

# Stewardship Notes

Indiana Division of Forestry

---



## Timber Marketing

Of all the forest management tools, proper marketing is one of the most important. Why plant, weed, shape, prune, cultivate, improve and protect your woodland over the long period of time it takes to grow a timber crop, and then not market it to your best advantage? Too often the private woodland owner fails to do just this, and assumes the trees are worthless. The owner is too busy doing other day-to-day jobs to give marketing the time it deserves. Even proper tree selection for harvest does not guarantee marketing will be a success.

Consult with a professional forester to help with marketing. These professionally trained foresters can help market timber, and private consultant foresters can provide assistance with timber taxes. For a list of consultant foresters in Indiana, contact your district forester.

Once the timber is marked and the volume estimated you should try to contact all known, interested licensed timber buyers and give them an opportunity to bid on your sale. Besides direct contact through the mail and by phone, you might also try advertising in your local newspaper. For state-wide publicity, your sale can be advertised in the Licensed Timber Buyer's Bulletin by contacting your district forester.

Two types of sales are generally recommended. The first and most recommended is the sealed bid sale; the second is the open auction sale. Unless otherwise recommended, use the sealed bid method.

**Step 1: Proper Advertisement.** Send the volume summary of timber plus a map of the area marked to each prospective bidder. Let the bidders know when the bids must be in and where they will be opened. Give them all the details such as time allowed for timber removal, best access to the area, type of contract to be used, if a performance bond is required, etc. Be sure to specify that you reserve the right to accept or reject any or all bids received. Allow prospective buyers enough time to inspect the sale area by mailing the sale notice and volume summary 30 days before the sale date.

**Step 2- Opening Bids.** Be sure that all interested parties are invited to the bid opening. You need two or more bids to establish a fair market value at the time of sale. Open each bid and read them aloud to the buyers present. Before accepting the winning bid, be sure the buyer has a current Indiana Timber Buyer's License.

**Step 3: Timber Sale Contract.** A written timber sale contract is a must. This contract should have all the basics plus the specific clauses that will protect you and your property from legal redress, and will reduce misunderstandings between you and the purchasers.

# Stewardship Notes

## Indiana Division of Forestry

---



**Step 4: Payment in Advance.** You should be paid the full amount before any cutting begins, normally when the contract is signed. This standard procedure protects the seller from the financially unsound buyer and unscrupulous "fly-by-nighter."

**Step 5: Follow Up.** It is important to periodically check on the progress of the harvest operation to show the purchaser you are concerned for the land and timber, and to make sure that the terms of the contract are being fulfilled.

Once the harvest operation has been completed, the landowner should turn attention to the timber stand improvement work that will be needed to ensure future forest crops. Plan to reinvest a portion (5 to 10% of the sale income back into the woods. Your forester will help you plan and accomplish this improvement work. The landowner may also wish to consult with an accountant or timber tax consultant for advice on how to handle the timber sale income.