

A New Twist for a Summer's End Vacation



Well, if you can believe it we're already approaching the end of summer, the kids are playing hard, and a lot of folks are heading out of town for some quality family time on one last grab at a summer vacation. If you're interested in buying land, here's an idea - vacation in an area that has rural properties you can visit and add to your knowledge of different land types. No matter what part of the country you visit, gaining this specific knowledge will give you a better feel for what type of property you really want to buy. We always encourage our clients to look at many tracts before making their final decision. Also, please remember

the value of allowing your family to be involved in the decision making process. If all members of the family emotionally buy-in to the selection process, then the experience will be more enjoyable for all. Then, when you do make the purchase, the whole family will use the property much more.

If circumstances and the market allow you the time, it would be beneficial to look at unfamiliar prospective land tracts over several seasons, because of the way the landscape changes. During the fall and winter it is much easier to look at the special attributes and topography of a tract due to all the leaves having fallen. Also, there is something special about looking at land when the weather's cold that brings out the adventurous spirit in people.

On the other hand, looking at land in the summer has its own advantages too. It allows you to locate the perfect spot for a cabin and see what the view will be like when all of the foliage is in full bloom. Another advantage to a summer site visit is that you are able to differentiate between plant species and determine which trees are alive and which are not.

Winter, Spring, Summer, or Fall, we appreciate the support of all of our clients, no matter whether they are Buyers or Sellers. So far, this year has been prosperous and we welcome the opportunity to grow our list of friends and help them too find some of that same prosperity. Please enjoy the rest of the summer, and if we can be of service, please give us a call.



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Timber Talk

SFC Newsletter

Newsletter for Southern Forestry Consultants, Inc.
Clients & Customers

Summer 2007

From the President's Desk

Greetings from Southern Forestry Consultants, Inc., Southern Forestry Realty, The Wildlife Company, and Southern Development Group. We hope you are having a great Summer and know you are looking forward to a cooler and wetter Fall and Winter.

Over the past few years in this newsletter and in many conversations with you, we have discussed the complexities of land ownership in an ever changing environment. Land use patterns have evolved to the point that the urban-rural interface is much closer to more of us than ever before. In Florida particularly it is nearly an annual event now to prove your status as a bonafide agricultural operation so that the favorable property tax rates prevail. Those challenges are moving quickly into Alabama and Georgia, and the rate of change will escalate as urbanization continues.

Another important change on the horizon is that of forest certification. I have mentioned this subject before and warned of its impending arrival. Unfortunately, I am the bearer of the news that we must do something now to protect your interest to continue practicing forestry for a profit.

A little history as a reminder is that about twenty years ago environmentalists gained enough of a foothold to "force" the forest products industry into addressing its management practices. Initially, the Clean Water Act Best Management Practices were adopted in all states to protect water quality and watersheds. About ten years ago several certification programs (Forest Stewardship Council, Sustainable Forestry Initiative, Tree Farm Program) gained favor and have resulted in more formal requirements of management systems and third party audits and/or verification. Recently, more "users of forest products" such as Wal-Mart, Time Publishing

Company, Home Depot, and 84 Lumber have chosen or been forced to adopt an environmentally friendly management process(es) that is verifiable AND includes a chain of custody provision. In short, that chain of custody provision says that all products and resources (wood/timber) used in the manufacturing and production of the retail product shall be made from an environmentally friendly process. You are now in the loop because your natural resource is used for the manufacture of many products sold by the above mentioned retailers, and that resource must be "green".

We will unveil in the near future our plan to ensure that your natural resource's value is maintained or enhanced by being a part of a management system that is in compliance with one of the "accepted standards." Integral to the process will be a forest management plan that details forestry, wildlife, and ecological activities to be implemented in a given time frame and within the guidelines of the Best Management Practices for your state. We are devising a process that protects not only your ability to maintain a strong position in the market place, withstands the test of a chain of custody provision, ensures favorable tax status, and does so at a cost that is reasonable. In moving forward as a group, the clients of Southern Forestry will accrue the benefits of a larger group, and you all individually will recoup the costs incurred in the first sale of timber you have or the next reduced tax bill you receive.

We will be in touch soon with the details, and in the meantime wish you the very best.

Michael J. Dooner, President

Tree Planting Time

It is never too early to start planning for your tree planting season. Most site-preparation work is done between August and November. This is a very small window to determine acres by GPS mapping, reserve seedlings, establish fire-lanes, site-prep spray herbicide, subsoil, scalp, site prep burn, etc... Also, the window gets shortened even more in many cases because a lot of these practices are weather sensitive. Therefore, plan early and call one of our foresters today to ensure a successful planting season.

There are always seems to be a lot of questions regarding longleaf in the CRP program. If you need answers to your CRP questions, please don't hesitate to call any of our offices.



Timber Markets: A Roller Coaster Ride

In our last issue, we looked at the recent downward trend in many timber products and discussed the reasons for that. Among those reasons were declining housing starts, poor lumber markets, and sustained dry weather. Six months later, we are essentially in the same place. Housing starts have declined further in 2007 and there is roughly a 9 month supply of houses currently on the market. According to data from Random Lengths, the lumber industry's leading reporting service, lumber markets (especially plywood) have recovered some in 2007 but are still down considerably from their 2005 levels.

Timber prices have reflected the relatively poor lumber markets. Timber products tied to lumber (sawtimber, plywood logs, chip-n-saw) have leveled off but continue to lag behind prices from even a year ago. The drought that has gripped most of the South has not helped, and the resulting wildfires have dumped a short term excess of salvage timber on the market. Also, some mills are still using "wet storage" logs from the salvage following Hurricanes Katrina and Rita. On the timber side, we are now experiencing somewhat of a glut of chip-n-saw sized timber, a legacy of the abundance of CRP thinnings that took place several years ago. Pine pulpwood looks a little brighter overall, although dry weather and salvage wood from wildfires have allowed pulp mills to keep prices down, but many wood dealers are in dire need of standing timber inventory, especially "dry" timber. In the event of sudden wet weather, the pulpwood market could get interesting very quickly.

In our last issue, we promised to take a longer term look at timber prices, reflecting on trends over the past 10 to 15 years. Data from Timber Mart South, the highly

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respected timber reporting service, tells us what we already know here at SFC: Timber prices across the South have generally either been in decline or stagnant

over the past decade. Our internal comparable sales data tells the same story. Pine sawtimber prices peaked in 1998, but are roughly the same now as they were in 1997. On the other hand, pine chip-n-saw prices have declined precipitously (about 22%) over the past ten years. Pine pulpwood prices have been relatively stable

in recent years but are down roughly 25% across the South over the past decade. In some areas, such as northeast Florida, this decline has been more like 50%. And these numbers don't even factor in loss in value due to inflation, which has averaged between 2.5% and 3.0% per year over the last decade.

Incidentally, hardwood prices have fared better over the past decade, although they have behaved in their typical up and down fashion. On a South-wide basis, hardwood log prices have risen an average of about 40% and hardwood pulpwood prices have increased around 18% in the last ten years. On a local basis, hardwood markets tend to be very erratic.

Is everything doom and gloom for timberland owners? Hardly. While timber prices have declined or

stagnated, the value of the land that we grow timber on has increased dramatically in the past decade. This increase in value has been fueled by both recreational and development pressures. As the old saying goes, "They're just not making any more land."

In addition to increases in land values, we are beginning to see dollar values being attached to benefits generated by forests that have traditionally been undervalued or not even acknowledged. These values include recreation, watershed protection, carbon sequestration, and protection of air quality. In his column in the most recent edition of *The Journal of Forestry*, Michael Goergen, Executive Vice-President of the Society of American Foresters, notes this changing environment and makes the statement, "These markets have not yet fully emerged, but ongoing efforts both in the United States and around the world are promising."

In this age of erratic markets and shifting values for your forests, it is more important than ever that you allow the professionals at Southern Forestry Consultants to guide you in your efforts to reach your goals and maximize your forest investments. We are involved in the marketplace on an everyday basis and are committed to keeping your best interests in mind and treating your forests like our own. 🏡



Cull Bucks – What and When to Remove

Few game species in North America are as intensely managed as the whitetail deer. Biologists, managers, and outdoorsmen continually research, apply, and debate every aspect of growing trophy bucks. Thanks to guidelines set forth by organizations such as the Quality Deer Management Association, there is a wealth of research-tested information available on improving deer herds. Terms like age, nutrition, and genetics are common language for today's outdoorsmen. We know that these three factors are the keys to growing next year's trophy. What's interesting however is the emphasis placed on each of these factors.

Culling "inferior" bucks, a practice highly debated among wildlife professionals, seems to be a common practice of deer camps, hunt clubs, and the occasional weekend warrior. This practice is implemented to "enhance" the genetics of a deer herd while the other two factors, age and nutrition, are under-emphasized. It's interesting to see a trend in which the factor we have the least control over is the one we try most to change. There has been no research to show that culling has a positive impact on herd genetics. In fact, by removing what is thought to be inferior bucks, you could be damaging your herd's age structure.

The concept of culling originated on commercial high-fence properties in Texas. It is used as a tool to balance the herd, not to remove "inferior" genes from the pool. Within many high-fenced properties in Texas, the deer population is lower than the land's carrying capacity. Because high-fence hunters are very selective and harvest very few bucks, many bucks may die of old age. In an effort to utilize these elderly deer, they are taken as "management bucks." This proper utilization benefits the herd by balancing the buck-doe ratio, reducing the number of mouths to feed during dry years, and even limiting injuries from fighting in these buck-heavy populations. Also, the selection process of how many bucks and even the individual bucks selected is precise, because each individual buck is known and often observed many times within a high-fence area. Conversely, trying to implement culling based on inferior antler traits in a free-ranging deer herd will only create an imbalance in the buck age structure. A free-ranging deer herd's gene pool is very diverse, and removing a "cull" buck in an attempt to improve the overall antler quality will be about as effective as dipping a cup of water out of the ocean in an attempt to lower the sea level.

So, is there such a thing as a cull buck? Yes, but odds are you've probably never seen one. First-year spikes are sometimes referred to as "genetically inferior." Actually, the fact that their antlers don't fork has a lot more to do with their birthday than their genetics. Recent studies have shown that first-year spikes are indistinguishable from first-year rack bucks by age 4 ½. Killing these young bucks as culls only decreases the number of bucks in the middle age structure. This can lead to terrible buck-doe ratios and extended breeding seasons, leading ironically to more first-year spikes. Often, mature bucks shot for culls are labeled "inferior" because of skeletal or antler injury. However, if the supposedly cull buck is left in the herd, this injury-caused characteristic may not show up the following year. Other factors impacting cull selections are hunter errors such as "ground shrinkage," bad decisions, an itchy trigger finger, and just not enough experience making the right call.

Harvesting inferior bucks as a management strategy can have its benefits, but it won't affect antler quality nearly as much as manipulating age and nutrition. Nutrition is well emphasized these days, and there's almost always more that can be done for habitat improvement. As over-emphasized as genetics is, age structure is equally under-emphasized. The first step to managing age structure is to know what you have. Camera surveys are the most effective tool for understanding your herd's age structure, fawn recruitment, and buck-doe ratio—all important data points when setting the direction to attain your management goals.

Bottom line: Manage the aspects of your deer herd that you can control, and bear in mind, the aspect you control the most is your trigger finger. Select the buck you want and take him. If you make a poor choice, accept your mistake, learn from it, and move on. Do not justify a poor decision in the name of genetics. Remember, it takes a long time to dry up the ocean one cup at a time. 🏡

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