

A GUIDE TO PROPERTY OWNERS WHEN
PLANNING A TIMBER CUT
IN
HANCOCK, NEW HAMPSHIRE

To Hancock Timber Owners:

One of the most attractive and desirable features of Hancock is its rural landscape.

The state of New Hampshire and the Town of Hancock recognize that it is in the public interest to encourage the preservation of open space by conserving forests and other natural resources. Surveys conducted with Hancock residents list preservation of open space as a #1 priority for the town's future.

Additionally, studies have shown that open space is an economic asset contributing to the stability of community tax rates.

However, it has not always been this way. Early settlers to the area encountered vast forests. But by 1850, land clearing for farms and pastures had reduced forest cover to about 45% statewide. Fortunately, by the turn of the new millennium, New Hampshire's forest cover had rebounded to an estimated 87%, with 75% in private ownership.

Privately owned, undeveloped, land stands a better chance of remaining open if landowners have the option of receiving income through environmentally sound timber harvesting.

Towns also receive important revenue from timber harvests, as 10% of the stumpage value of the trees cut is paid to the town in the form of the *yield tax*.

"Therefore, forestry activities - including the harvest and transport of forest products - shall not be unreasonably limited by use of municipal planning and zoning powers or by the unreasonable interpretation of such powers." (NH RSA 79-A:1)

The accompanying checklist is provided to assist timber owners new to the process of timber harvesting, and as a reminder to experienced timber owners, of the steps required when planning a successful timber cut.

We are also providing:

- A Summary Of New Hampshire Forest Harvest Laws
- A Guide To Selecting A Forester
- A Guide On How To Hire A Forester

We hope you find this information helpful.

Hancock Selectboard
603-525-4441

CHECKLIST FOR TIMBER HARVESTING IN HANCOCK:

- Have you accurately confirmed property boundary lines? In addition, if an abutting property has to be crossed to access timber designated for cutting, have you obtained legal permission to cross the abutting property?
- Have you read the UNH Cooperative Extension publication: "*A Summary of New Hampshire Forest Harvesting Laws*"?
- Have you read the instructions, completed, and signed the NH Department of Revenue Administration form: "*Notice of Intent to Cut Wood or Timber*" and filed the form with the Town of Hancock?
- Do you understand that timber cutting cannot take place within the first 30 days from application unless the *Intent to Cut* form is signed by the Hancock Selectmen and the permit has been posted on the job site?
- Do you understand that the Hancock Conservation Commission will also review any implications for wetlands associated with harvesting timber? (The town and the Conservation Commission have no more than 30 days concurrently for reviews).
- Do you understand that if wetlands are present on the property, the Hancock Conservation Commission may seek the property owner's permission for access to the site for inspection of wetlands impact, if any? (Wetlands maps are available at the town office)
- Do you understand that if wetlands are present on the property, setbacks apply, and a wetlands permit may be required from the NH Department of Environmental Services?
- Have you determined whether a conservation easement has been placed on the property planned for timber cutting? The Hillsborough County Registry of Deeds has records of the easements on file.
- Have you considered the benefits of hiring a licensed forester? * Moreover, did you know that The UNH Cooperative Extension provides free forestry consulting?
- Have you considered preparing a "Forestry Management Plan"? *

* Hiring of a licensed NH forester, while not mandatory, is recommended.
See accompanying information provided by the NH Timberland Owners Association regarding: "*How to Hire a Forester*".

Hillsborough County
329 Mast Road
Goffstown, NH 03045
(603) 641-6060



UNIVERSITY of NEW HAMPSHIRE
COOPERATIVE EXTENSION

J.W.Nute 10/00

A SUMMARY OF NEW HAMPSHIRE FOREST HARVEST LAWS

1. Anyone planning to do a commercial* timber harvest must file a notice of intent to cut form in the town where the harvest is to take place. (RSA 79:10)

Note: The notice of intent to cut form is a one page questionnaire that is available at your municipal assessing official's office. Once completed, the landowner keeps a copy and returns the rest to the selectmen/assessors, where 2 copies will also be forwarded to the state Department of Revenue. If more timber is going to be harvested than originally estimated, this additional volume must be filed in a supplemental intent to cut form.

2. After the state Department of Revenue receives their 2 copies of the notice of intent to cut form, they will then send to the landowner: (RSA 79:10)
 - A. A certificate, which the landowner must post in a conspicuous place within the harvest area, so that it can easily be seen by the public.
 - B. A report of cut form, which is a one page questionnaire in which the landowner must report the volumes of wood harvested by April 15 or within 60 days of the end of the harvest, whichever is sooner.

Note: If the harvest lasts more than a tax year (that is, beyond March 31) the procedure above must be repeated each year the harvest takes place.

3. **Bond** may be required when cutting takes place on public land. The town assessing officials can require that the owner, before harvesting begins, must post a bond or other security which they deem necessary to ensure payment of the yield tax to the town, if property taxes are owed to the town (RSA 79:10-a).

*See NOTE on Item #4 on next page for "non-commercial" harvests.

4. **Yield Tax.** (RSA 79:1) Anyone meeting the requirements necessary for filing an intent to cut form, must pay to the town a 10% tax on the stumpage value of the wood harvested. The landowner is billed this amount by the town at the end of the tax year or at completion of harvest, whichever is sooner.

Note: "Non-commercial" harvests of less than 20 cords of firewood or 10,000 board feet of logs do not require the filing of the notice of intent to cut or the payment of the yield tax if: (1.) it is for the landowner's own use, or (2.) if it is for land conversion purposes and all development permits have been obtained. (RSA 79:1 II (b))

5. During the harvest, a state Forest Ranger may inspect the operation for compliance with the forest harvest laws. (RSA 227-J:2)
6. **SLASH LAW:** (RSA 227-J:10) (see map) Felled trees, branches and other logging debris must be removed from:
- A. Any stream, river or brook which normally flows throughout the year, and any cemetery.
 - B. 25' of another person's property
 - C. 25' of any fourth order stream
 - D. 50' of a pond (larger than 10 acres)
 - E. 50' of the edge of a public road
 - F. 50' of an active railroad bed
 - G. 100' of any building

In addition, slash within 150' of items D. and E. above must be cut so that none of it extends more than 4' above the ground.

7. **"50 PERCENT" LAW:** (RSA 227-J:9) During forest harvesting operations no more than one-half of the basal area** of the trees can be cut within:

50' of any pond less than 10 acres, or stream, brook or river which normally flows throughout the year

150' of any pond larger than 10 acres, fourth order stream or public road

However, the Director of the New Hampshire Division of Forests and Lands can grant an exception to this law on a case by case basis.

Simply stated, **Basal Area means that you must leave at least half of the big trees and half of the small trees.

Also, the 50% law only applies to standard timber harvesting operations for forestry purposes. The law **does not apply** to the conversion of the land to non-forest use, such as clearing for agriculture, industrial and housing development and utility rights-of-way. However, all local or state permits allowing the conversion must be obtained before the land clearing begins.

8. **WETLANDS PROTECTION:** (RSA 227-J:6&7)) There are 3 types of wetland permits in N.H.: **Minimum, Minor and Major.** For timber harvests where brooks or wet areas are being crossed, a **Minimum** impact wetlands permit is required. You must (A) complete the one page questionnaire, (B) prepare a map of the harvest area and wetland crossings (using a photocopy of USGS topo. map), (C) include a \$25 check and (D) mail to the N.H. Wetlands Bureau, P.O. Box 95, Concord, N.H. 03302-0095, Tel. 271-2147.

A **Minimum** impact wetlands permit is appropriate for:

- Forest management purposes only. Site development for a nonforest use requires a separate "dredge-and-fill" permit from the N.H. Wetlands Bureau.
- Altering less than 3,000 sq. ft. of wetland (15' x 200')
- Permanent culvert or rock ford. Max. 15' wide by 50' long.
- Crossing streams less than 10' wide
- Crossing seasonally wet areas less than 50' wide
- Installing a bridge, but only if there is no work done in the water.
- Temporary brook, stream or river crossing.

Forest harvesting activities should follow procedures described in the publication *Best Management Practices for Controlling Soil Erosion on Timber Harvesting Operations in N.H.*, which is available from the N.H. Division of Forests and Lands, UNH Cooperative Extension and the N.H. Timberland Owners Association.

9. **TIMBER TRESPASS:**

CIVIL LAW (RSA 227-J:8) A person negligently cutting trees from land of another shall pay 3 to 10 times the value of the trees.

CRIMINAL LAW (RSA 227-J:8-a) A person that recklessly cuts trees from land of another "shall be guilty of a class B felony if the loss is greater than \$1,000, or a misdemeanor for any other loss."

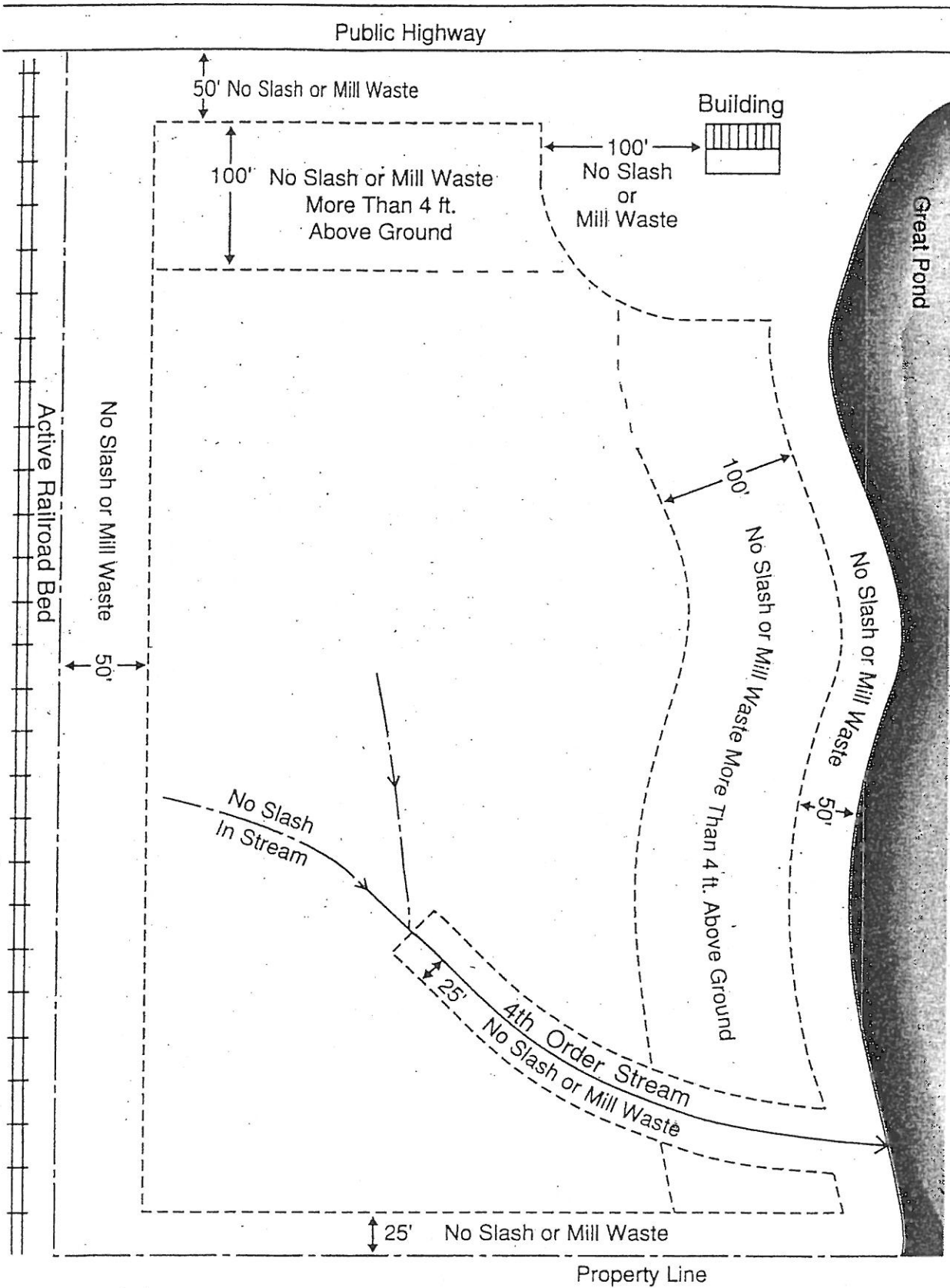


Figure 6. Slash Law

Who Has Authority to Enforce or Assist in Enforcing Regulations?

The following table lists important regulations and the official bodies responsible for their enforcement.

REGULATION	ENFORCEMENT
Notice of Intent-to-Cut	Town Clerk Town Tax Assessor or Town Selectmen N.H. Department of Revenue Administration
Intent-to-Cut Certificate	N.H. Department of Revenue Administration
Report to Cut	Town Tax Assessor N.H. Department of Revenue Administration
Yield Tax Enforcement	N.H. Department of Revenue Administration N.H. Division of Forests and Lands
Wetland Notification	Town Conservation Commission N.H. Wetlands Bureau N.H. Division of Forests and Lands
Dredge-and-Fill Permits	Town Conservation Commission Town Clerk Town Planning Board Town Selectmen N.H. Wetlands Bureau N.H. Division of Forests and Lands
Alteration-of-Terrain Permits	Water Supply and Pollution Control Division, DES N.H. Division of Forests and Lands
Basal Area and Slash Law	N.H. Division of Forests and Lands Enforcement Municipality, after notifying N.H. Division of Forests and Lands
Basal Area Law Variance	N.H. Division of Forests and Lands

How to Contact State Agencies and Organizations

New Hampshire Department of Resources and Economic Development

Division of Forests and Lands

Forest Protection Bureau

P.O. Box 1856

Concord, NH 03302-1856

(603) 271-2214

Brad Simpkins - Hillsborough County

Douglas Miner - Western Merrimack County

New Hampshire Department of Revenue Administration

Timber Appraisal Division

P.O. Box 457

Concord, NH 03302-0457

(603) 271-2687

Dennis Thorell

New Hampshire Department of Environmental Services

Water Supply and Pollution Control Division

6 Hazen Drive

Concord, NH 03301

(603) 271-3503

New Hampshire Department of Environmental Services

Water Resources Division

New Hampshire Wetlands Bureau

P.O. Box 95

Concord, NH 03302-0095

(603) 271-2147

New Hampshire Timberland Owners Association

54 Portsmouth Street

Concord, NH 03301

(603) 224-9699

University of New Hampshire Cooperative Extension

Cheshire County Office

R. Marshall Patmos, Jr.

800 Park Avenue

Keene, NH 03431-1513

(603) 352-4550

Merrimack County Office

Tim Fleury

315 D. W. Highway

Boscawen, NH 03303

(603) 225-5505

Hillsborough County Office

Jon Nute

329 Mast Road

Goffstown, NH 03045

(603) 641-6060

Rockingham County Office

Phil Auger

113 North Road

Brentwood, NH 03833

(603) 679-5616



Selecting a Forester

Introduction

The decisions that New Hampshire's private landowners make regarding how their forests are managed are crucial to this vital resource. Forests cover 84% of our landscape. They provide us with clean water, scenic beauty areas for recreation and wildlife habitat. They also provide raw materials to support the third largest industry in the state, the forest products industry.

Most of the forest land in our state, more than 75% in fact, is privately owned. The majority of New Hampshire's forest landowners don't have the experience, technical training or time necessary to adequately manage their forest resources. Fortunately, there is a large group of professional foresters in the state available to provide a variety of forest resource management services. The state requires individuals who provide forestry services for compensation to be licensed in order to maintain a high standard of forestry practices.

Forest management is a flexible science that, to a certain extent, is governed by the goals and needs of the landowner. Clear communication of the goals to the forester will help ensure the desired results. It is very important landowners take time to establish reasonable objectives and priorities before contacting a licensed forester. Landowners should consider and rank the following: forest and wildlife habitat improvement, income generation, aesthetics, development of recreational opportunities, protection of water quality, and tax considerations.

The qualifications, experience and services offered by foresters vary. Landowners should ask questions about a forester's training and experience to be certain the individual will satisfactorily accomplish their management goals. It's also a good practice to ask for and investigate references. Contacting other landowners with similar management goals will provide information about the capabilities of prospective foresters and valuable insights into the results of forest resource management activities.

Foresters who provide assistance to landowners are frequently categorized as consulting or industrial foresters. Consulting foresters are either self-employed or work for a consulting forestry firm, while industrial foresters are generally employed by a specific forest industry/firm and most often have some responsibility to purchase raw material for their employer.

A written contract or work order is recommended. It should include a description of the services to be provided, an expected time frame for the services to be accomplished, and fees. The fees and method of payment charged for forestry services vary with the type of management service provided. For instance, tree marking fees and commissions based on the gross receipts of timber sales are common timber sale-related, billing procedures. Other services might be charged on a set fee per acre or hourly rate. Some foresters provide services through industrially-sponsored landowner assistance programs where service costs may be offset by the reduced stumpage prices.

Forester Licensing Laws

The Forester Licensing Law RSA 310-A:103, addresses the issue of fees and their disclosure, and requires that "...when dealing with the public, forester shall:

- I. Identify clearly themselves, their employer, and in whose interest they are working.
- II. Disclose fully any financial or purchase interest they or their employer may have in the land or timber which they are working.
- III. Disclose fully all direct or indirect costs or obligations of services provided, including hourly or daily rates and commissions, as well as exclusive contracts to sell forest products to certain individuals or firms.
- IV. Provide complete services requested by landowners or disclose clearly that such services cannot be provided."

Services

Foresters provide a variety of services to landowners including management plan preparation, timber appraisals, timber sale administration, wildlife habitat improvement, boundary marking, timber stand improvement, and recreation and aesthetic improvements. In addition, some foresters may have particular qualifications and interest in providing assistance in land surveying, urban forestry and landscape, Christmas trees, taxation, legal or other natural resource-related matters.

Federal cost-share programs are available to forest landowners for accomplishing conservation-related practices. These include programs to help defray the costs of management plans, wildlife habitat, timber stand improvement activities, and trail and access road construction. Many foresters utilize these programs for their clients and provide assistance with the application process and related paper work.

Management Plans

Landowners seriously interested in the long-term management of their forestland and its resources are encouraged to develop written management plans. Written management plans are valuable documents landowners can refer to in their tenure as stewards of the forest resources. A plan should provide information about the past uses of the land, its current condition and recommendations and options for meeting landowner goals. The value of management plans to landowners is well documented. They are now mandatory requirements of the Tree Farm and Stewardship Programs. Plans are also needed for current-use stewardship documentation purposes for lowering forest land assessment.

Management plans may vary in sophistication from a short report based on a brief walk-through of the woodland to a detailed document which may include wildlife habitat and forest resources inventories, computer-simulated growth projections, and year-by-year schedules of activities with projected costs and/or income. Whatever the level of sophistication desired, it's important landowners have plans developed that are easily read documents accurately reflecting their goals and needs. If a written management plan is desirable, be sure to ask prospective foresters about their experience in writing plans, and examine their work.

Appraisals

Done separately or incorporated into a detailed management plan, timber appraisals are estimated of the quality, volume and value of the wood products currently growing in a parcel of forestland. An appraisal of timber-related assets is useful for determining estimated timber sale revenues, real estate values, estate planning, and federal income tax purposes. Appraisals are often required for permanent land protection efforts such as conservation easements and are useful for planning forest management activities.

Timber appraisals can be done at different levels of accuracy which are reflected in the cost. These can

range from a very rough estimate based on a quick walk-through, to a detailed inventory and analysis based on carefully measured plots distributed throughout the woodland.

Wildlife Habitat Improvement

Many of New Hampshire's forest landowners have strong interests in maintaining, enhancing or creating wildlife habitats on their property. Wildlife habitat improvement practices include a wide assortment of management options. While these most often complement traditional forest improvement practices, wildlife habitat emphasis may employ land management practices specifically designed to improve or create wildlife habitat(s). Landowners with a special interest in wildlife management may want to inquire about an individual's training, experience and interest when selecting a forester.

Boundary Marking

Foresters are often called upon to maintain the location of property boundaries. While only a New Hampshire Licensed Land Surveyor can establish boundaries common to another owner, a forester can remark established boundaries, research deeds and help to determine if surveying work is required. Some licensed foresters are also licensed land surveyors.

Timber Stand Improvement

Timber stand improvement (TSI) is a term applied to a variety of silvicultural (forest care) practices used to improve the growing conditions and quality of trees. These include weeding and thinning in young forest stands, pruning of potential crop trees, tree planting and soil scarification for natural regeneration. Foresters often perform TSI work for landowners or may arrange to have the work completed through other contractors.

Timber Sales

Timber sales present an opportunity for landowners to generate income and improve or modify their forests to meet their management goals. While timber harvesting can be a valuable management tool, it's important for landowners to keep in mind timber harvesting has long lasting effects on all aspects of the forest environment. The decisions made regarding how a harvest is done are often the most important management activities made by landowners in their term of ownership. The next section of this booklet deals with this matter in detail.

Foresters prepare and monitor timber sales in a number of ways. The steps taken will depend on the management goals of the landowner, the forest products harvested and their relative value. Landowners should expect a forester will, as a minimum, designate the harvest area, enter them into a legally binding contract with a reputable logging contractor, and provide some level of supervision of the harvest. More intensely prepared and supervised timber sales involve:

- pre-harvest marking, measurement and volume estimated of trees to be harvested
- preparation of harvest contracts including details of utilization specifications, down payments, performance bonds and payment schedules
- compliance and assistance with timber tax and other permitting requirements
- layout of skid trails, wetland crossings and landing sites
- showing and sealed bid procedures for awarding contracts
- a higher level of timber harvest supervision
- assistance with income tax reporting



New Hampshire Timberland Owners Association



54 Portsmouth Street
Concord, New Hampshire 03301
Phone (603) 224-9699 Fax (603) 225-5898

How to Hire a Forester

New Hampshire depends on its forests to supply clean water, wildlife habitat, and scenic areas for recreation. These forests are also needed to provide raw materials to support the forest products industry, the third largest industry in the state. New Hampshire's landscape is 87% forest, and 75% of this is privately owned. Because of this, the decisions made by private forest landowners can significantly affect the state's forest resources and associated benefits.

Managing forestland requires time, experience, and technical training. If you are a landowner who does not have these qualifications, where do you turn for assistance in meeting your goals for the land? Whether you are interested in conducting a timber sale, providing a recreation area, or encouraging a particular wildlife species to visit your land, a professional forester can help.

Foresters are trained to provide a variety of forest management services, including management plan preparation, timber appraisals, timber sale administration, wildlife habitat improvement, boundary marking, timber stand improvement, and recreation and aesthetic improvements.

While it is not necessary to hire a forester before conducting a timber sale, research in New Hampshire, and in many other states, has shown that carefully prepared and supervised timber sales often return greater net revenues to landowners and leave more valuable and attractive forests than other alternatives.

Establish goals and objectives for your land

Before hiring a forester, you must take the time to establish reasonable objectives and priorities for your land. You should consider and rank the following in order of importance: forest and wildlife habitat improvement, income generation, aesthetics, development of recreational opportunities, protection of water quality, and tax considerations. Completing this task early will save you time and money in the long run.

Select type of forester

Once you have determined your goals for the land, you will need to decide which type of forester you want to hire. Foresters who provide assistance to landowners are frequently categorized as consulting or industrial foresters. Consulting foresters are either self-employed or work for a consulting forestry firm, while industrial foresters are generally employed by a specific forest industry/firm and most often have some responsibility to purchase raw material for their employer.

The state requires foresters who provide services to private landowners to be licensed in order to maintain a high standard of forestry practices. A list of licensed foresters in your area is available from your county's UNH Cooperative Extension office.

Check references

The qualifications, experiences, and services offered by foresters vary. In order to find the right one for you, be sure to ask questions about the forester's training and experience. This will help assure that the candidate will be able to help you meet your management goals.

Ask for references from the forester of landowners he or she has worked with who share your management goals. After contacting these landowners, you can better determine the capabilities of the forester and gain insight into the results of his or her forest resource management activities.

Sign a contract

Once you have found a forester with whom you can work, seal the agreement with a written contract or work order. It should include a description of the services to be provided, an expected time frame for the services to be accomplished, and fees.

The fees charged and method of payment required will vary with the type of management services provided. For example, tree marking fees and commissions based on the gross receipts of timber sales are common. Other services might be charged on a set fee per acre or hourly rate. Some foresters provide services through industrially sponsored landowner assistance programs, where service costs may be offset by reduced stumpage prices.

Material for this article was gathered from the Directory of Licensed Foresters, published by the UNH Cooperative Extension, and the NH Woodlot Owners' Guide, a project of the New Hampshire Timberland Owners Association. For more information about resources or programs mentioned here, or any forestry-related issue, please contact the New Hampshire Timberland Owners Association at 54 Portsmouth St., Concord, NH 03301, phone (603) 224-9699. Founded in 1911, The NH Timberland Owners Association is a non-profit organization of forest landowners, foresters, loggers, and wood-using industries, dedicated to the promotion of good forestry and a healthy forest products industry. The NHTOA's 1,500 members collectively own and manage over 1 million acres of productive forestland.

TIMBER SALE GUIDELINES

The term "timber sale" is used to refer to any significant harvest of wood products involving an exchange of monies. Timber sales may involve sales of trees used to make lumber (sawtimber), fuelwood, whole tree chips, pulp, or any combination of these products.

A decision to harvest timber is a very critical one and should be handled as a business venture. Timber sales often culminate 50 or more years of investment in the form of taxes and management costs and have immediate and long-lasting effects on the future of all of the natural resources and amenities. Proper harvesting can provide multiple benefits: income, improved wildlife habitat, recreational access, views, and healthy and vigorous forests. Uncontrolled, exploitive cutting reduces such values, leads to environmental degradation, public resentment and legal entanglements. Your motives for selling timber should be based on informed decisions with a foundation of good stewardship of your forest and its related resources.

Before Your Decide to Sell Timber

The following questions should be considered BEFORE selling timber. If you can't answer these questions or if you respond negatively to them, you will benefit a great deal by seeking professional assistance before initiating a timber sale.

- Have you identified your long-term management objectives such as income, wildlife habitat, recreation, and aesthetics?
- Have you developed a plan to achieve your objectives?
- Have you identified your objectives for this sale?
- What harvest method is best suited to meet your objectives?
- What affect will a harvest of this type have on your forest and its related resources?
- Do you know what your forest will look like following a harvest?
- Will the harvest leave an improved stand for increased value growth?
- Have you consulted with all parties having legal interest in your land (co-owners, mortgagees, banks, etc.)?
- What laws relate to timber harvesting on your land?
- What products are saleable from your land (whole tree chips, fuelwood, pulpwood, boltwood, sawlogs, veneer)?
- What is the anticipated volume to be harvested?
- What is your timber worth by species, product and quality?
- How will you be paid?
- Do you know how stumpage values are determined?
- Are your boundaries clearly identified?
- Have you identified sensitive areas on your land?
- Who is a reliable logging contractor?
- Are you familiar with timber harvesting insurance regulations and your liability?
- Are you familiar with preparation of a timber sale agreement?
- Who is responsible for payment of the NH Yield Tax?
- Will there be adequate supervision of the harvest?
- Do you have the information you need regarding federal tax treatment of timber income?

Who Can Help?

Unfortunately, many people proceed with timber sales without a clear understanding of the process and without getting professional forest management advice and guidance in advance. Assistance is available to landowners from both the public and private sectors. UNH Cooperative Extension foresters in each county are available at no charge to assist with a preliminary assessment of the situation and provide information and educational assistance to help guide landowners through the timber sale process. This may include helping to identify landowner harvest objectives and motives, and perhaps examining the property. This will help match individual harvest objectives with the resource needs and capabilities. Since their role is educational, Extension foresters have limitations on the time and effort that can be expended. They will often recommend retaining the services of a private licensed forester to assist owners with the administration of a timber sale.

Private licensed foresters assist with timber sales in a number of ways. They can, depending on your goals:

- identify property and sale boundary areas
- mark the trees to be cut
- estimate products, volumes and value of marked trees
- lay out skid trails, landings and wetland crossings
- advertise for and receive bids on your behalf
- take care of permit requirements (intent-to-cut, etc.)
- locate a reputable logging contractor
- negotiate fair stumpage values with the logging contractor
- prepare a written contract between you and the buyer
- obtain down payments and performance bonds for you
- supervise the logging operation
- assist with tax reporting

Timber harvests conducted under the supervision of licensed foresters are much more likely to achieve your management goals, will often generate higher stumpage prices than those achieved through direct negotiations with logging contractors, and will leave an improved forest poised for additional management. Increased revenue and better attainment of landowner management goals are benefits that outweigh costs associated with the assistance of a licensed forester in timber sale administration. Consulting fees for timber sale administration depend on the extent of service and the value of products being sold. Tree marking fees and commissions based on gross receipts of timber sales are common timber sale related, billing procedures.

Why Do You Want To Harvest?

Perhaps the first step in a well ordered timber sale project is to consider what your management goals are and begin to develop priorities based on them. You may have been approached by timber buyers or logging contractors, or perhaps you feel pressured by a need for money. Avoid hasty decisions and take time to think through why you want to harvest and get objective non-biased assistance so you can make informed choices on how to proceed.

Consider what you hope to accomplish by having a timber sale. Keep in mind compromises are likely if objectives conflict. Your objectives might include any combination of or all of the following:

- forest improvement
- access and recreational improvement
- wildlife habitat improvement
- land conversion for other uses
- maximum income
- tax considerations
- increased earning power and future value growth

HOW IS TIMBER SOLD

Stumpage Sale

Most timber marketed in New Hampshire is sold by way of stumpage sales in which the value of the trees is given as they exist in the woods or "on the stump." Stumpage value is the value associated with standing timber. Stumpage values offered for a specific timber sale at a given time depend upon market conditions, the total timber sale volume, the species and quality of the stumpage being sold, accessibility, and the seller's knowledge.

Payment for stumpage is usually made in one of two methods. Each has advantages and disadvantages. The timber may be paid for by unit of volume (per thousand board feet, per cord or per ton). Timber sold in this way is paid for as it is removed and the scale (measurement of the product) delivered to the mill is accepted as the standard for payment. Records of delivery are kept on mill scale slips. Landowners conducting their own timber sale should request copies of mill scale slips, particularly if they don't have a preharvest estimate of the volume of timber being harvested. Scale slips are the only concrete evidence of the actual volume of timber removed. Timber may also be sold by what is referred to as a "lump sum" sale. Payment in this method is based on an agreed upon estimate of the total stumpage value. This timber sale method is best applied when an accurate preharvest volume estimate is made. Lump sum payments may be made prior to the start of a harvest or by installment payments made at agreed upon intervals during the course of the harvest. Since the total amount of money is fixed in a lump sum sale, it's very important landowners know the value of their standing timber before entering into a lump sum sale agreement. There are also different federal tax laws that apply to lump-sum sales.

Roadside Sale

Roadside sale is a term used when a landowner either harvests the timber or contracts to have the logging done and sells the timber at a location accessible to a truck. Payment and measurement is most often made on the basis of mill scale though it can also be done where the timber is picked up.

Delivered

Landowners are paid a delivered price when, at their expense, they are responsible for the harvesting and transportation to the mill. Mill scale would be the basis for payment. This is commonly termed "contract logging". If you are selling high value timber, this method of sale often yields more income.

Note: Each method of sale has different implications concerning landowner liability, worker's compensation insurance, etc. It's important to understand them before proceeding.

Different Harvest Systems Available

Landowners are often confused about the type of harvest they should employ. Timber harvests are, at best, a compromise of well developed resource management goals, appropriate harvesting technology, and available forest product markets. Ideally, the type of harvest you choose is dictated by a sensible combination of your forest's needs and your management goals. This issue is further complicated by confusion about the quality of a timber harvest versus the quality of management accomplished through a timber harvest. Timber harvesting quality may be rated by factors such as the utilization of harvested trees, damage to remaining trees, proper layout of skid trails, and the way that log landings are left. A timber harvest might rate highly from an aesthetic perspective but be rated poorly from a

sensible forest management perspective. Depending on the method of harvest, trees may be designated for removal by marking the individual trees with tree paint, marking the areas to be harvested with flagging, or a combination of the two.

Individual Tree Selection

Trees to be removed are selected and marked with tree paint to accomplish particular forest and wildlife management objectives. This is often referred to as an improvement cutting because one of the key objectives is an overall upgrading of forest quality and growing conditions by removing the lowest quality individual trees within the forest. The residual or remaining forest treated in this way has improved timber value and a relatively high stocking of trees overall.

Group Selection

Trees are marked and removed in small groups or patches to accomplish a particular management objective which might be regeneration of a particular species and/or wildlife habitat improvement.

Selective Cutting

This term is often used as a "catch all" for all types of partial cuttings. The Society of American Foresters defines it as an exploitation cutting and in many instances it is used to describe highgrading, liquidation harvests or diameter limit cuttings. This is in contrast to a selection cutting which has forest improvement as its primary objective. The point to keep in mind is "who's doing the selecting?".

Diameter Limit Cutting

In diameter limit cuttings, all trees above an established minimum diameter are harvested. While trees are left after a diameter limit cutting, they are most often the poorest trees in terms of health and quality. Many liquidation harvests are in fact diameter limit cuttings. Most New Hampshire forests are in fact "even-aged", and small diameter trees are as old, although not as vigorous, as the larger stems. Diameter limit cuttings aren't usually regarded as wise, long-term, forest management options as they eventually cause a loss of stand vigor because the fastest growing trees are always taken first.

Clearcutting

Clearcutting harvests involve the complete or nearly complete removal of trees in a designated area. Clearcuts may be done in various shapes and sizes including patches and strips. While controversial, properly applied clearcutting is a useful forest and wildlife habitat management tool.

Highgrading

Highgrading is a harvest in which the best quality trees are removed. The remaining forest may have a "thinned" appearance but in fact usually has greatly reduced timber value and forest management potential. Genetically poorer trees are left to provide the future growing stock.

Liquidation

Liquidation harvests simply mean all merchantable forest products and hence the value associated with the timber asset of the land is removed. This is very often the net result of diameter limit cuttings. Clearcutting is also a liquidation harvest but, unlike diameter limit cuttings, the practice may very well be a valuable management practice to regenerate tree seedlings if it is completed with specific forest management goals in mind.

Why A Written Contract Is Necessary

A written contract is necessary for a timber sale so both buyer and seller have a clear understanding of the conditions under which the sale is made. The importance of a written contract can't be stressed enough as it protects both the buyer and seller and allows each to see in writing what is expected of them. Buyer-prepared contracts may not protect your interests or rights as a landowner.

Well-written timber sale contracts clearly define conditions of the timber sale, the responsibilities for performance and expenses. Any designation or condition in a timber sale agreement which doesn't express whose responsibility and at whose expense the burden lies can lead to unnecessary disputes. In other words, put in writing who is responsible for what and who pays for it!

A well-written timber sale contract should clearly:

- identify buyer and seller
- provide the location of the parcel being harvested
- specify price to be paid, basis of measurement, method and schedule of payment
- specify time limits for the timber sale including seasonal limitations if applicable
- provide for seller granting access to the tract of land for purposes of harvesting
- specify compliance with all federal, state and local regulations
- assign responsibility for payment of the N.H. Yield Tax
- provide for protection of the residual stand with penalty provisions for unnecessary damage
- provide for restoration of skid trails and landings
- describe utilization expectations of all trees harvested
- include a disclaimer by the seller for any liability for accident or injury to the buyer, his/her employees or equipment
- require written proof of adequate Worker's Compensation and Public Liability Insurance
- provide for prohibiting assignment of harvesting rights to another without written consent of the landowner
- provide for resolution of disputes, perhaps a third party agreeable to buyer and seller
- assign liability for property damage (buildings, fences, walls, power lines, etc.)
- assign liability for damages and suppression expenses if a forest fire occurs as a result of the harvesting operation or because of carelessness of those involved in the harvesting
- provide for immediate termination of the sales agreement if any of the provisions of the agreement are not adhered to
- specify when the title for timber harvested transfers (usually when the wood is paid for rather than when it is cut)

Timber sales are often unique. Therefore, provisions of each contract may vary. Licensed foresters are experienced in writing sound timber sale contracts to meet specific client and property requirements. UNH Cooperative Extension can provide sample timber sale contracts that are helpful if you are conducting a timber sale on your own. It may be advisable to obtain legal counsel when preparing a contract. Again, before proceeding with a timber sale, take time to become familiar with the process in order to make informed decisions. By all means, seek the services of a qualified licensed forester to assist you if you are unsure of any aspect of timber sale administration.

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