



The Dogwood Times

A Publication of the Tyler County Forest Landowner Association

<http://tcforest.org/>

Tyler County Forest
Landowner
Association
(TCFLOA)

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Graanul submits winning bid for Texas pellets assets

Graanul Invest affiliate Woodville Pellets LLC submitted the winning bid in the auction conducted on May 9 for the assets of Texas Pellets Inc. and German Pellets Texas LLC. The assets include Texas Pellets' Woodville, Texas, pellet manufacturing plant and its Port Arthur, Texas port terminal.

The transaction was approved by the U.S. Bankruptcy Court for the Eastern District of Texas after a hearing held on May 15, (subject to entry of a final order), and is planned to be finalized by June 15.

In connection with the acquisition, Graanul Invest received financing from funds managed by affiliates of Apollo Global Management LLC.

The estimated manufacturing capacity of the wood biomass pellet plant in Woodville is 450,000 metric tons of pellets per year. The Port Arthur terminal has a total storage capacity of 68,000 metric tons, and is capable of loading vessels up to approximately 60,000 metric tons.

Acquisition of Texas Pellets' assets enables Graanul Invest group to expand its business to the United States to ensure greater security of supply to its customers. It also provides better logistical solutions for entering the Asian market, in particular the fast-growing markets in Korea and Japan.

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Tree Identification

If you are trying to identify some of the trees on your property, you may consider taking a walk along the Big Woods Trail across from the Pickett House at Heritage Village, west of Woodville on U.S. 190.

Twenty-four native Texas trees and three vines are identified with signs. You will see black cherry, devil's walking stick, shortleaf and loblolly pines, magnolia, black gum and sweet gum, American holly, American beech, American hornbeam (blue beech), (eastern hophornbeam (ironwood), dogwood, farkleberry, American elm, mockernut hickory, green ash, Florida maple (yes, it is native to Texas), and seven varieties of oak – red, white, willow, water, post, Shumard and chestnut.

Three-leafed poison ivy can be distinguished from the harmless five-leafed Virginia creeper. Native muscadine grape vines are plentiful and, of course,

CALENDAR

August 9, 2019, Friday—Texas Forestry Association, TFA, is offering a Forest Landowner Seminar, 9:30 AM—2:30 PM, at the TFA building, 1903 Atkinson Drive, Lufkin, TX. Greg Grant, award winning Horticulturist, writer, Photographer, conservationist and 7th-generation Texan, will be the highlighted speaker. Other topics: Wild turkeys, farm bill cost share programs, and Learn Plan Act Texas online tool. Register online at texasforestry.org or mail registration to TFA. Lunch is included in the \$20 fee.

August 24, 2019, Saturday—TCFLOA Board of Directors meeting, 9:00AM, Neches Room at the Tyler County Extension Office, 201 Veterans Way, Woodville, Texas. This is a planning meeting. Association members are welcome.

September 21, 2019, Saturday—TCFLOA Fall General Meeting, 9:30 AM, Tyler County Extension Office, 201 Veterans Way, Woodville, Texas. Tentative topics include: "Timber and Forestry Update", "Forest wildlife issues" and "Geographic Information Systems". A BBQ lunch will be served. The public is welcome.

Visit the Tyler County Forest Landowner Association website at tcforst.org for a summary of past presentations, interesting articles, upcoming events, contacts, and the latest news relating to effective forest and land management practices for Tyler County landowners.



(Graanul—continued from page 1)

With 11 pellet plants located in the Baltics, Graanul Invest group’s annual production volume is 2.2 million tons of pellets, making it the biggest pellet producer in Europe. Acquisition of the Texas Pellets pellet manufacturing plant offers a possibility to increase the group’s production capacity up to 25 percent.

“We have been looking for a suitable opportunity to start pellet production in the United States for over 10 years. Once we have successfully completed this transaction, we will have firmly established our presence in North America,” said Raul Kirjanen, CEO of Graanul Invest.

Graanul Invest group operates in the field of bioenergy and renewable energy production, forestry and biomaterials development. The group employs over 500 people.

(Article was reprinted with permission from biomassmagazine.com)

2019 Timber Valuation— Betty Zimmerman, TCFLOA

If your forest has been approved by the Tyler County Tax Appraiser for Timber Valuation, your property tax is based on the productivity value of an acre of timberland – not the value of the property. Appraisals for 2019 Timber Valuation should reflect the following percentage changes in 2019 forest productivity values compared to 2018. On average, Pine forest productivity values in 2019 are up (7.1%), Mixed forests are down (-3.5%), and Hardwood forests are up (35.8%) compared to 2018 final values.

Pine forest type productivity values are **up (7.1%)** due to the following factors:

- Growth is up for all pine products in Pine forests due to resource recovery from drought/hurricane (↑¹)
- Five-year average management costs² for Pine forests in soil types I and II are slightly down (↑)
- (Much of Tyler County has Type II soil.)

Mixed forest type productivity values are **down (3.5%)** due to the following factors:

- Except for hardwood pulpwood, growth for all products in Mixed forests are down (↓).
- (Growth of mixed forests is probably down because they are typically unmanaged and, when compared to most hardwood forests, they are usually in less fertile soil.)
- Five-year average management costs for Mixed forests are slightly up (↓).

Hardwood forest type productivity values are **up (35.8%)** due to the following factors:

- Growth for hardwood sawtimber and pulpwood in hardwood forests is up (↑).
- Except for Hardwood forests in soil type I, average management costs are slightly down for Hardwood forests (↑).
- Prices³ for hardwood products are slightly up (↑).

¹Upward arrow ↑ means this factor drives the productivity value up; downward arrow ↓ means this factor drive the productivity value down

²Costs are five-year (2014-2018) average values

³Prices are five-year (2014-2018) average values

It is the combination of changes in stumpage prices, growth, management costs, and the capitalization rate that determine productivity values for each forest type. Growth is in the numerator of the formula that Texas’ Comptroller uses for valuations, so if growth increases from one year to the next, it will have upward pressure on the productivity value. Conversely, decreasing growth will have downward pressure on the productivity value. You can expect growth to vary from year to year due to natural variations in precipitation and other factors. However, for the last 10+ years, pines as well as hardwoods in East Texas have been slowly recovering (i.e., growth has been increasing) from multiple stress events- most notably, Hurricanes Rita (2005) and Ike (2008) and severe drought (2011). An increasing capitalization rate (which is tied to interest rates) puts downward pressure on productivity values, which was the case from 2017 to 2018.

For more information about Texas’ formula for calculating Timber Valuation, read the article on the Tyler County Forest Landowner website <http://www.tcforest.org/downloads/201605TimberlandTaxValuation-updated2019.pdf>.

***TCFLOA Fall General Meeting—Col. Eddie Boxx, TCFLOA Vice President***

We are pleased to announce the Tyler County Forest Landowner Association Fall 2019 Agenda. We lead off with an industry and timber update from Mr. John Hamilton (RoyOMartin). Mr. Hamilton has decades of forestry experience and has recently been named Forestry Procurement Officer. He has also been instrumental in the operation of the new Oriented Strand Board (OSB) manufacturing plant in Corrigan, Texas.

Our next speaker is Courtney McInnerney, District Biologist for Texas Parks and Wildlife. She will discuss forest wildlife issues for East Texas landowners and provide an update on current biological trends and observations.

Our capstone speakers will include our own Jeff and Elizabeth Parker of Parker Forestry Consulting in Woodville, TX. They will introduce landowners to “Geographic Information Systems” and how it is used to classify timber for tax appraisal. They will go over several online tools and other information provided by tax appraisal districts, the State of Texas, and other entities. They will then conclude with a few “real world” illustrations of the extremely useful “ArcMap” application.

We continually seek your input on topics and speakers, so if you have any recommendations, please let me know. We have been fortunate with outstanding and knowledgeable speakers – so please attend the Fall Annual Meeting (21 September sign in starting at 0900, first presentation starts at 0930).

Timber industry experts explain why China tariffs wouldn't seriously impact East Texas markets—By Donna McCollum and Jeff Wright, June 3, 2019

LUFKIN, Texas (KTRE) - As a trade war between the U.S. and China continues into June, lumber mills and timber producers have reason to worry about what impacts tariffs could have on their industry. China is U.S. lumber's biggest customer, and tariffs have cost the industry nearly half a billion dollars in just the last year.

However, Deep East Texas producers have had little to worry about in terms of production or sales.

“I think most land owners won't see any effect in the near future; it's hard to say what's going to come over the next few years,” said Rob Hughes, director Texas Forestry Association in Lufkin. “In the near future, we're not going to see any effect from it at all.”

The Texas Forestry Association reaches out to foresters, land owners, and mill operators to lobby and to be a voice for the industry. Hughes said the size and economic needs that come with the population size of Texas has everything to do with where many of the state's resources go.

“Most of the products that are made here in Texas stay here in Texas, because of our population growth,” Hughes explained. “Most of what's exported as far as forest products go is paper from the paper industry. There are some logs that are exported, mostly from the northwest.”

Hughes went on to explain that paper mills in East Texas may see a drop considering the amount of export, but even that would be minimal “two percent or so,” Hughes added.

Elsewhere there's a watchful eye on countries closer to Texas.

Stephen Raley, with Angelina Forest Products in Lufkin stated to the East Texas News, "At this point, Angelina Forest Products customers have not been negatively impacted by the China tariffs. They continue to monitor the potential Mexico tariffs as a number of our customers ship their finished southern yellow pine products into Mexico.”

The issue won't be ignored.



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Rainfall Totals (inches)—Tyler Co. Emergency Management Weather Division

	March	April	May
Chester	1.63	5.35	8.64
Colmesneil	2.24	5.40	10.50
Fred	0.53	3.99	*
Spurger	1.41	4.06	7.83
Warren	*	3.99	6.83
Woodville	0.99	4.27	8.20

* - Not available or bad data

**OFFICERS & DIRECTORS
2019-2020**

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Tyler County Forest Landowner Association (TCFLOA)

The Tyler County Forest Landowner Association is a non profit organization whose objectives include educating landowners about good forest management and harvesting practices, and keeping landowners up to date on matters affecting timberland operations, taxes and legislative actions.

Membership 2019

Check your memberships status for 2019. Look at the address label on the envelope for your status—if the **year number** after your name is not **19** or greater, then consider renewing your membership.

Note that we are asking for your e-mail address. This will allow us to get time sensitive information on programs, conferences, workshops, weather, or fire situations. We will **NOT** give your address to any other group, people, advertisers, etc. This information is for your board members and newsletter editor **only**.

MEMBERSHIP FORM
For Calendar Year 2019 - TCFLOA

Regular Membership: Private non-industrial owners of five (5) or more acres of land in Tyler Co. **Dues:** \$15 per calendar year per couple. One (1) vote per membership.

Associate Membership: Any individual not qualifying as a Regular Member who supports the objectives of TCFLOA. **Dues:** \$15 per calendar year per individual or organization. Associate Members are non-voting.

USE THIS FORM TO JOIN TCFLOA OR TO MAKE CORRECTIONS

NAME

ADDRESS

CITY / STATE / ZIP

PHONE

APPROX # TIMBER ACRES IN TYLER CO.

E-Mail

Please make checks payable to TCFLOA, and mail to:

Charles Zimmerman, Treasurer TCFLOA, 298 County Road 2152, Woodville, TX 75979