office to discuss our camera census service. So, how many deer do you have? Let's take their picture and find out!

## Timber Market Report

Markets for solid wood products have remained fairly strong despite a slight increase in interest rates. As a result, timber markets have remained steady in most areas during recent months. The exceptions to this are the Florida panhandle and southern Alabama, which were hit very hard by Hurricane Ivan. These areas have been saturated with an over supply of salvage timber, which has temporarily depressed prices in the immediate area of the storm and areas adjacent to it. This situation is expected to change fairly soon as much of the storm damaged timber is already beginning to deteriorate. Overall, pine pulpwood and sawtimber prices have remained fairly stable, although pine pulpwood has begun to edge up. Hardwood pulpwood prices appear poised for another run up if we have a wet winter.

After the first of the year, Georgia-Pacific expects to crank up its new oriented strand board (OSB) plant near Hosford, Florida. This mill will use small diameter pine and is the first plant of any size that utilizes pulpwood-sized material to be built in the north Florida area in over 15 years. We expect this mill to improve the pine pulpwood market somewhat in the area west and south of Tallahassee and may have some “domino” effect in other areas. The mill is not expected to reach its full capacity until mid-year.

Although the hurricane season temporarily devastated timber prices in west Florida and south Alabama, it had the reverse effect on areas in northeast Florida and southeast Georgia where rainfall was extremely heavy but wind damage was relatively light and spotty. Areas in and around Lake City, Florida, for example, had over 22 inches of rainfall from Hurricanes Frances and Jeanne combined. This situation temporarily created a scramble for “dry” timber and created a spot market for pine pulpwood, chip-n-saw, and poles that was the best experienced for several years.

The regional differences in the effects of the most devastating hurricane season in over a century on timber markets highlights the danger in making generalizations about timber prices. Although there is a lot of general information out there about timber markets, including this article, landowners should always keep in mind that exceptional spot markets for various types of timber do occur in response to a multitude of factors. This is one reason it is so important for you to consult with Southern Forestry Consultants prior to selling timber. We can not only advise you on the timing of your sale but also make sure you get a high quality logging job and avoid any legal and regulatory pitfalls in the process.

### LAND FOR SALE - GEORGIA

640 Acres – Grady County – Excellent hunting tract for deer, turkey, and dove – 3 ponds - \$2475 per acre

87 Acres – Grady County – Deer, turkey, dove, and duck hunting – 30 minutes from Tallahassee – brick home included - \$4750 per acre

Call Bud Holleman at 229-246-9651

### LAND FOR SALE

275 Acres – Jefferson County – Excellent hunting tract – deer, turkey, wild hogs, ducks, quail – food plots – fishing pond – 140 acres

5-year old planted pines - \$412,500

75 Acres – Madison County – Timber tract – 55 acres 17-year old planted pines – 20 acres pastureland – close to town - \$4500 per acre

Call Dave Lewis at 850-997-7238

### LAND FOR SALE – ALABAMA

220 Acres – Houston County – Hunting/timber tract – 133 acres 7-year old planted pines – pond – creek – excellent deer & turkey hunting - \$1800 per acre

40 Acres – Geneva County – Hunting/timber tract – pond site – road frontage - \$2475 per acre

13 Acres – Geneva County – Hunting/Timber tract – road frontage – pond site - \$1692 per acre

98 Acres – Coffee County – Great hunting tract – large creek with mature hardwoods – road frontage - \$1500 per acre

Call Brent Williams at 334-393-7868