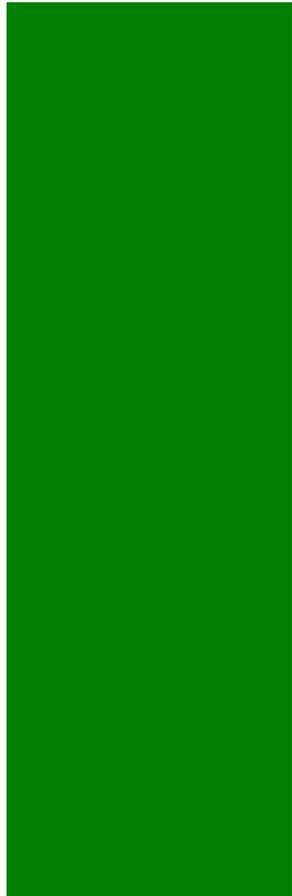
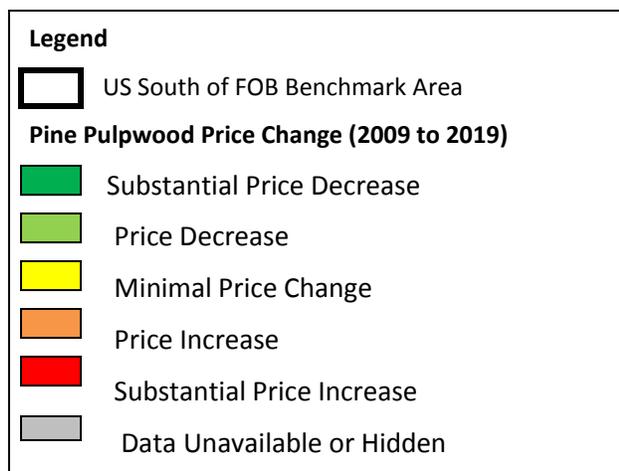
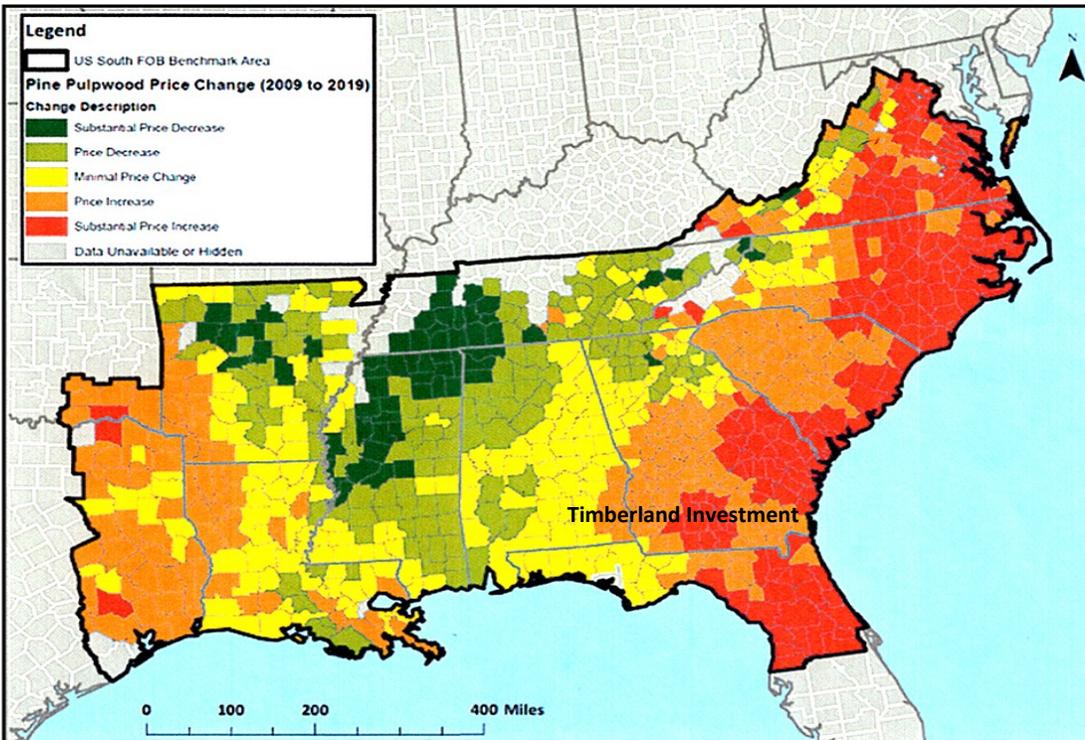




# Burns Forestry Newsletter

## PINE PULPWOOD MARKET

While the pine pulpwood stumpage price has increased in many areas of the south since the “Great Recession” in 2009, the price change has varied greatly across the region with substantial increases along the east coast and even decreases in some states such as Mississippi.



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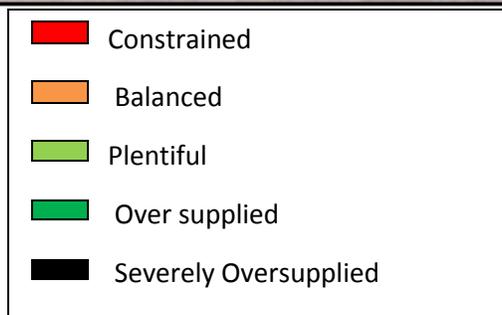
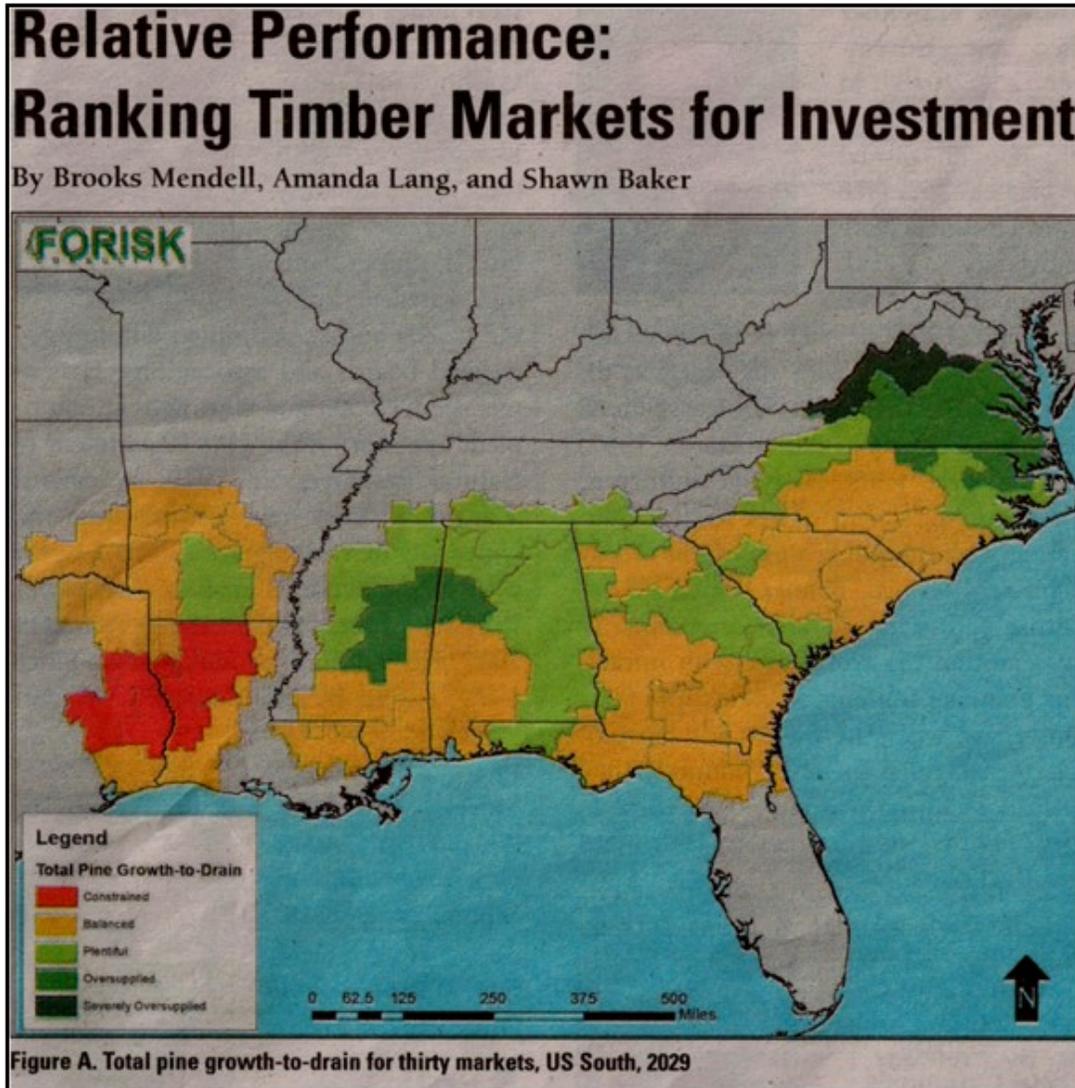
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## GLOBAL SAWTIMBER MARKET

Wood Resources International’s Global Sawlog Price Index has fallen for the fifth consecutive quarter, reaching a two-year low. Log prices were down on all continents, the biggest declines occurring in Europe. There is a plentiful supply of storm-damaged and beetle-infested forests in Central Europe. However, there have been only small price adjustments in the major North American log markets in the past 12 months.

## TIMBERLAND INVESTMENT

To determine where to put their capital to work, timberland investors take into account the health and diversity of local markets for lumber. Forisk Consulting recently examined 30 local markets in the U.S. South, using measures of timber supply and demand, as well as risk factors for logging capacity, residual markets, exports and competition. Growth-to-drain data was obtained from the U.S. Forest Services studies.



## STERLING SOLUTIONS

Sterling Solutions recently celebrated the grand opening of its second cross-laminated timber (CLT) industrial mat factory located in Lufkin, Texas. The 350,000 square-foot manufacturing facility expects to produce about 200,000 TeraLam CTL mats annually for use on right-of-ways in power transmission and oil and gas distribution as well as in general construction. The company currently has a mat facility near Chicago that produces about 425,000 CTL mat annually.

## **ROY O MARTIN**

Roy O Martin has announced plans to make \$30 million in capital expenditures to modernize its Oakdale, Louisiana oriented strand board (OSB) plant and its plywood and solid wood products manufacturing facility in Chopin, Louisiana. The company also has a plywood and lumber manufacturing plant in Chopin as well as its OSB plant in Corrigan, Texas.

## **GEORGIA PACIFIC**

Georgia Pacific (GP) recently announced that it will spend \$70 million on upgrades to its plywood and lumber operations in Gurdon, Arkansas. The mills employ about 700 people.

At the same time it announced it will idle an OSB plant and a lumber mill, both in South Carolina. Previously in February, GP shut down a Georgia plant, laying off 120 people. The company shut down an Oregon plant in April, laying off 111 people and then in May, fire completely gutted another Georgia plant. In June GP shut down two plants and laid off 650 workers in Arkansas.

## **MOLPUS TEXAS PURCHASE**

The Molpus Woodlands Group, LLC (Molpus) has purchased approximately 86,605 acres of timberland in East Texas on behalf of two clients. The properties are located in five countries and have had over 75 years of management. Molpus acquires, manages and sells timberland as an investment vehicle for pension funds, college endowments, foundations, insurance companies and high-net-worth individual investors. Molpus was founded in 1996 as a timber investment management organization (TIMO) and currently manages about 1.8 million acres of timberland investments in 17 states.

## **IKEA TEXAS PURCHASE**

IKEA has recently acquired 42,000 acres of forest land in East Texas as a wood source for its furniture. It already had 22,000 acres in Jasper, Orange, Newton, Hardin and Tyler counties. This transaction follows a separate purchase of 18,000 acres of forest land in Southeast Oklahoma, bringing its total U.S. ownership to about 125,000 acres. Now IKEA's parent company Ingka Group has a total U.S. and Europe ownership of 580,000 acres.

Earlier this year IKEA had acquired 144 acres in Generation Park in northeast Houston to develop a new distribution hub. It has 1 million square feet of leased distribution space in northeast Houston near the port of Houston and a retail store off Interstate 10 in Houston. Altogether there are 374 stores in 30 countries.

IKEA began buying forestland in 2014 when timber prices were expected to rise worldwide. Its intention is to develop a sustainable source of wood for its furniture business.

## **DRILLING IN THE NATIONAL FORESTS**

The Trump administration is seeking to reopen more than 1.9 million acres of national forests and grasslands in Texas for oil and gas leasing. The forests are part of the Haynesville shale of East Texas, and the grass lands are part of the Barnett shale of North Texas. While drilling was present on these lands for decades, the Obama administration stopped new leasing in 2016 over pressure from environmentalists and concerns about the effects of hydraulic fracturing. There are reportedly 98 proposed wells to be located in the Davy Crockett National Forest.

## EAST TEXAS TURKEYS

The eastern wild turkey (*Meleagris silvestris*) was historically common in East Texas, and a restocking was initiated in the 1950s with pen-raised eastern turkeys and Rio Grande wild turkeys. The program was not successful, and in the mid-1980's, the Texas Parks and Wildlife Department (TPDW) tried again, this time using wild-trapped turkeys from other states. They used a block-stocking system in which 15-20 birds were released in five to 10 separate locations in a county. The first year after release typically had high mortality and low reproductive effects. Some sites, however, became established and now provide hunting in 13 East Texas counties. The program was discontinued in 2003 after about 7,000 birds had been released.

TPWD reinstated stocking in 2007 using a methodology that offered better chances for success, even in less ideal conditions. This "super-stocking" releases 70-80 birds (20 toms plus hens) at one location, with equal portions of adult and juvenile birds whenever possible.

Subsequent research suggested that lands must have native grasses and forbs covering 20-30% of at least 10,000 acres of contiguous habitat containing 5-30 acre openings throughout the area. We now have about 10,000 eastern wild turkeys in East Texas.

In 2019, 25 turkeys (9 male and 16 female) trapped in North Carolina were released within the Trinity River watershed in Henderson County, Texas. Most of the turkeys were hatched that year or were juveniles. No adult males were caught. Subsequent surveys have shown strong site fidelity and nest success and poult survival has resulted in population recruitment.

## Degraded Hardwood Forests

A recent article in *The Forestry Source* (November 2019) by Dr. Wayne K. Clatterbuck at the University of Tennessee explains the plight of degraded hardwood forests.

Degraded hardwood forests result from diameter-limit harvests that repeatedly take the largest and best trees, leaving the smaller trees which may actually be about the same age of the larger trees, but were in a less competitive position. These degraded stands usually contain low quality trees that are crooked, rotten or diseased. They may contain trees of an undesirable species that may be damaged from previous logging operations, and they don't usually have large volumes of desirable growing stock.

Some degraded stands are on poor sites that are not capable of growing good hardwoods. These sites may be on droughty and thin soils. Typical species on these sites include blackjack oak, post oak, chestnut oak, eastern redcedar, and vacciniums. However, degraded stands can also occur on better quality sites and may be regenerated to create a better quality stand.

Degraded stands usually don't have enough timber volume to sustain a thinning. However if they have at least 50 square feet of basal area of acceptable growing stock (AGS), they may be rehabilitated. AGS are trees of commercial and desirable species capable of increasing in value and volume to become viable crop trees.

If there are not enough AGS trees present, then the stand should be regenerated, favoring the desirable species. Clearcutting, shelterwood and group selection are often used. Sweetgum, black cherry and ash reproduce from seed, while oaks and walnut from advance regeneration and most hardwoods will sprout from small stumps. To regenerate oaks, you will probably need advanced regeneration one to four feet tall present prior to the final harvest as oaks do not compete well with the faster-growing species, especially on high-quality sites.

Rehabilitating a stand involves harvesting the less-desirable trees and retaining the desirable growing stock, while protecting desirable regeneration in the open areas. This creates a two-age structure with the larger trees providing seed for regeneration and wildlife. Opening the stand, however, may cause epicormic branching (growing from a previously dormant bud on the trunk or a limb of a tree) which reduces the tree grade. Also, the regeneration may be damaged during the harvesting of the residual trees. The presence of a sufficient quality of acceptable growing stock determines whether the degraded stand can be rehabilitated or must be regenerated.

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