

BURNS FORESTRY NEWSLETTER

BURNS FORESTRY 50th YEAR

Well, here we are approaching the end of the year 2020. And it was 50 years ago, 1970, when Gary started our consulting business. Back then, it was just Gary, acting as a forestry consultant and real estate agent. He worked out of the office of Hollis Beall Real Estate, Mr. Beall being the main force behind Gary's endeavor.

Gary's work soon spread into real estate appraisal and eventually wildlife management. He took classes in appraisal to further his knowledge and later earned an M.S. in wildlife at Stephen F. Austin State University. He was fortunate to pick up a crew along the way, which added to the scope of the business.

The road has not always been easy, but thanks to trusted employees such as Senior Forester Richard Cole (24 total years), Senior Operations Supervisor John Kilian (28 years), and John Morgan, Office Manager (10 years), the business has been able to expand. Early this year we were able to add Connor McKinnon as a Forest Technician to our forestry staff, and this summer, John 'Mac' Burns, Gary's son, became a partner in the business. Like Gary, Mac is both a graduate forester and wildlife biologist, as well as a real estate agent. He is also a certified arborist.

We want to thank all the landowners who have allowed us to serve them in different capacities. You have allowed us to maintain this business we love for 50 great years!



Garv Burns



John 'Mac' Burns



Richard Cole



John Kilian



Conner McKinnon



John Morgan

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MAC BURNS RETURNS

As many of you already know, Gary's son, Mac Burns has returned to Burns Forestry to take some managerial responsibilities off his dad. The following are his responses to questions we presented to him:

First of all, Mac, give the readers a bit of your background.

I grew up near Crockett and graduated from college in 2016 with a Bachelor's of Science in Forestry & Wildlife Management. After college, I worked for Burns Forestry. I left after about a year to work for an oil & gas company in Houston. That transition really opened my eyes to how these large, global corporations operate differently. More than anything, I got valuable insight into how processes may be scaled up to become more efficient, as well as what good traits of a small business you should always be working to keep. I worked next for a real estate brokerage in Austin. I wanted to see how agents were working sales in one of the hottest real estate markets in Texas. I also worked for an arborist company there. I just couldn't stay away from working with trees.

You went to work for Burns Forestry for a while after college.

Yeah, I had grown up working in Burns Forestry and learning the ropes, but it wasn't until I came back after college that I really learned what made the business tick. Up to that point, however, I had only really worked for either my father or done ranch work for friends of the family. I felt like if I was going to take a significant supervisory role in the future, I wanted to get some experience working outside of my hometown.

Tell us a bit about your arborist background. How does being a certified arborist fit in with your plans at Burns Forestry?

Sure. Inch for inch, landscape trees are much more valuable than trees for timber. A beautiful, large oak in a person's front yard can actually contribute up to 30% to the value of the property. People love their trees, and my job as an arborist focused on how to keep them pretty and healthy. Burns Forestry has always valued educating the public, and what better way than helping others maintain their most beautiful assets.

What about real estate?

Innovation happens where there is money to be made. And in the real estate market in Austin, there is plenty of money being made. I was disappointed to see that rural areas always seemed to be left out of the loop on the latest technology and resources, especially when it came to buying and selling ranches. So, my plan has been to see how things are being done on the cusp of innovation and to figure out how I can use that to help these more underserved areas.

My father has practiced real estate in Crockett since 1969, and he and John Kilian have been working to expand it in the most recent years. For over 50 years, Burns Forestry has cultivated the most important asset a real estate company can have - a relationship with people. My only hope is that I can bring as much value in innovation, so that we can help make rural land ownership and management a seamless process.

You also plan to be active in the wildlife phase?

Yes, I've always been interested in wildlife and see it as an inseparable part of forest and land management. I learned a lot in college about the individual biology of animals, as well as the ecology of entire populations, and have been excited to see how that's been applied on the ground. I hope to use what I've learned to grow some of the most impressive populations in our area.

So it seems you are looking forward to returning to Burns Forestry.

I am. Since leaving Crockett, I've worked at a lot of very different jobs hoping to get some insight into how things operate differently in other places. But, my real passion has always been focused on nature and exploring the many possibilities of land management. Plus, Crockett has always been where I call home.

Dad hopes to transition to working part time, but he'll still be actively involved in the management. Our Senior Forester, Richard Cole, and Forest Operations supervisor, John Kilian, have been with Burns Forestry for many years and have gained in their careers a wealth of consulting forestry knowledge. I hope they will have patience with me as I learn from them and rely on their guidance. The Office Manager, John Morgan, has been a close family friend, along with his wife and daughters for about 40 years. He has been an invaluable asset to Burns Forestry showing that experience as an innovative teacher and working with timber and cattle on his own land translates across disciplines. I've also had the pleasure of meeting Burns Forestry's most recent infusion of new blood, our Forest Technician, Conner McKinnon, who's a very hard worker.

Well, the Burns Forestry staff welcomes you back, Mac. The work has steadily increased, and you have the background to assist the company in the new assignments so that we can serve our loyal clientele in a more efficient and timely manner. Landowners are needing an expanding variety of services, and we are positioning ourselves to meet those needs.



Mac

HOUSING STARTS

Despite Covid-19, it was a good homebuyer summer. While there was a big downturn in housing starts in March and April to the lowest level since 2015, they came back in May and home loan applications surged. New home sales increased in July to 13.9%, while U.S. home prices rose 4.3% in June. While housing starts dropped 5.1% in August due to a slump in multi-family home construction, single-family homebuilders are optimistic for September.

The average contract interest rate for a 30-year fixed rate mortgage with conforming loan balances of \$510,400 or less went down to 3.11% from 3.13%. Points increased to 0.38 from 0.36, including the origination fee with 20% down payment. Refinance loans, meanwhile, went down 10% as government financiers Fannie Mae and Freddie Mac will now charge a new 0.5% fee on refinanced loans beginning September 1 to offset the costs of delinquent loan repayments as a result of record-high unemployment rates.

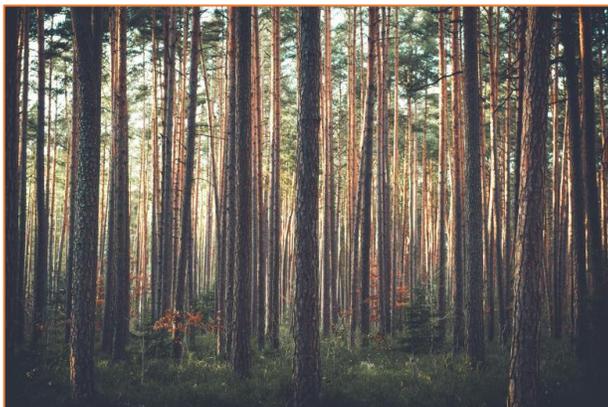
More Americans are working remotely and there is more virtual school, both which require more space. There is a lot of interest in homes in small towns with populations under 50,000. New housing is, of course, tied to employment and unemployment is at all-time highs. The housing market is our big lumber market so timberland owners are all hoping for a return to normalcy.

LUMBER & TIMBER PRICES

U.S. manufacturing rose again in July, the highest it has been since March 2019, now being about 11 percent of the total U.S. economy. New orders, backlogs of orders, and employment all increased. Wood products and furniture led the growth.

The composite southern yellow pine lumber price reportedly rose to \$798 per thousand board feet in August – a 39% increase over the June 2018 all-time high of \$576 per thousand board feet.

So why aren't stumpage prices increasing? While the experts tell us it's a complicated relationship between lumber and timber, part of the answer is that timber supply outpaces the demand and there is a scarcity of mill competition and timber inventory. Builders are facing rising lumber costs and delivery delays.



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HURRICANE LAURA

Hurricane Laura made landfall on August 27, near Cameron, Louisiana, but it also damaged about 210,000 acres of hardwood and softwood in eastern Newton and Orange counties. Another 850,000 acres across Hardin, Jasper, Newton, and Sabine counties received scattered damage.

The Texas A&M Forest Service has a webpage containing steps to recover from hurricane events. Burns Forestry has professional foresters, a certified arborist, and a real estate appraiser to assist in estimating the damage, salvaging the timber, and determining a deductible casualty loss.

PRESCRIBED FIRE GRANTS

The Texas A&M Forest Service is now accepting grant applications through September 30, 2020 to offset prescribed burning costs on private land for Central and East Texas landowners. Grant recipients select a certified and insured burn manager to reimburse costs from \$15 to \$30 per acre, depending on program eligibility. Most of the funds are set aside for wildfire hazard mitigation, and the applications selected are those that protect the most homes.

The Community Protection Program–Prescribed Fire Grant is available for property owners within 10 miles of the National Forest. The State Fire Assistance for Mitigation Central and East Texas-Prescribed Fire Grant is available to counties within a city-or-county-wide Community Wildfire Protection Plan.

The Neches River and Cypress Basin Watershed Restoration Program-Prescribed Fire Grant will help improve water supply and quality and restore ecosystem function.

The Texas Longleaf Conservation Assistance Program-Prescribed Fire Grant is for restoring longleaf pine ecosystems.

Apply online at <http://texasforestservicetamu.edu/cppgrant>

SPB PREVENTION FUNDS

The Texas A&M Forest Service is accepting applications for the 2020 Southern Pine Beetle (SPB) Prevention Cost-Share Program. Funds provided by the USDA Forest Service – Region 8 and Forest Health Protection is available to landowners conducting first thin operations in dense, pulpwood sized pine stands in 21 East Texas counties, which include:

Angelina, Cass, Cherokee, Hardin, Harrison, Houston, Jasper, Liberty, Marion, Nacogdoches, Newton, Panola, Polk, Rusk, Sabine, San Augustine, San Jacinto, Shelby, Trinity, Tyler and Walker.

Eligible landowners may receive up to \$50 per acre, with a 100-acre maximum, for first thin operations. The goal is to reduce the potential of SPB attack while simultaneously increasing tree growth and vigor. Applications are due by November 1, 2020. The thinning projects must be completed within 12 months of the approval date.

Program criteria, requirements and an application are available at: <http://tfsweb.tamu.edu/SPB>

2020-2021 HUNTING REGULATIONS

The Texas Parks and Wildlife Department will not publish a printed version of the 2020-2021 Outdoor Annual, which contains all Texas hunting, fishing and boating regulations. The printable regulations can be found on outdoorannual.com. If you have questions or comments about the outdoor Annual, you may email the Department at OutdoorAnnual@tpwd.texas.gov.

BLACK BEAR IN TEXAS

The Texas Parks & Wildlife Department (TPWD) has confirmed black bear sightings in several counties in south and southwest Texas as well as confirmed breeding populations in three of these counties. Confirmed sightings rose in these counties in December 2011 as a result of drought and wildfires in Texas and Mexico, causing the bears to travel from Mexico seeking other food sources.

Bear in north and northeast Texas are probably coming from Oklahoma and Arkansas, Arkansas having an estimated 5,000 black bears. A spike of black bear activity occurred in northeast Texas in 2016-2019, mostly in the spring breeding season. TPWD has stated that it will develop a management strategy to focus on natural recolonization to let wild bears be wild and to make Texas “bear friendly”.



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