
Rob Smith
Private Forests Tasmania
February 2021



Private Forests Tasmania

Marketing and Harvesting

Small Volumes of Minor Species and High Value
Timbers from Private Forests



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Introduction

The harvesting and marketing of small volumes of minor species and high value timbers from Private Forests can often be difficult. The mainstream timber processors are used to dealing with the major commercial timbers and are usually not equipped for or prepared to purchase specialty timbers or smaller volumes of wood. Therefore, unlike sales of large volumes of major commercial timbers, more specialised marketing is required to sell these timbers.

The following information (and Harvesting & Marketing flowchart page 11) is primarily concerned with the marketing and harvesting of minor species. However, the processes described can equally be used to market and harvest small volumes of high value major commercial timbers, such as pruned Radiata pine or veneer grade eucalypts, to ensure maximum returns to the grower.

What are minor species?

Minor timber species in native forests or plantations are usually considered to be species other than eucalypts and Radiata pine.

Common Minor Species

Native (native forest or plantation grown)	Exotic (plantation grown)
▪ Banksia	▪ Cedars
▪ Celery-top pine	▪ Cypresses
▪ Horizontal scrub	▪ Firs
▪ Huon pine	▪ Nuts
▪ Myrtle	▪ Fruits
▪ Native cherry	▪ Oaks
▪ Native pines	▪ Poplars
▪ Paperbarks	▪ Robinia
▪ Sassafras	▪ Redwoods
▪ She-oaks	▪ Spruces
▪ Tea-tree	
▪ Wattles	

Other less common species may occasionally be available, especially as single trees from aboriginal operations.

Specialty timber processed from minor species is prized for its appearance and especially its 'grade', including: colour, grain, texture and figure. These timbers are used for fine cabinet work, boat building, furniture, paneling, sports goods and musical instruments. They can command higher prices than regular timbers because of their high-end use and limited supply.



Tasmanian blackwood is prized for its appearance grades www.tastimber.tas.gov.au



Select Grade (SEL)



High Feature Grade (HF)



Black and White Grade (B&W)

Both the natural distribution and small parcels of minor timbers on private land often result in harvests of small volumes from tens to hundreds of cubic metres in size.

A timber buyer will only be interested in purchasing the timber if he/she can make a profit, i.e. the value of the timber must exceed the harvesting and cartage costs.

The 'value-adding train'

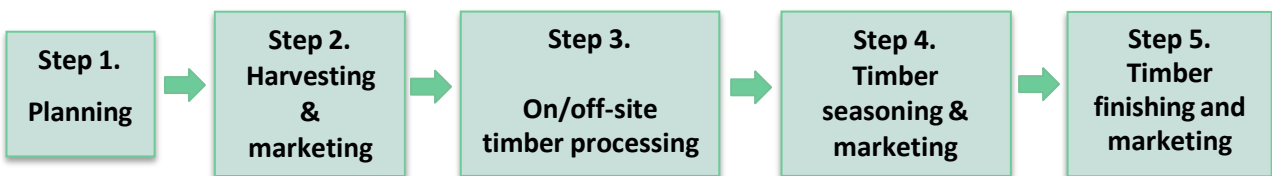
With the minor species, the forest owner may join the 'value-adding train' (K. Matthews pers. comm.). Here the forest owner carries-out and/or supervises as many of the planning, timber harvesting, processing and marketing operations he/she is capable of. This helps reduce costs associated with the operations and adds value to the product. This can be critical to make an operation with typically low volume/high value minor timber species viable.

Milling timbers onsite (left) can increase potential revenue, if the timber is correctly converted, stacked and seasoned (right)



These activities may be carried-out by the forest owner and/or with contractors, with assistance from *forestry advisors** as necessary. However, increasing value-adding opportunities increases costs, resources and risks, but also increases potential revenue. The forest owner must decide how far he/she wishes to travel on the 'value-adding train'.

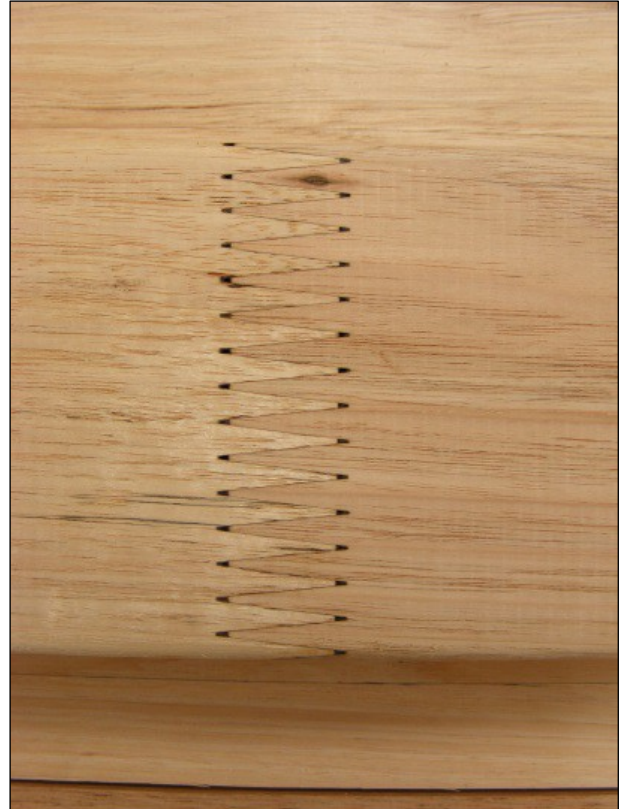
The 'value-adding train':



Remember, the further your travel along the 'value-adding train' there will be:



A glue-laminated beam (left) using finger-jointing (right) is an example of taking the 'value-adding train' to its final destination



On-site timber processing

There may be opportunities for the logs to be processed on the site. For further information please refer to:

Processing trees on farms, Stewart, M & Hanson, I (1997), RIRDC Research Paper No. 97/20.
(<https://rirdc.infoservices.com.au/downloads/97-020.pdf>)

***forestry advisors** – independent foresters that can help you manage your forest. Contact Private Forests Tasmania for more information.

Professional Advice

If you are uncertain about selling timber, harvesting and or processing you should seek advice from a professional forestry advisor, and/or contact Private Forests Tasmania (PFT). There are many horror stories of landowners making mistakes when selling timber which has cost them dearly and negatively influenced future operations. A single poor sale can cost much of the value of decades-old timber and selling timber correctly is critical to the success of the forestry investment.

Seeking advice from a professional forestry advisor is always recommended



Timing

Timing is important to get the best price; therefore you will need to know current stumpage prices (the price paid for the trees as they stand) and market opportunities. If you don't, speak to a professional forestry advisor.

You should not rush into selling timber, but remember that timber being salvaged from a specific disaster caused by pests, weather or fire will often degrade quickly if the trees are damaged or killed. Trees, unlike other farm products, can be 'stored on the stump' during poor markets. History confirms that value of high quality timber generally rises over time.

A Guide to Marketing Timber

Selling timber is often not easy to do. The information below will guide you to effectively market your timber if you are either selling standing trees or selling timber along the '*value-adding train*'.

You must be familiar with all the processes in *Selling Wood from Private Forests* (see information sheet on Private Forests Tasmania website) and the *Harvesting & Marketing flow chart* on page 11. If you are unsure you should ask a professional forestry advisor to help you with the process.

1. Know what you have to sell to attract a buyer

In particular:

- Know the **timber species** you have for sale.
Some tree species command higher prices than others due to high demand, limited or special qualities.
- Know the **quality and grade** of timber.
Quality and grade affect timber values just as it does any other product. Using recognised grades establishes norms that help us to convey the product we have to sell and avoids confusion.
Links:
<http://www.nzffa.org.nz/specialty-timber-market/brand-grades/>
http://www.tastimber.tas.gov.au/Species/pdfs/Tasoak_Grades.pdf
http://www.tastimber.tas.gov.au/Species/pdfs/Blackwood_Grades.pdf
[http://www.forestry.gov.uk/pdf/MTG-WEB.pdf/\\$FILE/MTG-WEB.pdf](http://www.forestry.gov.uk/pdf/MTG-WEB.pdf/$FILE/MTG-WEB.pdf)
- Know the **volume** of your timber sale.
Larger volumes generally equate to higher stumpage prices because of the greater economies of scale.
- Know **distance from market**
Transportation is expensive and local buyers should be able to pay higher prices for your products than more distant buyers.
- Know the **size of your trees** or timber
 - ❖ Bigger trees mean more volume and will have a better chance of attracting a buyer.
 - ❖ For standing trees, measure diameter at breast height (DBH) at 1.35m above the ground and know the average height of the trees.
- Know the **location of the trees** - can they be harvested easily?
 - ❖ What structures and infrastructure are in the path of the trees' removal? Are there structures, other trees and plants, power lines, underground pipes?
 - ❖ Would it be expensive (or even possible) to transport and run harvesting equipment onto your property?
 - ❖ A Forest Practices Plan (FPP) is generally required if the area harvested exceeds 1.0 hectare or the volume harvested exceeds 100 tonnes or where the land is vulnerable. (http://www.fpa.tas.gov.au/forest_practices_system/forest_practices_system_faqs)
 - ❖ The Forest Practices Code may place limitations on harvesting.

Do you know how much timber you have in your stack of logs (left) or in your plantation? (right)



Forest owners could sell their trees themselves or engage a forestry professional/consultant to assist sell their trees. Wherever possible forest owners should be as closely involved in the timber sale as possible. If necessary, he/she should seek advice from a professional forestry advisor. Ultimately the forest owner should determine what trees are harvested, how they are harvested and the timber volume and value of the timber.

2. Finding a Buyer

You should now identify potential buyers and list those in the vicinity of your forest and in the region or the State. Private Forests Tasmania's 'Directory of Tasmanian Forestry Services' (available on our website www.treealliance.com.au) lists potential timber buyers who may be interested in purchasing trees and timber. Your forestry advisor may know of other markets or local buyers. You should contact each potential buyer to discuss their interest in your timber. It is important to know what products the buyer wants.

Bid prospectus and invitation to bid

Although not common practice in Tasmania, the collation and distribution of a bid prospectus and invitation to potential buyers in your area to bid is recommended.

Bidding could be on-site or received in-confidence in writing.

Your **bid prospectus** should be simple, clear and informative. It should include, but not be limited to, the following:

- date, time and location of the bid opening;
- timber product, species and volume summary;
- photographs of the trees and/or timber;
- location map;
- bid form;
- terms for payment;
- information about the deposit; and
- statement of seller's rights to reject bids

Potential buyers should be given an opportunity to examine the trees or timber. They should also be allowed to inspect and keep a copy of the contract or agreement you attach to the sale. Whenever possible, you should ensure multiple bids to gain a winning contract.

Timber Contract of Sale

Regardless of the size of the timber sale, a written and formalised contract prevents potential misunderstanding and protects both the buyer **and** the seller.

The **contract** should contain, but not be limited to, the following:

- a description of the timber sale;
- the selling price;
- terms of payment;
- which timber will and will not be cut;
- time allowed to cut and remove timber;
- adherence to all forestry regulations; and
- other special provisions, including: Forest Practices Plans, contractor liability exclusions, etc.

Any legal contract should be checked by a legal advisor to ensure that it is correct **and** legally binding.

Studies show that timber sellers using a professional forestry advisor can get up to 50% more per sale (<http://forestry.about.com/>). A forestry professional who sells trees for a living and practices within your area is your best advisor. They will know timber product grades and values and be familiar with local timber buyers and the general market. Private foresters usually offer their services on a fee basis. Timber owners will often find this expense is more than offset by the higher selling price received for their timber.

Completion of Timber Sale / Harvest

To make sure terms of the timber sale contract being met, either you and/or your professional forestry advisor should inspect the harvest operation periodically and on final completion. The buyer (or his forest contractor) should not vacate the property until the final inspection is satisfactory.

Contact Us

Email admin@pft.tas.gov.au | Phone 1300 661 009 | Web www.treealliance.com.au

Disclaimer:

This information has been prepared by Private Forests Tasmania (PFT). Every reasonable endeavour has been used to ensure that the material was accurate at the time of publication.

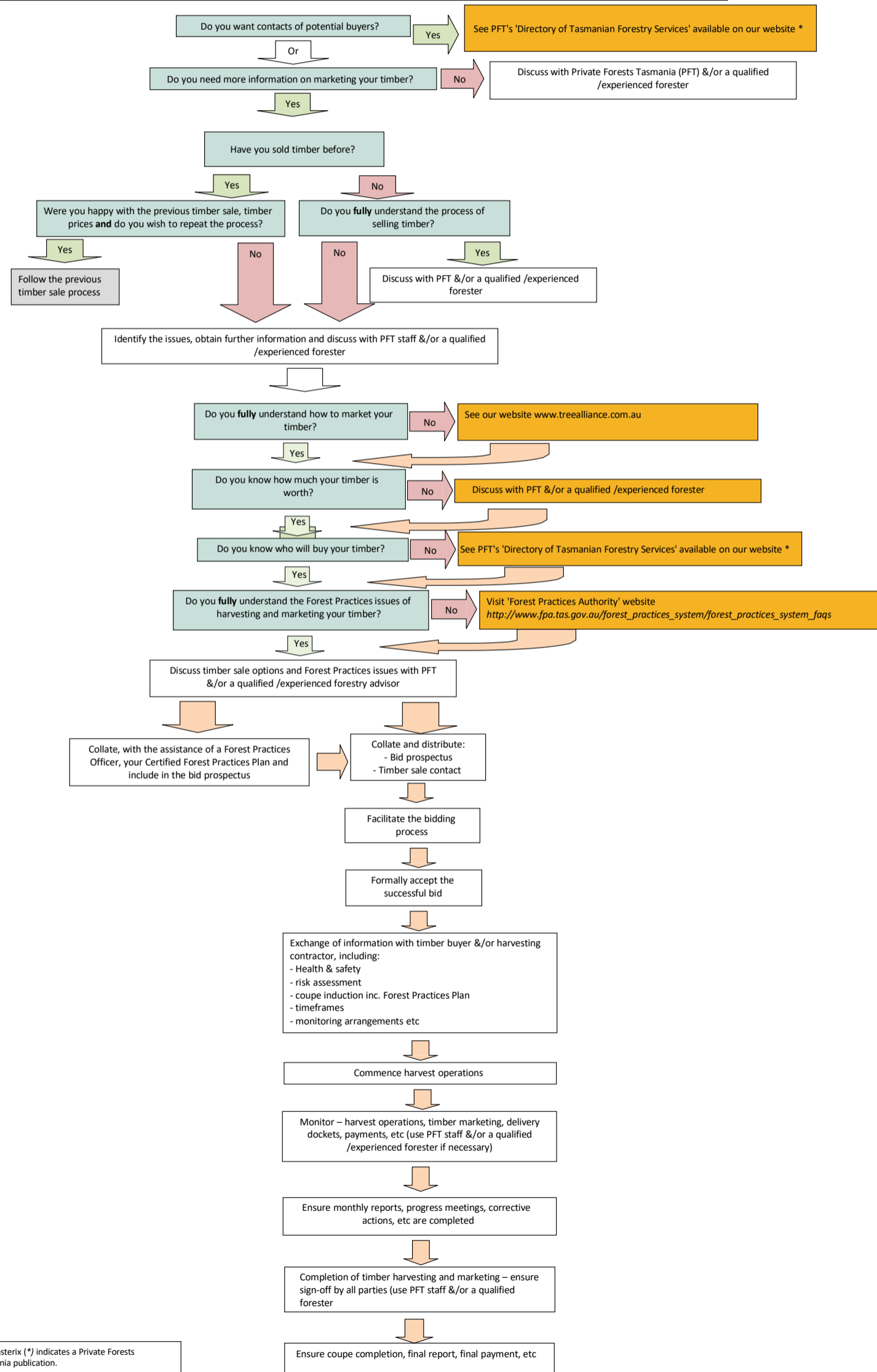
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Marketing and Harvesting Flow Chart

Marketing and Harvesting

This flow chart shows the series of processes that are included in, but are not limited to, the marketing and harvesting /sale of timber on private property. It is recommended that before venturing into any forestry operation, professional advice is always sought from a forester, forest practices officers, legal advisors and financial advisor.
Seeking the correct advice will ensure:

- all forest practices meet regulatory and silvicultural standards, suit the individual property and forest, and landowner objectives and resources;
- all plans and contracts are legally correct; and,
- the landowner will likely maximise their financial returns from the venture.



NB - asterisk (*) indicates a Private Forests Tasmania publication.