

Selling sawlogs *by Graham Taylor*

Why plant a woodland?

The key to selling anything lies with knowing the product, its market niche and its unique selling points. Whilst primary production has diminished in the UK there remains a thriving forestry economy. Individual firewood processors and internationally competitive multi-million pound enterprises all consume a wide array of forestry produce. But how should you choose who to sell to and what is the best way to maximise your profit?



A near perfect planking oak butt worth some £175/m³



A poor quality stem suffering shake and rot worth little more than firewood at £35/m³



Conifer sawlogs at roadside

Know your products

Mainstream forest roundwood products can be divided into four simple product types, split between hardwood and conifers:

a) **Hardwood sawlogs** – potentially the highest value element to be derived from British woodland. Final value can be hugely influenced by differing sawlog quality, from little more than £35/m³ right up to £175/m³ for quality oak butt planking.

b) **Firewood** – the traditional use for many hardwood species.

As fossil fuel prices rise so demand for seasoned hardwood firewood also increases. Sold by the cubic metre or ton, seasoned ash, beech and sycamore command a premium over oak, alder and cherry with ride-side firewood being worth between £20 - £30/m³.

c) **Conifer sawlogs** (minimum 18cm diameter logs) – the kingpin of conifer forestry.

Sawlogs are processed into structural grades of timber, fencing and cladding. Spruce, larch and Douglas fir command the highest prices; species with particular sawmilling and treatment problems, notably Hemlock, cedar and pine, trade with less ease.

d) **Conifer roundwood** - consisting of Bars, Fencing and Chipwood.

These are produced at all stages from first thinning through to felling and used for a variety of products including agricultural rail fencing, fence panels, pallets and chipboard.

How much have you got to sell?

Traditionally, coniferous timber has been sold in metric, but hardwoods have been sold in the old English hoppus foot system. There are well developed timber mensurational systems developed by the Forestry Commission to help estimate the volume of trees for sale from

single trees to clearfells of many thousands of cubic metres. Professional foresters and timber merchants also have their own ways of assessing volume and product breakdown to be able to give total values on a parcel of timber. In the presentation of a parcel to market, the key features that most buyers will want to know are:

How many trees are for sale?

What species are the trees?

What is the average size of the trees and hence what is the total volume (in cubic metres or hoppus foot)?

How to present and sell your timber

A parcel of timber can be presented for sale in a number of ways each with increasing levels of involvement and with its own merits and drawbacks:



A numbered standing tree

1) Standing timber

Within a given area individual trees are marked and numbered allowing prospective purchasers to carry out a valuation. The purchaser will arrange for harvesting and extraction generating a positive cashflow without having to pay contractors.

2) Timber at stump

Felling and extraction is arranged either by the vendor or the purchaser with the buyer then able to see the butt ends of the logs. This provides more confidence in the final valuation. In hardwoods in particular this method enables a price per grade to be established, with the buyer reasonably secure on both quality and measurement of volume. In turn this increases the return to the owner but the process can be time-consuming and require the employment of an expert forester, to deliver a better return than a standing price.

3) Felled and extracted to roadside

The purchaser arranges felling and extraction, giving him direct control of woodland operations.

If the quality of the work is a particularly important feature then trusted contractors can do an exceptionally high quality job adding to the value of the sale. In some circumstances, and for certain sites, this may well be the only way to sell a parcel of timber. This system again requires the time and effort of the owner / manager and also has the potential drawback of incurring a negative cashflow, having to pay for harvesting before the sale of timber. It is also possible that the timber may degrade if not sold within an appropriate time after felling.

4) Delivered

The purchaser arranges the felling, extraction and delivery to sawmills.

This method is particularly suitable for larger-scale operations of lower-value softwood and small dimension pulpwood.

Each of these options incurs increasing costs up the supply chain before a timber owner can finally achieve payment for his timber.

Further added value can be achieved by mobile sawmilling, to sell the timber in the form of planks or beams or the timber can be taken for personal use. Again negative cashflow is required before the true value of the product can be realised.

Presentation of timber to market

When it comes to selling timber it is important to prepare an accurate and clear schedule of trees (or products) with an estimated volume, separated by species. This should show details of extraction routes and loading areas with indications of hazards and highlighted areas of environmental importance. Stipulate how the brush is to be dealt with, notably on a felling site.

Present the parcel well, particularly if high value butts are laid out at roadside, and give hardwood buyers an opportunity to view the merits of each log, preferably clear of mud and brush if possible. Details also need to be set out regarding completion dates, payment terms and any other constraints, eg. birds nesting and/or pheasant rearing. The presentation of this detail is important to establish the framework within which the purchaser is to work, and its allied costs.

Who to sell to

The size and scale of the parcel being presented will often define the opportunities that are available to market this timber to its appropriate sector. Pure parcels of the same product can often be targeted towards specialised mills, whilst mixed parcels may be more appropriate for round timber merchants who have the skills to split a parcel into its component elements and then deliver them to the respective end users. An important part of maximising return is understanding this market segmentation and its different requirements.

With increasing haulage costs, local markets often offer a distinct advantage and are the obvious place to start, particularly for lower grades of timber, but distant users of high grade sawlog need not necessarily be discounted. Specialist markets can offer higher values, but consume relatively low volumes. Once you know where your timber is going to be best placed, it is much easier to decide whether to sell a parcel by negotiation, tender, auction, or even on the internet.