

There Could Be a “Pot of Gold” on Your Land

If someone told you there was a pot of gold on your land, what would you do? You would probably want to find it and determine its value. For many landowners the value potential of their forest land is like an undiscovered “pot of gold” waiting to be found.

Many landowners don’t know how many acres they have, let alone how to determine the value of their forest land. You can begin to understand the value of your forest land by determining the quantity of timber and the kinds of trees, products, sizes, quality, or other characteristics.

Forest land value can also include income potential from hunting, aesthetics, and other income-producing enterprises, but this publication focuses on the value of timber.

How can you estimate the timber value of your forest? To estimate the value of your timber, you need to know how much timber is on your land and the price of timber in your area. Consider this easy formula:

Volume x timber prices = Total value in dollars ($V \times P = \$TV$)

You can estimate the “P” of the equation by determining the price of similar timber sold in your area. (You can get timber price information from your county Extension office and from msucares.com.)

Volume (V) is the unknown factor. How much timber do you have in your forest in board feet and cords or tons? What species of trees do you have on your land? A professional forester can help you answer these questions by conducting a timber inventory.

What Is a Timber Inventory?

A timber inventory or “cruise” is a survey of forest land to locate timber and estimate its quantity by species, products, size, quality, or other characteristics. With this estimate of timber inventory you can estimate the monetary value of your merchantable timber. You wouldn’t sell your house unless you first had it appraised to determine its value. Does it make sense to do less with your timber, a commodity most people know far less about than the value of their houses?

An inventory conducted by a professional forester can provide you with the following:

- Timber products by volume (cords and board feet) and/or by weight (tons).
- A location map describing your timber land.
- Age, condition, growth data.
- Descriptions.

Use of Inventory Data

A timber inventory is to the landowner what merchandise inventory is to a merchant — a count of the number and quality of goods available for business. With inventory information and the help of a professional forester, you can plan and schedule management activities including cultural improvements, regeneration, and timber sales. A plan based on an inventory includes biologically and environmentally desirable practices and provides a cash flow schedule to indicate what is financially possible.

Who Can Inventory Forest Land?

A professional forester registered (licensed) by the Mississippi State Board of Registration for Foresters can inventory your forest land.

Call your county Extension office and ask for information on any of these:

- Consulting foresters.
- State agency foresters.
- Wood-using industries that have landowner assistance programs.

You can find a listing of registered foresters by county at .cfr.msstate.edu/borf/.

What Is the Cost?

Costs for timber inventories depend on acreage, how much merchantable timber is on the tract, and how accurate you want to be. Generally, the greater the value of the timber, the more accurate you have to be, because statistical errors of estimate are more costly in valuable timber.

After inventory, you can —

- Define your objectives.
- Develop a management plan.
- Increase growth of your timber.
- Consider a timber sale.
- Evaluate financial alternatives.

Carefully consider several areas if you decide to sell your timber and “cash in.” You will need to do the following:

- Seek timber-marketing assistance.
- Consider taxes.
- Think of regeneration.
- Evaluate financial consequences.
- Determine a sale method.
- Develop a cutting contract.

How long does an inventory last? Do you have to do it every year? Absolutely not! Along with an estimate of present volumes and values, the professional forester making the inventory determines the growth rates, by species, of your forest stand.

With this information you can estimate future volumes. It is usually not necessary to have a timber inventory of your property more often than every 10 years unless you make a timber sale.

More Information

The inventory report you receive describes the estimate of the amount of merchantable wood — veneer logs, sawtimber, chip-n-saw, pulpwood, poles, piling, fence posts, and other products on the property. Number of pieces available is reported by species, size (diameter), length, and quality.

You can also get growth rates by species and projected increases in volume and value of timber (for extra cost) if you ask the forester (before the inventory). Requesting information about regeneration of your forest land lets you plan forest establishment needs and costs for the next stand.

Timber inventories are very helpful in planning forest management activities. They tell you what is growing on your property and where it is. This information can help you plan cultural and management activities for the highest returns in growth and value.

Help Available

Technical help to conduct timberland inventories is available to private landowners from consulting and industrial foresters and from state agency foresters.

County Extension agents have lists of who can inventory timberland. The Extension agents also have information on inventory techniques, timber prices, and managing forest land.

Table 1. Common timber products in Mississippi and their approximate value.

Other products not listed include veneer logs, poles, pilings, and fence posts.

Timber Product	Specifications ¹			\$ Per Ton ² Average (Range)
	DBH	MH	Other Specifications	
Pine				
Pulpwood	4 to 22	15+	Cut to a 3" tip	8 (5-15)
Chip-N-Saw	6 to 14	21+	straight, limb free to 6" tip	10 (15-30)
Sawtimber	10+	16+	straight, limb free to 8" tip	38 (30-50)
Hardwood				
Pulpwood	6 to 22	16+	sound, one stem to a 3" tip	6 (4-15)
Sawtimber	14+	12+	straight, sound, and limb free to a 12" tip oak/ash	27 (20-40) 32 (25-60)

¹DBH = diameter of stem at breast height in inches

MH = merchantable height or length of stem meeting specifications in feet

²Average in MS for 2007 based on Forest2Market Timber Price Reports. Price range based on historical data. High quality oak and ash are usually valued higher than other hardwoods.

Table 2. An example timber inventory for a 40-acre pine stand that is 25 years old.

Prices in Table 1 were used to determine value.

Timber Product	Tons per acre	Total Tons	\$ Value
Hardwood Pulpwood	5	200	1,200
Pine Pulpwood	40	1600	12,800
Pine Chip-n-saw	20	800	15,200
<u>Pine Sawtimber</u>	<u>20</u>	<u>800</u>	<u>30,400</u>
TOTALS	85	3400	59,600

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