



The Dogwood Times

A Publication of the Tyler County Forest Landowner Association

<http://tcforest.org/>

Tyler County Forest
Landowner
Association
(TCFLOA)

Volume 23 Issue 3
Fall 2021

Tyler County Forest Landowner Meeting—September 18

You are invited to attend an informative workshop on **Saturday, September 18**, covering topics of interest to landowners such as yourself. This is an opportunity to meet other Tyler County landowners. Information presented will include the Sustainable Forestry Initiative, TFA / Legislative Update, Loblolly Seedling Improvements, Angelina Forest Products Update, Land Values in East Texas, Water Quality, Healthy Trees / Healthy Lives, and Cost Share Programs.

There is no charge for attending this meeting. Lunch is provided free of charge thanks to the SFISM Implementation Committee (TFA).

To help us plan for space accommodations and food, we ask that you RSVP by calling the Texas A&M Forest Service office in Kountze: (409) 246-2484.

Registration begins at 8:30 a.m., with refreshments provided. Speakers will start at 9:00 AM and conclude at 2:30 PM. The location is Woodville United Methodist Church Wesley Center, 508 W. Bluff St., Woodville, TX.

CEUs will be offered for Pro Loggers and SAF Certified Foresters.

Sincerely,
Texas A&M Forest Service
Texas Forestry Association
Tyler County Forest Landowner Association

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President's Corner

Our next "get together" will be a little non-standard in that our agenda is longer than usual (more presenters), will start earlier (0830), will include a gourmet catered lunch (*Paper Plate Catering*), and takes place at a new venue (for us) - the Woodville United Methodist Church. What is the reason? The Sustainable Forestry Initiative (SFI) Implementation Committee of the Texas Forestry Association is sponsoring a Tyler County forest landowner event and chose us (Tyler County) as co-hosts, with Texas A&M Forest Service planning and facilitating the meeting. Texas A&M Forest Service biologist, Mrs. Donna Work, has organized the "best of the best" in forestry topics. Historically this event is well attended, so please RSVP and join us.

Col. Eddie Boxx, USAF (ret)

CALENDAR

September 18, 2021, Saturday—TCFLOA Fall General Meeting, 8:30 AM, Woodville United Methodist Church Wesley Center, 508 W. Bluff St., Woodville, TX. This will be a one-day Sustainable Forestry Initiative (SFI) program to protect your resources and advance your objectives, sponsored by Texas A&M Forest Service, Texas Forestry Association, and Tyler County Forest Landowner Association.

September 24-October 17—State Fair of Texas. TFA will have a booth in the GO TEXAN Pavilion.

October 19-21, 2021—Texas Forestry Association (TFA) Annual Meeting. The Fredonia Hotel in Nacogdoches, Texas. Online registration is available at texasforestry.org.

January 15, 2022, Saturday—TCFLOA Board of Directors meeting, 9:00 AM, location to be announced later. This is a planning meeting. Association members are welcome to attend.

Visit the Tyler County Forest Landowner Association website at tcforest.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.



How the Surge in Lumber Prices is Affecting Landowners—Texas A&M Forest Service, (Editor's note: article was shortened to fit available space)

Collage Station, Texas — Lockdowns from the pandemic have led to some unexpected economic consequences, one of which has been a surge in lumber prices. Sawmills shut down at the onset of the pandemic, while Americans across the country – forced to work from home – found the time and energy to remodel, renovate and, in many cases, relocate. The result has been a case study in forest economics. Demand for lumber went up, but supply went down: consequently, costs have skyrocketed over 300%.

In a simpler world, this would mean that everyday landowners who grow and harvest timber on their property have become the beneficiaries of an unexpected boon. But, as it turns out, timber prices (i.e. the price of felled trees sold to sawmills as logs) haven't changed at all.

"The struggles that landowners had in 2019 went into 2020, and are now going into 2021," said Jordan Herrin, an East Texas forester for Texas A&M Forest Service. "Really, life for your timber producer hasn't changed much. It's just been pretty steady.

"While steady might seem like a blessing in the wake of a global pandemic, timber prices in Texas have been the same for almost two decades. And that's without taking into account inflation and other adjusted costs. Sawtimber prices plummeted in 2008 from the housing market crash, and they've flatlined nationally at about \$25 a ton ever since. In Texas, that price has crept up to an average of almost \$30 a ton – approximately the same price for timber in 2011 according to a report by Texas A&M Forest Service. *(Editor's note: 2011 pine prices were less than half 1996 pine prices.)*

The Cause of the Disparity

This divergence between the cost of timber and the cost of lumber is counter-intuitive, to say the least; but the reality is that both are part of incredibly complex, and surprisingly different, markets. Consumers set the price of lumber based on the demand for processed wood and single-family homes, while sawmills set the price of sawtimber based on what landowners are willing to get paid.

The problem for forest landowners is the abundance of ready-to-harvest timber. Mature trees being harvested in East Texas today are likely between 30 and 35 years old. Thirty-five years ago, the U.S. was in the middle of a government subsidized tree-planting initiative. . . .

The surplus of harvestable trees is just one of many factors contributing to the flatline in timber prices, according to Rob Hughes, the Executive Director of the Texas Forestry Association. "Landowners have been struggling to get their timber harvested for a while," said Hughes. "The mills are producing more wood than they have before, but it's still not to the capacity of how much timber is being grown in their areas.

"A part of this divergence began with the housing crisis of 2008. Sawmills across the south had already been consolidating into fewer, more efficient locations – but with the sudden pitfall in demand, the number of sawmills were practically cut in half. In 1997, Texas had a total of 168 active sawmills across the state. Today, Texas has about 50.

A simple solution to this disparity would be to increase production capacity at current sawmills, and to increase the number of sawmills across Texas and the south. However, the realization of that solution isn't so straightforward. Sawmills today are technical titans of industry that can take up to five years to build. One mill recently constructed in Lufkin, Texas, is estimated to have cost \$200 million. . . .

How It's Affecting Landowners

The result is a buyer's market. Landowners are competing with each other not only to sell their timber for a reasonable price, but to have their timber harvested in the first place.

Investment and industrial properties control around 38% of working forestland in East Texas. But because they set a revenue target for the year, many of them will continue to harvest through lower timber prices in order to reach those targets. Since they have such large volumes of timber, smaller landowners are left merely to supplement what the industry giants put in.

"There are a lot of private landowners, especially on our western fringe and in Northeast Texas, that are struggling to find a market for their wood," said Hughes. Landowners without a market for their wood, or landowners who don't want to accept the low payments for their timber, are left with very few options – and most of those aren't promising.

(continued on next page)



(Surge in Lumber Prices—continued from page 2)

Options for Small Timberland Owners

A simple and obvious alternative for landowners is to wait. Trees will continue to grow, and the larger the timber, the more it should theoretically be worth – which is exactly what many landowners are counting on. However, that's not quite how it works in modern timber industry.

“Sawmills are built for a certain size log, now,” explained Hughes. “Once you grow it out of that size, there are fewer mills that will take those logs. So it kind of exacerbates your issues, because you actually limit your market the older and bigger your trees get.”

Hughes isn't just speculating. This catch-22 has played out for small timberland owners before. After the housing market crash of 2008, timber prices plummeted, and many landowners who would've sold their timber delayed harvest. The result was a surplus of bigger trees on the market, which caused the price of *those* trees to drop, furthering the cycle of the stunted timber market.

Some landowners do have another option, though – to supplement their harvests by delaying them through carbon markets. Carbon credits are bought by companies or governments to offset greenhouse gas emissions. Typically, one carbon credit is issued for one metric ton of CO₂ – about the same amount of CO₂ that one tree will absorb in 40 years. The catch, however, is that those credits can only be issued to timberland owners if their trees wouldn't otherwise be there – i.e. if the forest is at risk of being harvested. Then there's the issue of carbon credit contracts, which can restrict landowners from harvesting their timber for decades. Contact a consulting forester or Texas A&M Forest Service about participating in carbon markets.

The third option is for landowners to try and harvest their timber now. For those with large tracts of land and staggered harvesting periods, this may be the best option. But for small landowners who might only harvest once in their lifetime, it's a hard decision to justify—especially when they're struggling to sell their timber at all.

Looking to the Future

There is some hope, though. Sawmills across the south are expanding their capacity to match the rising demand, and there have been several announcements of new mills to be built. As these new mills become larger and more efficient, they might match the demand for lumber across the country – but it's going to take time.

Even then with these expansions, there still might not be enough production to correct the price of timber. The surplus of harvestable trees has existed for decades now, and demand isn't likely to climb high enough to match that surplus. Rob Hughes, however, is staying optimistic.

” I think there is a light at the end of the tunnel,” said Hughes. “Its called ‘Commercial Mass Timber.’”

Mass timber is the use of engineered wood products as the primary frame and structure for tall, commercial-style buildings. One category of mass timber, cross-laminated timber (CLT), is so promising that it is boasted to be as strong as steel, but lighter, more resistant to fire, easier to install, and carbon-neutral. Cement alone contributes up to 8% of total greenhouse gas emissions worldwide, according to think tank [Chatham House](#). Steel production, meanwhile, requires the burning of coal.

Several buildings in Texas have recently been constructed out of mass timber, including The Soto in San Antonio, Hotel Magdalena in Austin, and a classroom building at San Jacinto College – which will be the largest mass timber instructional building in the nation. The largest mass timber building in the world, Mjøstårnet in Norway, is 18 stories tall and built entirely out of cross-laminated timber.

“If just a small percentage of the commercial building market was mass timber, like CLT, then we would have to double the number of sawmills in the south just to keep up with that demand,” said Hughes, referencing a report by the Environmental Protection Agency.

The spread of mass timber wouldn't just help the price of logs for landowners – it would also help the environment. A higher incentive to grow timber would lead more investors and entrepreneurs to forest land that might have otherwise been used for commercial or residential purposes. This would lead to more trees planted, which would contribute to overall carbon sequestration, water and air purification, and the countless other benefits that working forests provide.

Mass timber isn't a new concept, though. It's been around in one form or another for decades. Hughes is simply hoping that advancements in new technology, and the rise of CLT as an alternative to steel and concrete, might help give the timber industry the boost it's been waiting for since 1985.



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

	June	July	August
Chester	4.13	4.69	1.96
Colmesneil	8.06	4.92	1.10
Fred	5.80	8.92	0.93
Spurger	8.93	6.89	1.61
Warren	8.92	5.09	1.74
Woodville	7.87	7.53	3.65

**OFFICERS & DIRECTORS
2021-2022**

- Pres: Col. Eddie Boxx
- VP: Steve Lauff
- Sect: Oliver Hensarling
- Treas: Charles Zimmerman
- Dir: Andy Niemann
- Dir: Elizabeth Parker
- Dir: Dr. Jay Fish
- Dir: Josh Lempert (past President)

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 2021

Check your memberships status for 2021. Look at the address label on the envelope for your status—if the **year number** after your name is not **21** (for 2021) or greater, then consider renewing your membership. You may also send in your 2022 dues at this time.

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

MEMBERSHIP FORM

Tyler County Forest Landowner Association (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, 298 County Road 2152, Woodville, TX 75979