Northeast Texas Forest Landowner Association Newsletter – IV Quarter 2018

Next Meeting: Saturday, November 10, 2018 @ Pizza Inn in Pittsburg

Mark your calendars so you do not forget.

Softwood Lumber Prices Hit Record Levels

Nana Tian, Texas A&M Forest Service and Aaron Stottlemyer, Texas A&M Forest Service

You may have heard that softwood lumber prices were at record levels in the first half of 2018. Much like other commodities, lumber prices are determined by supply and demand. In general, when the demand for wood rises, such as when residential construction increases, prices go up. In contrast, if supply increases, such as when timber resources are abundant, price decreases. However, there are several other factors that influence lumber prices, including geographic region, international policy, and inventory, which are explored in this article.

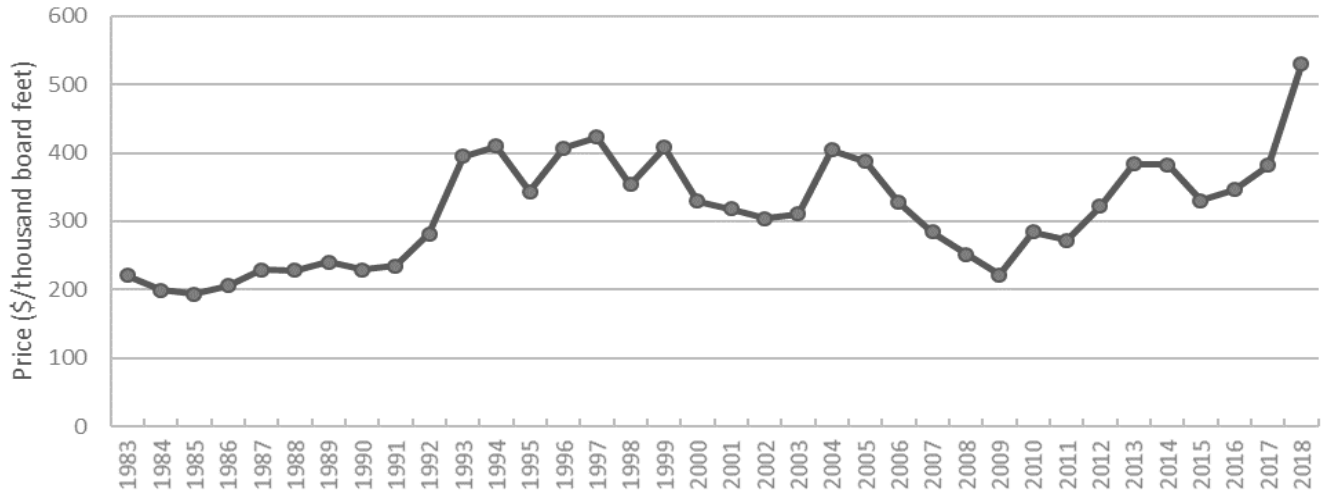

Figure 1. Historical framing lumber composite price reported by Random Lengths

Southern forest industries associated with home construction were substantially affected by the 2008 recession.

The collapse of U.S. housing construction resulted in significant losses for wood product prices and production. More recently, framing lumber composite prices reached $582 per thousand board feet in June 2018, the highest it has been in the last 10 years (Figure 1). One of the biggest reasons is that lumber demand increased due to home building. Residential construction is the primary driver of demand for wood products in the U.S. and has been steadily recovering since the 2008 recession. Privately-owned housing starts in April were 10.5 percent higher than the previous year, and on track for 1.3 million starts annually, the highest level in 11 years. Likewise, the gross domestic product grew 4.1 percent and wages increased by 2.5 percent during the last quarter, foretelling a continued increase in demand for houses. Moreover, structural damages caused by Hurricanes Harvey and Irma last year have led to rising lumber demand for home rebuilding and repairs.

In addition to the increased demand for softwood lumber, tighter supplies are also playing an important role in rising prices. One key factor is the 20.83 percent tariff levied on Canadian lumber imports by the U.S. Department of Commerce in December 2017. Historically, lumber imports from Canada have accounted for one-third of wood supplies in the U.S. As expected, Canada responded by reducing exports to the U.S. Insect/disease outbreaks (e.g. southern pine beetle) and natural disasters (e.g. hurricanes, drought, wildfire, etc.) can also tighten wood supply. While hurricanes can increase lumber demand, they can also devastate standing timber resources. Hurricane Irma caused losses to Florida's forest resources valued at $261 million. In Texas, Hurricane Ike (2008) impacted 612 million cubic feet of commercial timber

across 473,000 acres.

Robust lumber markets also contribute to higher prices. The international lumber trade has increased since the 2008 recession due in large part to the strong wood demand in the major markets of Northern Europe, China, and Japan. A recent publication reported 126 million cubic meters of softwood lumber were shipped from Canada, Russia, and Finland to China and the United Kingdom, marking a 50 percent increase since 2008. Responding to these higher prices, total U.S. lumber production reached 8.56 billion board feet in March, the highest level in 10 years.

Landowners may wonder why it appears that stumpage (price for standing timber) is not keeping pace with surging lumber prices. In fact, log prices in East Texas and across the South have been much slower to respond to improved economic conditions. Since 2008, softwood lumber prices have increased by 8 percent, while pine stumpage prices have only increased by 3 percent. In reality, there is only a loose association between lumber and log prices, which will be explored in more detail in a future article.

If you have questions or purchase timber in the East Texas market and would consider being a bi-monthly price reporter, please contact Nana Tian (nana.tian@tfs.tamu.edu) at Texas A&M Forest Service.

Market Report – May, June 2018

Product	Statewide Ave. Price		Previous Ave. Price		Price/ Ton Difference	
	Weight	Volume	Weight	Volume		
Pine- Sawlogs	$28.83/Ton	$230.64/MBF	$34.00/Ton	$272.00/MBF	-15%	↓
Pine-Pulpwood	$6.17/Ton	$16.66/Cord	$6.89/Ton	$18.61/Cord	-10%	↓
Pine-Chip-n-saw	$11.88/Ton	$32.08/Cord	$11.59/Ton	$31.29/Cord	3%	↑
Mixed Hardwood- Sawlogs	$29.04/Ton	$261.36/MBF	$32.72/Ton	$294.48/MBF	-11%	↓
Hardwood- Pulpwood	$10.99/Ton	$30.77/Cord	$11.23/Ton	$31.44/Cord	-2%	↓

Texas Timber Price Trends is a bimonthly publication reporting average prices paid for standing timber in Texas. This report is intended only as a guide to general price levels. It should not be used to judge the fair market value of a specific timber sale, which may vary considerably due to many factors. It is recommended that you use the services of a professional consulting forester in managing any timber sale. Important factors affecting timber prices include the type, quality and volume of timber for sale, accessibility, distance to mills/markets, weather conditions, economy/market conditions, who is handling the sale or is buying the timber, and contract requirements by the landowner. The complete Texas Timber Price Trends can be viewed at http://tfsweb.tamu.edu/timberpricetrends.

Ward Timber Company Announcement

Ward Timber Company LTD officials are announcing that beginning in January 2019 they will be producing pine lumber at their sawmill located in Linden, Texas. The mill currently produces approximately 28 million board feet of hardwood lumber annually. By adding an additional operating shift, the mill will produce up to 40 million board feet of pine lumber annually along with the current hardwood production. The additional shift will add approximately 50 new jobs to the company.

Ward Timber Company LTD has been operating in the timber business in Northeast Texas since 1978. Its operations include the Linden sawmill, four regional woodyards, four company logging jobs, a chipping operation, and a lumber company located in Fort Worth, Texas.

Thinning and Burning: The Best Defense Against Southern Pine Beetle

By Zoë Hoyle, SRS Science Delivery

Full Story: https://www.srs.fs.usda.gov/compass/2015/07/21/thinning-and-burning-the-best-defense-against-southern-pine-beetle/

Thinned pine stand on the Oconee National Forest, with understory competition treated with prescribed fire. Image source: U.S. Forest Service

A recent study by U.S. Forest Service and university researchers shows that thinning and prescribed fire can protect stands of southern pines on a landscape level from infestations by southern pine beetle. The results also provided first-time confirmation of the effectiveness of the treatments supported by the Southern Pine Beetle Prevention Program (SPBPP) to reduce stand susceptibility to the southern pine beetle in the southeastern U.S.

The southern pine beetle is a native pest which can cause huge damages in the Southeast, where wood production is dominated by several southern yellow pine species. Major southern pine beetle outbreaks occurred across the region almost every decade until recently. The last multistate outbreak occurred from 1998 to 2002, affecting more than 1 million acres of forest in five states and resulting in an estimated economic loss of $1 billion.

It's long been accepted that thinning is particularly effective in reducing the susceptibility of stands to southern pine beetle," said John Nowak, the Forest Service Forest Health Protection entomologist who coordinates the SPBPP program with state forestry agencies, and lead author of the research article. "Dense, overstocked stands are inherently stressed. Thinning not only improves forest health but also helps to limit the beetle's expansion through a stand and the formation of hot spots."

A southern pine beetle outbreak in Mississippi in 2012 provided an opportunity to evaluate at landscape and stand levels the effectiveness of the treatments promoted by SPBPP as well as prescribed fire. The researchers evaluated stands in the Bienville and Homochitto National Forests, comparing thinned versus unthinned stands as well as unburned versus prescribed burned stands.

As expected, there were significant differences between thinned and unthinned stands, with the proportion of southern pine beetle spots much greater in unthinned stands. Only two of the 910 spots found occurred on stands thinned in the 6 years before beetle activity. "This is good news for our program," said Nowak. "Previous studies showed that thinned stands might be less susceptible to southern pine beetle, but this is the first to indicate that recently thinned stands can virtually escape attack."

The researchers also compared differences between unburned stands and those burned with prescribed fire and found that stands with more recent and more frequent prescribed fire had a significantly lower incidence of southern pine beetle infestation.

"Prescribed fire to reduce understory competition has been allowed under the SPBPP, but there's been a widespread belief that burning could actually make trees more susceptible to beetles, at least in the short term," said Nowak. "This unexpected result confirms that stands with frequent low-intensity fire, low basal area, and more open growing conditions

are more resilient to disturbance factors such as southern pine beetle. Based on these results, there will be an increased focus on burning through the SPBPP, especially in conjunction with thinning."

Adult southern pine beetle. Photo source: Erich Vallery, courtesy of Bugwood.org

The Southern Pine Beetle Prevention Program is now in its 12th year of working with state forestry agencies, private landowners, and national forests to improve the resiliency of southern forests through an "all lands approach" on more than 1.2 million acres. To learn more about the program and how to participate as a landowner, access your state forestry agency website.

For more information, email John Nowak at jnowak@fs.fed.us

Fall-Planted Forage Mixtures for White-Tailed Deer in Texas

Texas A&M AgriLife

The options for fall-planted wildlife mixtures are many but often the random mixtures offered for sale by national retailers are not the best-adapted plants for Texas. Warm season forage legumes, cool season forage legumes and forage oats are all great choices to include in forage mixtures for white-tailed deer in Texas. One problem with planting mixtures of these three forages is determining the correct planting rate for each forage species so that competition is minimized and each species can be productive.

Planting rate experiments with cowpeas, oats and clover were conducted at multiple east Texas locations and in multiple years. In the most recent experiment, six different mixtures of 'Iron and Clay' cowpeas, 'HeavyGrazer' oats and 'Apache' arrowleaf clover were planted at Overton, TX on Aug. 27. All mixtures included 10 lbs/acre Apache arrowleaf. The planting rates of cowpea ranged from 20 to 60 lbs/acre and the planting rates of oats ranged from 10 to 40 lbs/acre. All mixtures were broadcast on freshly disked seedbeds and rolled to lightly cover the seed and insure good seed to soil contact. Fertilizer and lime were applied prior to planting according to soil test. Each plot was sampled for forage yield at 30 days post planting and at 30 day intervals until June.

In the early fall harvests (late Sept. and late Oct.) the high cowpea planting rates produced more cowpea forage but restricted oat production, regardless of oat planting rate. The cowpeas were killed by frost just prior to the late Nov. harvest.

In early Jan. the arrowleaf clover forage yield was best at the low cowpea planting rates, reflecting the effect of previous competition from the thick stands of cowpea. Oat forage yield in the early Jan. harvest did not show the same response to cowpea planting rate. The mixture of 40 lbs/acre cowpea + 40 lbs/acre oats + 10 lbs/acre arrowleaf clover provided the best distribution of forage production from early fall to early summer.

Image: Blackhawk Arrowleaf Clover– a new cultivar released by Texas A&M AgriLife

Recommendations:

General

· Make plans to plant between last week of August and second week of Sept.

· Soil test area to be planted (local CEA can provide information)

· Apply fertilizer and lime as recommended by soil test.

· Disk area to be planted 2 weeks prior to planting.

· Clover seed will be preinoculated. Purchase inoculum for cowpeas and inoculated on day of planting.

· Disk again on day of planting. Roll or drag after broadcasting seed.

East Texas Piney Woods and Post Oak Savannah Ecoregions

Recommended varieties and seeding rates. Choose one from each species.

Cowpea

· Iron and Clay, 40lbs/ac

· Ace, 30 lbs/ac

Oats

· HeavyGrazer, 40lbs/ac

Clover

· Apache arrowleaf, 10lbs/ac

· Blackhawk arrowleaf, 10lbs/ac

Blackland Prairie Region

Recommended varieties and seeding rates. Choose one from each species.

Cowpea

· Iron and Clay, 40lbs/ac

· Ace, 30lbs/ac

Oats

· Heavy Grazer, 40lbs/ac

Clover

· Silver River sweetclover, 10lbs/ac

Article posted by Vanessa Corriher-Olsen, Forage Extension Specialist, Texas A&M AgriLife Extension Service, vacorriher@ag.tamu.edu/.

Upcoming Events

October 17, 2018, Location- Brazoria national Wildlife Refuge– Texas Prescribed Burn Managers Training– The program will provide 3.0 hours of required continuing education credits for Certified Burn Managers. For more information or to register for the training visit https://www.texasforestry.org/events

October 5 & 12 and November 2 and 9– Location: Austin Recreation Center, 1301 Shoal Creek Blvd, Austin, TX- Certified Arborist Prep Course– Course will assist you in gaining the knowledge needed to pass the International Society of Arboriculture Certified Arborist Exam. Cost $100 for Austin Residents, $250 for attendees outside of Austin. *Register* online at bit.ly/AustinCAP20188

Prescribed Burning Grant Funds Available

Texas A&M Forest service has announced that some Texas landowners may be eligible for grants to offset up to 100% of costs for prescribed burning on private land. You must use a certified and insured burn manager for fire services. If you are interested, contact your District Forester to see if you are eligible and how to make the application.

Short Leaf Pine Initiative

Short Leaf pine was the native and predominate pine in our area before it was replaced with Loblolly pine. A federal program has been initiated to encourage the re-establishment of Short Leaf. The program can offset up to 75% of the costs for site preparation and planting to establish a stand. If you are interested, contact your District Forester to discuss the pros and cons of Short Leaf and how to apply for cost shares.

Websites of Interest

Texas Forest Info

texasforestinfo.tamu.edu

Texas A&M Forest Service

Texasforestservice.tamu.edu

Texas Parks and Wildlife

https://tpwd.texas.gov

Association of Consulting Foresters

www.acf-foresters.org

Become a TFA Member today!!

Texasforestry.org

NETFLA Officers

President:
Glenn Weiss
(903) 645-3782
gjweiss@windstream.net

Vice President:
Wayne Arnold
(903) 797-2345

Secretary-Treasurer:
Judy Weiss
(903) 645-3782
gjweiss@windstream.net

Director of Camp County:
Vernon Holcomb
(903) 856-6877
gigum60@gmail.com

Director of Franklin County:
Harry Earl
(903) 860-3306
hsearl@suddenlink.net

Director of Morris County:
Fred Davenport
(903) 897-5398

Director of Titus County:
Open

Director of Upshur County:
Kenneth Stewart
(903) 843-2174

Director of Wood County:
Larry Hoffman
(903) 569-2237
FAX (903) 569-2908

TFS Foresters for our area:
Kelby Wolf, Pittsburg Office
(903) 856-7181
Tandy Wheeler, Gilmer
(903) 734-7007

NETFLA WEB SITE:
www.netxforest.org

November Meeting and Program:

Saturday, November 10, 10 am, Pizza Inn, Pittsburg

Marty Walker, Forester and Realtor, will present the program. He has managed timberland for private landowners and company owned timberland since 1980. One topic he will discuss is wildlife and Black Bear Conservation. Use this opportunity to get answers to your timberland questions from someone who has been the business for many years.

February 2019 Meeting and Program:

Gretchen Riley, Texas A&M Forest Service will give a program on the "Texas Big Tree Registry". The Forest Service maintains a registry of the largest tree of each species in the state. Come discover where the largest trees are and the process for having a tree checked for the registry. The meeting will be on February 9 or 16 to accommodate Gretchen's schedule.

May 2019 Meeting and Program:

A program is being planned on "The Short Leaf Pine Initiative". This initiative is a federal program that can pay up to 75% of the site preparation and planting costs to establish a stand of Short Leaf pine, Short Leaf is native in our area and was widespread before the introduction of Loblolly pines.

NETFLA Contact and Membership Dues Information

Thank you for your NETFLA membership in past years. We hope that Newsletters and Programs at quarterly meetings have provided you with useful information that has helped you manage your timber property. We encourage you to continue your membership.

Membership dues are $15.00 per calendar year. If you have not yet renewed your 2018 Membership, would like to renew your 2019 Membership, or if you would like to become a member, mail your check to: **NETFLA, P.O. Box 343, Daingerfield, TX 75638-0343**. Thank you.

Contact: Judy Weiss (903) 645-3782, or e-mail gjweiss@windstream.net

Northeast Texas Forest Landowners Association
PO Box 343
Daingerfield, TX 75638