

## Before You Harvest

As important as it is, the contract is only one of many issues that need to be considered when the decision to sell timber is being made.

The following concerns should have a bearing on the content within the contract:

1. Do you have a clear title for the timber?
2. Have you established your tax basis for the land and timber you plan to sell to claim your capital gains treatment?
3. What are the market conditions for the products being sold or retained?
4. How will the sale be marketed to receive the best price or the best job?
5. Will there be any environmental issues (i.e. wetland management or threatened & endangered species) involved in the sale area?
6. How will the sale area be accessed? You would not want large equipment utilizing trails or traveling on property outside the sale area.
7. Site preparation and reforestation options.

These topics are not all inclusive, but show why pre-harvest planning is important.

## Monitor the Harvest Operation

Always require as part of pay-per-unit sales that you are provided with a full accounting of what's being harvested. The following information should be provided to you by the buyer:

- Load number
- County and state of origin
- Landowner's name
- Date and time
- Scale ticket number
- Species and product
- Destination
- Purchaser

For more information, contact one of the following agencies or organizations:



[www.mfc.ms.gov](http://www.mfc.ms.gov)



[www.fs.fed.us](http://www.fs.fed.us)



[www.msforestry.net](http://www.msforestry.net)



[www.msforestry.net/treefarm/the-farm-program.html](http://www.msforestry.net/treefarm/the-farm-program.html)



[www.msforestry.net/sfiloggers/sustainable-forestry-initiative.html](http://www.msforestry.net/sfiloggers/sustainable-forestry-initiative.html)



[www.msucare.com](http://www.msucare.com)

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## Selling Your Timber



## CHECK LIST

A timber sale is a serious matter requiring careful preparation. The results of many years of past timber growth are at stake, and the condition of the forest after the sale profoundly affects its productivity for many years to come.

# Basic Checklist

- Hire a registered forester to help with the planning and sale of timber
- Seek professional tax advice prior to sale
- Develop management plan
- Develop harvesting schedule
- Develop a pre-harvest plan
- Check references, experience, applicable licenses and certification of all parties involved
- Consult with registered forester to draft contract
- Have attorney review contract
- Arrange pre-harvest meeting with buyer and/or logger. Discuss issues such as Best Management Practices for Forestry.
- Monitor harvesting operation
- Closeout with buyer/logger

*These topics are not all inclusive.*

## Timber Sale Timeline

### Develop a Forest Management Plan

- Yields More Timber
- Fewer Environmental Impacts
- Enhances Wildlife Habitat
- Required for Third-party Certification for Future Markets

### Monitor Harvest

Check the logging operation on a regular basis to ensure contract requirements are being met.

### Hire a Registered Forester

Your best interest should be their top priority. They should fully disclose and resolve any existing or potential conflicts of interest.

### Develop Harvesting Schedule

- Decide to Have a Sale
- Determine Type of Harvest
- Check Timber Prices
- Delineate Sale Boundary
- Identify Special Requirements

### Pre-Harvest Planning

- Develop Prospectus
- Determine a Selling Method
- Develop Harvest Plan
- Contract
- Pre-Harvest Conference with Buyer/Logger

### Closeout with Buyer/Logger