

SELECTING

A CONSULTING FORESTER OR LOGGING CONTRACTOR



SELECTING a consulting forester or logging contractor can be your most important decision in woodlot management. Either one can, and should, be a lifetime relationship. How do you weed out the talkers from the doers? What are reasonable fees for services? And most importantly, does this person share your vision for the land?

In either case, references are not enough. Anyone can give you three names. Is it a relative or someone with whom they shared a jail cell? The reference names should mean something. Prominent citizens or businesses would be best. Call them. Can you speak to someone for whom they have done the same type of service? Are they satisfied, credible, enthusiastic? Is it from a long-term relationship or a one-time deal? Can you actually go and see a similar job, preferably an active one? I usually supplement references with other industry contacts. Even if you are not connected, find a major local sawmill; they usually know almost everyone. But beware any one source as they may have some conflict of interest, or you might find a lone bad experience. Any logger or forester who is very active will have a few unsatisfied clients. For a better example, if you call Sawmill A and ask about a logger or forester who sends most of their wood to Sawmill B, they may recommend someone more loyal to them. But most of the larger mills are very professional. I like to call their local saw shop or hardware store, too. An Internet search will usually reveal any really bad characters.

Categories of Foresters

Starting with foresters, there are several types. State service foresters are a good place to start. They are a free source of information and usually know their territory. In most states, they provide general information, might be able to take a walk in your woodlot for some specific assistance, and can direct you to a list of private foresters. They may make specific recommendations about private foresters or loggers, but are not supposed to “play favorites.”

Foresters in the private sector generally fall into three categories: industrial, large firms, and independent foresters. Industry foresters work for mills that purchase wood. Their primary allegiance is to the mill that pays them. They provide services in exchange for the right to purchase your wood, or sometimes for a fee. This can be a great relationship, and save you fees, but may limit your marketing options and subject you to the bias of “feeding” that particular mill. Another category is large forestry firms or franchises. They put you in contact with a network of professionals with a clear business system. You will usually have one contact person connected to a support system. While you enjoy the stability of a larger firm with considerable experience, the local person may be less experienced, and they tend to move from job to job as opportunities arise. This is how young foresters get started. Also, you not only pay for the person you meet, but for the support system as well. These larger outfits are often connected to the real estate business and make their “big bucks” on commissions of the real estate sales. Smaller independent foresters vary quite a bit in experience, ability, temperament, and fee structure, and make up the bulk of forest practitioners. This is why it is important to get off to a good start by doing your homework.

A consulting forester (in any category above) should be your agent in implementing your goals. It should be someone experienced and knowledgeable, whom you can get along with. They should share your vision for the land and be well-connected in the region. One thing to look for is professional affiliations, such as the Society of American Foresters, Association of Consulting Foresters, Tree Farm inspectors, state landowner and industry groups, and licensing. Some states require foresters to be licensed; some do not. Personally, I am involved with Tree Farm and regional groups, but not national groups.

They need to be very knowledgeable about their trade, which is quite broad. This includes local and regional timber markets, forest biology, silviculture and invasive plants, insects and diseases, wildlife habitat, and the full range of state laws and rules. Taxes, boundaries, real estate and many other areas of expertise are important. So the consulting forester needs a broad general knowledge and connection to other professions as needed. This is a difficult field for young foresters to enter.

A Management Plan

Your forester should be working for you, specific to your objectives and your land. In any of the above categories, developing a management plan is a normal place to start, and this might qualify you for favorable property tax treatment. The plan should be directed to your financial situation, your wildlife interests, and your ability to do all or none of the work. It should describe your specific forest stands and what you would like your forest to be in the future. Does a forester always do things a certain way? This might be fine if it coincides with your interest. I once heard a respected forester explain that they “don’t do regeneration harvesting.” This can be seen as a marketing tool to

attract landowners who want a gentle touch on the land. It is like going to a vegetarian restaurant, though. Did you realize the menu was limited? A forester should be able to explain a wide range of options. For example, there is always the “do nothing” option, and “clear-cut the whole thing” option. You can see there must be a wide range in between. Is the forester willing to discuss this range? Of course, they should have recommendations, but they need to be based on your specific situation.

Fees

In any of these categories, the fees you pay are important. For an industrial forester, these may be subsidized by the employing mill. But you pay one way or the other, and there is no substitute for integrity of the parties under any fee system. A forester should be able to give you a clear estimate of costs for services, but this needs to include a clear vision for the project. A written agreement is a good idea. I admit I do most of my forestry services on a “handshake deal,” but we always have contracts for logging projects. Some foresters charge per acre or per project, some on an hourly basis, and some on a percent of harvest value. Each has good and bad aspects for you as a landowner. A per acre or per project fee is crisp. You know what to expect. But the forester has to limit the time on the project to maintain an hourly rate. Hourly fees can get



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out of control, but also can be most fair if attached to a crisp estimate. We do mostly hourly fees, and it gives us a clear mandate to represent the landowner's goals. You pay us; we work for you. If something you want goes easily, or with difficulty, you pay us for the time, but you get what you wanted. Hourly fees also make it easier to be flexible for changes. If you want to add or subtract something from a sale, that is easy for us. Timber sale marking and administration can be paid for in any of the above ways, but percent of income fees are common. To be fair, the percent needs to vary based on the type of harvest and expected value, and is less adaptable to making changes. If a landowner's interest is strictly based on present income, this can be most fair. But forestry is far more complex, and a percent fee does not compensate a forester to leave your best growing stock, or remove poor quality material. Percent fees are commonly connected to lump-sum bid sales for timber, since this removes many of the variables for all parties.

Selecting a Logger

If you are considering doing a timber sale directly with a logger, this can go well or poorly. Now for the disclaimer: I am an independent consulting forester and have a bias. But it has been well-shown that a consulting forester is well worth the costs. Survey after survey shows that landowners get more money, even after our fees, for their timber. I have personally seen many examples of this. And landowners who work closely with a forester have dramatically higher satisfaction with other aspects of harvesting activities. Part of this may be your education. A forester should be educating you about the choices and expected results. A logger may do this also, and be good at it, so no offense intended. But foresters also protect landowners against unscrupulous loggers,

simply by knowing the players, and to a lesser extent, the way in which the contracts are set up. But many landowners elect to perform forest management activities without a consulting forester, selecting a logger, broker, or mill and working directly with them. There are successes and failures.

Villains

The arena is full of stories of landowners who decided to skip the forestry fees and go it on their own. Each state has a couple of villains that give the whole industry a black eye, and anyone in the business knows who they are. How do these guys stay in business? Generally they prey on owners who are ignorant of their options. Here are two stories from my files:

The town manager of a small town was very knowledgeable about land. His neighbor of 20 years was a logger and offered to cut some timber. "He would never rip me off. I've known him since he was a kid." The landowner was paid a paper bag full of \$20 bills, and the logger did a fine job of extracting the most valuable trees, without making a mess or doing any damage. It looked good. But the timber was worth at least 4 times what he was paid, and a forest of junk trees remains to this day. This landowner was satisfied.

Another landowner has a substantial holding, and is a very successful businessman. He had the advice of a professional forester, and his land was enrolled in Current Use with an approved forest plan. Against the advice of the forester, he contracted with a logger with a dark reputation (who made an unbelievable offer), then fired the forester, saving a few thousand in forestry fees. After months of logging contrary to the plan, the land has been rejected from Current Use, huge taxes and penalties were assessed, and the landowner was in court with the logger trying to get paid for the

wood. Needless to say, his valuable real estate is in rough shape and he is not satisfied.

Readers of this magazine are less at risk than the "average Joe." But the previous landowners considered themselves the same way. You know something about forests, wood products, and logging. You may know enough to select your own trees for harvest, select a logger, negotiate stumpage prices or logging rates, comply with all applicable laws and permits, and perform a successful project without a consulting forester. If you do all this, you will find out that we actually earn our fees, and you might find out why we love our work. We do about 30-40 timber sales each year, and often have to select a logger we are not familiar with. Let me give you some pointers.

Pointers

Being "acquainted" with a logger is not enough. Someone you see at the local diner and chat with may be a great choice, or may not be. Besides getting references, check around as mentioned above, at the saw shop and local mills, on the Internet, and with other landowners. Specifically, you want to talk to woodlot owners who have done the same type of work you are proposing. Specific types of harvesting equipment are better suited to different practices. If you are doing a light thinning, a biomass chipping crew is probably not the best choice. If you are doing a large clear-cut in low-grade wood, a one-man show with a chain saw and old skidder is not the best choice. Cut-to-length systems can be ideal for limited conditions. Each of these has its place.

You want to see one or more jobs they have done, preferably an active job. Is it neatly organized? Does it look like the trees are being manufactured into their best products and sorted to the best markets? How are the scrap pieces dealt with? Is there excessive dam-

age to crop trees: either to stems, roots or crowns? (It is normal for trees along the main skid trails to have some damage.) Are the trails in good shape with BMPs employed to reduce erosion, especially for stream crossings? You can look for professionalism in the workers. Chain saw workers should have basic safety gear such as a hardhat, chaps, and safety boots. They should carry felling wedges and know how to use them. Tree stumps should show proper felling technique, such as a well-defined hinge and lack of splintered fibers, and be low-cut. Much of this can be seen on the landing.



There are a lot of good loggers who do a fair business, but it is the rare landowner who can put together all the pieces for a top-notch project with out some assistance from a **PROFESSIONAL FORESTER.**

For jobs that are complete, the landing should be cleaned up. Keep in mind that the job may have allowed scrap wood to be pushed off to the side, or left as firewood for the landowner, or minimal trail-work. But all BMPs should be in place. There should be no active erosion. Some guys excel at this, and normally smooth and seed the landing. This is good advertising, since the public sees these landings as the "face" of logging. Is the landowner satisfied with payment, paperwork, and mill slips? Were the silvicultural and financial goals met?

If a logger is "not currently working" and it is not mud season, that puts up a red flag. Most of the decent loggers are busy and some are booked for many months. What does the equipment look like? This puts us into a difficult discussion, and there is no substitute for knowing the person. If everything is shiny and new, this guy probably has massive payments. He may be a great businessman who has built equipment equity and would

rather do maintenance than repairs. He has a full schedule; and productive equipment makes money for him. But he could be in way over his head, and needs cheap stumpage or high-grade timber to make the payments. Is it older equipment? Again you have two options. If it is worn-out, leaking, and unreliable, the guy might simply be unable to complete the job. He might be desperate and willing to make an offer you can't refuse. But older, well-maintained equipment might be a sign of good management, experience, low overhead, and reliability. These are subtle distinctions, as most opera-

tions are somewhere in between the two extremes.

Another thing you may notice is larger vs. smaller equipment. Being experienced in forestry, the large iron does not bother me. Smaller equipment fits into narrow trails, is good for thinning work, and has low overhead. But it is also less productive, and may have a higher cost-per-cord with additional labor costs. It may be better suited to smaller projects, or can take a long time to finish bigger projects. Larger skidders and mechanized felling can be very efficient with a lower cost per cord. These tend to be better for large volumes of low-quality wood, or large projects. They do need a large landing. Cut-to-Length (CTL) systems with a processor and forwarder were invented for softwood stands, but can do hardwood also. They are limited on steep terrain and large-diameter timber, but modern systems are pretty versatile. They are ideal for small or sensitive landings since the wood is simply piled into stacks along the truck access. But

CTL operators are in high demand, and are often able to price their services highly.

Once you have your project all set up and find a suitable contractor who meets your criteria, it is time to discuss the details. Timing of the operation, access, trails, and cleanup are all factors. Pricing of the products and services is critical, and doing this fairly to both parties takes experience. If you have above-average-quality timber, you should get higher prices. But if you have above-average expectations, you need to compensate accordingly. Even if you are doing all this yourself, you might find it helpful to have limited involvement of a professional forester. The forester might simply mark and tally the trees, and you do the rest. In another case, they might review your contract and pricing for a small fee. If the logger objects to a small amount of independent oversight, that puts up a red flag that they are not ready for fair dealings.

Most landowners view their land with affection and pride. You want the perfect job done, and the best prices paid. But loggers are in business to make a fair living, and hopefully to earn some profit. You can't sell all your products at some "market peak," and there are many aspects of costs, income, benefits, and risk to weigh. There are a lot of good loggers who do a fair business, but it is the rare landowner who can put together all the pieces for a top-notch project without some assistance from a professional forester.

For the next issue, we will go over several different ways of setting up timber sales. ■

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