

TIMBER TALK

Newsletter of the Iowa Woodland Owners Association

Spring, 1997

Volume 7, Number 2

Summary, March 1997 Board Meeting

The IWOA Board of Directors met at Marion, IA March 29, 1997. Present were Directors Frye, Hansen, Krotz, G. Mensinger, Twedt and Winfrey, and Treasurer J. Mensinger. Also present were Mike Brandrup representing State Forester Bill Farris, Donald Pfeiffer, DNR Wildlife Supervisor, and Jim Walters of the Iowa Environmental Council.

Secretary Frye reported that the current membership is 367, compared to 334 at this time last year.

Treasurer J. Mensinger distributed her Treasurer's Report for the quarter. Current net worth is \$7,899.64, a gain of \$1,226.84 over that of last year.

Iowa State Horticultural Society representative Krotz reported that ISHS would like a copy of the IWOA membership list and a listing of IWOA's upcoming meetings for publishing in THE IOWA HORTICULTURIST. Frye to pursue.

President plans to attend an IDALS-sponsored meeting on wetlands in Des Moines April 9.

Frye reported on additional findings relating to obtaining timber prices paid to landowners. He stated that obtaining accurate, reasonably up-to-date prices would require mandatory sale reporting, which is not done in Iowa at present. Board expressed reluctance to engage in an activity to make sale reporting mandatory. Brandrup stated that gross sale prices, not categorized by species or volume, of sales assisted by the District Foresters could be made available for use as rough guides. Frye to pursue the matter.

Twedt reported on arrangements for the Annual meeting scheduled for September 20. Some preliminary arrangements have been made, and the committee plans to meet April 9 in LeGrande to work out more details.

Hansen reported on arrangements for the Iowa State Fair, which will run August 7-17 this year. Hansen would like more handout promotional materials for this year. Hansen and Frye to work out details.

Mensinger and Murphy judged FFA activities in February. The FFA award ceremonies will be in April, at which IWOA will be represented.

Brandrup presented a summary of the results of a demographic study of woodland ownership in Iowa recently conducted by the U. S. Forest Service to identify present and future populations that can benefit from forestry expertise. (See article later in this Newsletter)

Pfeiffer reviewed proposed 1997 deer seasons, and stated that three deer kill permits were issued in February.

Mensinger reported on the February 17 meeting of the Wildlife Damage Task Force held in Des Moines. It is now recognized that deer damage is not a state-wide problem, and DNR is trying to increase the deer take in those areas with excessive deer densities. The Iowa Farm Bureau wants a funded Animal Damage Control Unit to be established to address the wildlife damage problem. Adjoining states have such entities. The next WDTF meeting is scheduled for June 2 in Des Moines.

Frye presented a request from the Iowa Tree Farm Committee for financial aid to help support Extension's Master Woodland Manager training program. This is to cope with reductions in Federal and State funding for woodland management training. President and Treasurer directed to investigate IWOA's financial situation to estimate what IWOA could reasonably support, and to report at the next Board meeting.

Walters made a presentation on the Iowa Environmental Council and solicited IWOA to join it. After considerable discussion, agreed to place the proposition on the agenda for the next Board meeting.

Next Board meeting was set for June 21, 1997 at Marion, IA.

Volunteers Needed for State Fair

First Call for Volunteers to help man IWOA's booth at the Iowa State Fair August 7-17. This is an interesting and rewarding activity. For further information, contact Joe Hansen at 515-285-6522 or Gary or Joanne Mensinger at 319-259-1160.

National Woodland Owners Association

The National Woodland Owners Association of which IWOA is an affiliate, is a nationwide organization of non-industrial private woodland owners with offices in the Washington, D.C. area. Membership includes landowners in all 50 states. NWOA is affiliated with state and county woodland owner associations throughout the United States.

NWOA was founded in 1983, and is independent of the forest products industry and forestry agencies. It works with all organizations to promote non-industrial forestry and the best interests of woodland owners.

Members receive 4 issues of NATIONAL WOODLANDS magazine and 8 issues of WOODLAND REPORT with late-breaking news at the National and State levels. Dues are \$25 per year or \$45 for two years. For further information or to apply for membership, send your name, address and phone number to:

National Woodland Owners Association
374 Maple Ave. East, Suite 210
Vienna, VA 22180 Phone 703-255-2700

1997 Annual Meeting

The Eleventh Annual Meeting of the Iowa Woodland Owners is scheduled for September 20, 1997, and will be headquartered at the LeGrand Community Center, LeGrand, IA. A tour of the historic Ferguson Timber Tract is scheduled as a part of the activities.

Forestry Field Day

IWOA is planning to host a Forestry Field Day at the Amana Colonies during the month of July. Details of this event will be published in the summer issue of TIMBER TALK.

Landowner Survey of Iowa Woodlands

The USDA Forest Service recently completed a detailed demographic survey of woodland owners which was aimed at detecting current landowner patterns and woodland uses. Mike Brandrup of the Iowa Forests Division presented a summary of the results of the Iowa portion of the survey at the IWOA Board meeting of March 29. The survey revealed some surprises and identified likely trends in Iowa woodlands. Significant findings are presented below. For further information, contact Mr. Brandrup at Forests and Forests Division, Wallace State Office Bldg, Des Moines, IA 50319.

- Iowa has about two million acres of woodlands held by about 55,000 different owners. This is about six percent of Iowa's land area being held by about 2% of the state's population. 92% of Iowa woodlands are in private ownership.
- 70% of Iowa woodland owners have less than 50 acres in woodlands.
- 75% of Iowa woodland acreage is in tracts of less than 200 acres.
- Most Iowa woodlands have been held by the current owner for 20 years or more.
- Owners 55 and older hold nearly a million acres of Iowa woodlands.
- Farmers are the largest class of woodland owners, holding 39% of Iowa's woodlands.
- 73% of Iowa woodland owners have done some harvesting.
- Iowa Forestry Division currently works with only about 12% of Iowa's wooded acreage.
- 73% of Iowa's woodlands are held for non-economic reasons; Production of timber is not a high priority for most owners.
- 777 owners holding 250,000 woodland acres have formal management plans for their holdings.
- Of Iowa's 2,000,000 woodland acres, 500,000 are under some form of management, 500,000 are low quality (usually grazed), and 1,000,000 have unknown activity and are "just there."

Trends

- White and Blue Collar workers are rapidly increasing their share of Iowa woodlands.

(Continued overleaf)



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Landowner Survey (Continued)

- Because of age of ownership and other factors, about one half of Iowa's forest resources can be expected to change hands in the next 20 years. The percentage of woodland acres held by farmers has been decreasing over the last 10-20 years.
- Woodland parcel sizes are decreasing.
- The woodland acreage held primarily for aesthetic reasons is increasing.

It is clear that woodland ownership and usage patterns are changing rapidly, which is presenting a challenge to DNR and IWOA to adapt to these changes.

What is My Timber Worth?

This article was prepared primarily by IWOA Board member Greg Twedt, with technical inputs from District Forester Bob Hibbs and other sources.

As woodland owners, we continually ask the question, "What's my timber worth?" The winter edition of the IWOA Newsletter, Vol. 7, No. 1, offered northwestern Illinois stumpage prices, but included a caveat that the listing was not up-to-date. Those who looked carefully at the listing noticed that stumpage prices for red oak indicated a low of \$70/MBF (thousand board feet) to a high of \$1,270/MBF. With a spread like that, who cares if they are last year's prices? Every red oak timber sale in Iowa will fall within this range! So where do we go from here?

Standing timber value is determined by both quantity and quality. Historically, walnut has been the only species that can be sold on an individual tree basis, presuming that the tree is of the highest quality. Low quality logs might require 50 MBF to attract a buyer. Even high quality oak probably requires a minimum of 10 MBF to attract buyers, though as oak supply drops and demand increases, this may change. But presuming that you have sufficient quantity to attract a buyer, how do you assess quality?

The Hardwood Market Report is the Wall Street Journal of the lumber industry. Using red oak as an example, the January 18, 1997 HMR listed one-inch thickness, referred to as 4/4 red oak, at \$1055/M for FAS; \$880/M for #1C; \$535/M for #2C, and \$325/M for #3C. FAS stands for "Firsts & Seconds", the top grade of lumber, #3C for 3-common, the lowest lumber grade in the market report. These are prices at the mill for rough-swn lumber. If you subtract \$125/M for logging and hauling, and subtract another \$150/M for milling and grading, the value spread of red oak standing timber is \$780/M for FAS, \$605/M for #1, \$260/M for #2 and \$50/M for #3.

Further you can extrapolate from the Forestry Handbook that offers a table of lumber recovery by log diameters and grades. Lumber recovery refers to the board feet of lumber that a sawmill expects to "recover" in sawing a log. The best sawlogs are referred to as #1 logs and the poorest sawlogs as #3 logs. The portion of the table for all sizes and all grades of logs indicates lumber recovery of 20% FAS, 35% #1, 22% #2 and 23% #3. Therefore, if you have 10MBF of standing red oak of mixed sizes and mixed grades, it will yield 2 MBF FAS, 3.5 MBF #1, 2.2 MBF #2 and 2.3 MBF #3. Multiplying these totals times the standing timber prices calculated in the preceding paragraph yields a total of \$4,914.50 for your 10 MBF, or \$491/M. Of course, this does not account for veneer logs, but that's another story. Two recent Iowa red oak timber sales returned close to \$500/M, based on our forester's volume

estimate. But if you have mostly #3 logs, they will bring \$100/M at best.

You can determine the value of your standing timber by hiring a forestry consultant to do an appraisal. You can learn how to conduct a statistical inventory, perhaps utilizing Iowa State's T.I.G.E.R computer program. You can individually measure every tree and record volume by log grades, extrapolating value from the Hardwood Market Report. But the bottom line is that you will never know the true value of your timber until you cash the buyer's check after your sealed-bit sale.

Editor's Note: For information about current hardwood market prices, contact Dennis Michel, DNR Utilization Forester, at Wallace State Office Bldg, Des Moines, IA 50319-0034, phone 515-281-4924.

The President's Corner

In the fall of 1986, Joanne and I purchased a farm in Jackson County. We were attracted to the unit because it contained 140 acres of wooded limestone bluffs and other attractive features. Our plans included developing the farm as a campground for occasional and seasonal recreation. We had purchased woodlands for their aesthetic value, for their value as wildlife habitat, and a necessary component of a park. The woodlands comprised a forest, but, initially, we did not see the trees. During the first winter, we explored the property to lay plans for ponds, roads, trails, etc. and incidentally, noticed various trees and occasional groupings. In an effort to obtain more information about trees, I contacted Iowa DNR Forestry to set up a timber cruise. Minus 50 degrees wind chill that January morning did not diminish the enthusiasm generated by that three-hour hike. The forester pointed out many aspects of forestry, the forest and the trees, and convinced me that a forestry plan should be developed. Soon a plan was formulated, and we set about learning how to properly care for our trees and woodlands. In the process of learning forest management techniques, we became so interested in trees and woodlands that we abandoned our initial goal of developing a park.

Across the state of Iowa, many farms contain woodlands that have always been just part of that farm unit. That vast majority of these woodlands exist because the owner probably can do little else with the land. The process of actually managing a woodland may not be known to many owners. However, many others are a point in their lives they may feel time won't permit a significant forestry contribution and subsequent financial rewards. The challenge for IWOA members is to transmit some of our enthusiasm for trees and woodlands management to our neighbors who see little or no personal value to their woodlots. I am convinced that landowners who invest in their tree resources will come to value that resource as measured by their personal objectives and receive short-term benefits.

Our formerly grazed woodland is now a refuge for thousands of amazing life forms: animals, plants, birds, reptiles, insects, etc. An overwhelming assembly of individuals interact in a manner that intrigues and delights the owners. We are also growing thousands of veneer-quality black walnut trees we plan to harvest in about 60 years. We'll probably give the half-million or so to the kids, but it's the prospect of growing a healthier, productive tree that rewards our efforts at this point in time. And as for my neighbor, I'm going to try to convince him that seeing the trees in the forest is viewing opportunity to obtain wealth now and, perhaps, forever.

Gary C. Mensinger, President, IWOA