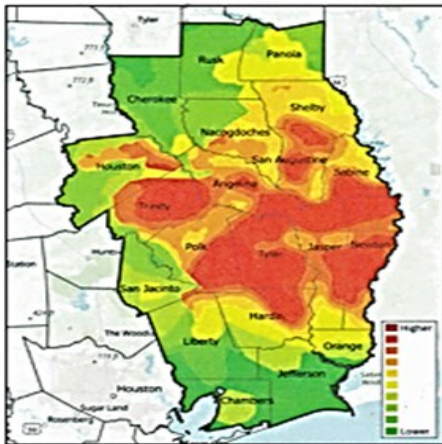




# Burns Forestry Newsletter



## FINANCIAL ASSISTANCE AVAILABLE For Forest Landowners



**Texas Longleaf Conservation Assistance Program Priority Map**

RED—HIGHER  
GREEN—LOWER

### Cost-Share

Approved participants will receive cost share on approved practices based on ~50% of average industry rates (full list can be found at [www.txlongleaf.org](http://www.txlongleaf.org)):

**Prescribed Burning - \$20/ac**

**Site Preparation/Planting - \$165/ac + \$0.14/seedling**

**Forest Stand Improvement - \$165/ac**

### WHY LONGLEAF?

#### Asset Protection & Resilience

Because Longleaf thrives on prescribed fire, it is more resistant to wildfire than other southern pine species. It is also more resistant to insects and wind events!

#### Wildlife Value

Longleaf thrives on prescribed fire, which stimulates the growth of important understory plants and promotes habitat conditions critical for many wildlife species, including white-tailed deer, wild turkey, bobwhite quail and more!

#### Value from Wood Products

Longleaf is known for producing great quality lumber with superior strength, durability and appearance. In addition to providing pulp wood from thinning, a well-managed longleaf stand can produce excellent quality utility poles starting at age 30 - 35. Trees sold for utility poles provide much higher prices than trees sold for saw logs.

#### Legacy

A longleaf forest is a multi-use forest that keeps on giving for generations. Once established, longleaf will regenerate naturally, creating a multi-age forest that can be selectively harvested over time to generate income, while simultaneously providing wildlife habitat and recreational opportunities.

Contact Jenny Sanders, Texas Team Coordinator, to learn more [jennyreneesanders@gmail.com](mailto:jennyreneesanders@gmail.com) | (936) 225-2175 [www.txlongleaf.org](http://www.txlongleaf.org)



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## TEXAS LONGLEAF CONSERVATION ASSISTANCE PROGRAM

Simple Process - Significant Impact

### STEP 1: CONTACT

(936) 225-2175 | [jennyreeneesanders@gmail.com](mailto:jennyreeneesanders@gmail.com)



If your property falls within the 19-county historic range of the Longleaf pine, contact Longleaf Team Coordinator, Jenny Sanders. We will visit about your property, management goals, and determine your eligibility for financial incentives. We want to work with you!

### STEP 2. SITE VISIT

AS MUTUALLY CONVENIENT

We will schedule a time for one of our project managers to come out to take photos of the site, evaluate the current condition, and help with project planning if needed.



### STEP 3: APPLY

APPLICATION DEADLINES:  
APRIL 15 & SEPTEMBER 30, ANNUALLY

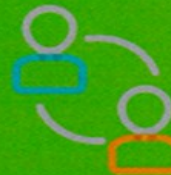
Your project manager will work with you to develop an application package, including project area photos, management plan, simple application form, and project maps.



### STEP 4: REVIEW PROCESS

AWARD ANNOUNCEMENTS:  
MAY 15 & OCTOBER 30, ANNUALLY

If approved by our inter-agency team, you will receive a letter of approval from the Texas A&M Forest Service, at which time you are free to implement reimbursable practices.



### STEP 5: INVOICE & VERIFICATION

AS MUTUALLY CONVENIENT



Following completion of approved practice(s), contact your project manager to schedule a site visit. At this visit, the project manager will verify project completion and take post-treatment photos.

### STEP 6: REIMBURSEMENT!

ALLOW 20-30 BUSINESS DAYS

Once the project manager has confirmed practice completion and received your request for reimbursement, he/she will submit a reimbursement request to the Texas A&M Forest Service. You should receive your check within 30 business days!



## **SPB COSTSHARES**

Texas A&M Forest Service is accepting applications for 2023 Southern Pine Beetle (SPB) Prevention Program cost-shares from December 1, 2022, through January 31, 2023. The program reduces the risk of the southern pine beetle by assisting landowners with timber stand thinning.

Eligible landowners can receive up to \$50 per acre with a 100-acre maximum to assist with a first thinning. They can also receive up to \$5 per acre to offset the cost of a consulting forester. The maximum payout is \$5,000 for the thinning and consultant.

Applications are approved based on ranking metrics and thinnings must be completed within 14 months of the approval date. The stand must be a minimum of 10 contiguous acres of 70% pine with a minimum of 120 square feet of basal area. The stand must be thinned to 80 square feet of basal area or less.

## **WORLDWIDE PELLET MARKET**

The last ten years has seen a growing demand for wood pellets in Europe and Asia. The United Kingdom, Belgium, the Netherlands, Denmark and Italy are the big markets in Europe, while Japan and South Korea have become big markets in Asia.

Russia's war with Ukraine has adversely affected the European wood pellet market as Belarus, Russia and Ukraine had shipped about 30 percent of the total imports to Europe. Europe is expecting reductions in natural gas and oil this winter and wood pellet and firewood prices have consequently increased tremendously. At the same time pulp mills are experiencing record-high pulp prices.

## **FUNDING FOR FORESTS**

The Infrastructure Investments and Jobs Act in 2021 included over \$6 billion towards U.S. Forests and forest infrastructure, most dedicated to federal lands. Several billion dollars is specifically committed to climate-smart forestry and commodities which will fund not only tree planting, but also the implementation of climate-smart practices on private lands. In addition, funding will be reauthorized in the 2023 Farm Bill for forestry and conservation programs.

The Inflation Reduction Act signed in August of this year includes \$5 billion dedicated to forest-related programs and incentives.

We actually have an overabundance of timber resulting in the price of timber being about the same for more than three decades. Some foresters blame the federal government's CRP Program in the 1980's which subsidized the planting of trees. In addition, the United States plants more trees than it harvests annually, and we harvest only two percent of forested land per year.

## **TIMBERLAND AS AN INVESTMENT**

A recent article in *Forest Landowner* (November-December 2022) addressed the subject of inflation in the United States which has now experienced the worst inflation since the Jimmie Carter administration. The current inflation has been especially hard on forest landowners. Gas prices more than doubled and the price of logging equipment skyrocketed, making it particularly difficult for logging contractors. In addition, fertilizer costs are now cost-prohibitive.

Timber, like gold and silver, however, has been a good hedge against inflation. It is a hard asset that has an active market to establish prices. Timber is tied to home construction, commercial construction, newsprint, packaging and much more and so its price is closely aligned to economic activity and can track inflation.

To estimate forestry returns, you need to consider biological growth and underlying land value, as well as timber prices. Timberland Investment Management Organizations (TIMOS) that have used correlation analysis to address the inflation-hedging ability of timber have found that timberland has shown a high level of positive correlation with inflation. When inflation is high, timberland returns are high. Timber prices don't always exceed inflation, but they usually keep increasing.

Timber and timberland, however, do not correlate well with many other investments such as corporate bonds, commercial real estate, S&P 500 stocks and long-term U.S. Government bonds, as well as U.S. Farmland and U.S. Treasury Bills. So, it provides additional cushioning against high inflation rates and is not tagged along with other asset classes in an investor's portfolio. It has value in diversifying. Therefore, timberland offers security in a portfolio, "being highly correlated with inflation, helping to offset weakness in the other asset classes."

## **TEXAS TIMBER CONTRIBUTION**

In 2021 the forest sector in Texas had a total economic impact of \$41.6 billion and supported over 170,000 jobs. It was one of the top manufacturing sectors in the state and timber ranked seventh among Texas' agricultural commodities. More than 90 percent of Texas' 12 million acres of productive timberland is privately owned.

## **TEC SALE**

Stella-Jones Inc. has agreed to purchase the wood utility pole manufacturing business of Texas Electric Cooperatives, Inc. (TEC) for a total purchase price of \$28 million plus inventories of approximately \$4 million.

TEC's wood-treating facility in Jasper, Texas produces southern yellow pine utility poles using Creosote and CCA preservatives. Wood pole sales for 2021 totaled \$28 million.

## TORNADOES IN NE TEXAS

Seven tornadoes struck Northeast Texas on November 4 of which five caused damage to an estimated \$13 million of timber on more than 10,000 acres in Bowie, Cass, Henderson, Morris and Red River counties. Most of the timber damage was on private property.



<https://tfsweb.tamu.edu/content/article.aspx?id=32645>

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**WE'RE ON THE WEB**

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