Markets for forest products have changed considerably in the last 20 years and will continue to do so. Yet, we often use traditional assumptions based on markets of twenty years ago, without examining how well that information applies now, or is likely to in the future.

**Mills are buying smaller logs.** Small logs are much more merchantable than in the past. Mills that produce paper, wafer board and similar products commonly purchase logs down to 2 ½ inch tops. Inland pulp and paper mills, once dependent on sawmill waste for chips, are now purchasing more round wood, so pulp markets are rising quickly. Therefore, depending on your proximity to these mills, ask yourself “Am I growing boards or fiber?”

Because mills are buying smaller materials, it takes less time to grow marketable trees. If fiber production is your primary goal, consider shorter rotations (e.g. growing trees for 40 years before harvesting vs. 100 years) and evaluate which species grow fastest on your site within those short rotations. Intensive practices such as fertilization and thinning become more attractive because you can recoup costs more quickly. The higher value of small logs also make thinning of smaller trees more cost effective.

**Markets have also diversified for species.** Mills are paying more for a wider variety of conifer species including those which historically had little value (e.g. grand fir, lodgepole pine). Many of our forests have more grand fir than they should, which increases insect, disease, and fire risk. However, grand fir may be worth a second look if you have a site with cedar or hemlock (where grand fir may grow exceptionally well). Lodgepole pine also deserves renewed consideration. Lodgepole outperforms early growth of many species if spacing is controlled.

**Increased log prices.** Many landowners took advantage of recent high log prices. Increased income from log sales means more incentive for intermediate practices to improve forest growth, including pre-commercial thinnings, fertilization, and pruning. More financial resources are also available for other forest management practices, such as trail development, snag retention, plantings for wildlife, and aesthetically sensitive (costlier) harvesting methods.

**Forest productivity loss is more costly.** Timber harvesting and other forest practices (or lack of them, for that matter) can affect forest productivity. Damaging a site’s ability to grow trees will ultimately reduce intrinsic and economic values. It makes more sense than ever to use equipment and harvest practices that reduce compaction, limit the area in roads and skid trails, and reduce reforestation delays from animal damage, vegetation competition, or other factors. You should also monitor forest stocking, then plant trees if there are too few, or thin if there are too many, leaving trees most likely to grow high quality wood faster.

**Forest management mistakes are more costly.** Again, with more valuable logs, forest management mistakes become more costly. Higher quality forestry services are worth paying for. Consulting foresters that help with timber sales are commonly more than paid for with higher sale income. Before designating a consultant to serve as your representative, make sure they have no conflicts of interest and have at least a B.S. degree in forestry. Look for membership in...
professional associations, such as the Association of Consulting Foresters (ACF).

Examine other services you employ in managing your forest property. For example, it may be worth paying more for a logger who uses low-compaction equipment or demonstrates professionalism by participating in education programs, such as LEAP (Logger Education to Advance Professionalism).

Forest management is a long-term endeavor. Will current market trends continue? New standards (smaller materials, wider variety of species) are likely here to stay. Regardless of current timber prices, remember that many market forces are cyclical. One advantage of growing trees rather than more perishable commodities, such as barley or wheat, is that you can wait to cut until a more favorable market cycle. Your trees will continue to appreciate in value, unless there are impending insect or disease problems.

It makes sense to periodically re-examine your management assumptions based on market trends, changes in goals, and other developments. Don’t forget to make sure any changes you make are reflected in your forest management planning and activities.

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About the Author: Chris Schnepf is an Area Extension Educator - Forestry and Professor at the University of Idaho.