

TIMBER SALE

DO'S AND DON'TS



- **Don't sell to an unlicensed timber buyer!**
- **Obtain the assistance of a professional forester.** Use either your District Forester with the Illinois Department of Natural Resources or a private consultant. Beware of timber buyers who refer to themselves as consultants. Check credentials and ask for references
- **Know what you are selling!** You need to know your tree species, board foot volume, tree quality, and market price. A forester can do an inventory of your woods and measure and mark the trees to be sold. Consulting foresters can be directly involved in advertising your timber for bids. *District Foresters are not allowed to appraise timber or act as a landowner's agent.
- **Have a written contract for the sale.** Most consultants use contracts developed by an attorney in order to protect both the buyer and seller. Beware of contracts offered by timber buyers. Require payment when the contract is signed.
- **Obtain several sealed bids for your timber.** Your forester will assist you or handle this step for you. Do not look at the bids ahead of time or discuss other buyer's offers with potential bidders.
- **Plan the sale to protect and enhance the forest that is left after the harvest.** Work with your forester to develop a plan to guide your management activities for the next five to ten years. You may need to do timber stand improvement, tree planting, or other cultural practices.
- **Don't sell unless everything is in writing.** (Number of trees, how they are marked, purchase price, time period of contract, acceptable logging conditions, damage liability, IL Best Management Practices)
- **Don't sell unmarked trees.** Loggers frequently tell landowners that the forester missed trees that should come out, or convince landowners to let them cut damaged trees. Consult your forester before agreeing.
- **Don't sell on the spur of the moment.** Once you make a deal you can't back up. Beware of buyers who try to hurry you.
- **Sell your trees based on their condition, not their diameter.**
- **Don't sell only your best trees.** Selling only the best trees downgrades the genetics and long-term productivity of your timber.
- **Don't sell "cut and scale" or on "shares".** There are many ways these two methods can be used to lessen the share paid to the landowner.
- **Don't accept cash.** This method may be used to entice you into selling quickly, before you know what you are selling.
- **Don't enter into a management agreement giving a company rights to your timber.**
- **Don't include trees damaged during the logging.** This sounds logical, but once it starts, trees will probably be damaged on purpose. Your forester pays attention to potential damage problems as he tallies your trees, and has probably included trees that have the potential to be damaged by the felling of other trees.

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Important Contract Points

- Description of area and designation of timber sold (GPS Coordinates, PLSS)
- Sale price and method of payment
- 4% timber harvest fees
- Title guarantee
- Penalties for breach of contract or damage to remaining timber, crop or other property
- Protection of special areas such as springs, wetlands, stream banks and other assets
- Liability Coverage Contract Assignment
- Buyer's Right of Access
- Method of arbitration
- Effective and termination date
- Witnessed signature of buyer and seller

Handling Sealed Bids

Competitive sealed bidding is the surest way of obtaining the best possible price for your timber. However, there are essential rules which must be followed for this method to be effective. Potential bidders must have confidence that the person handling the bids is abiding by these rules.

- Treat all potential bidders the same. Furnish all the same pertinent information such as contractual requirements, etc. to each bidder.
- Allow sufficient time for all interested parties to examine your timber. One month or slightly more should be enough time to examine your timber and to submit a bid.
- Accept no verbal offers! Once you have indicated you will accept only sealed bids, you should stand by your word. Anyone making a verbal offer should be informed that his bid cannot be accepted unless it is presented in the proper manner: sealed bid only.
- Do not disclose to anyone either the number of bids received or the names of bidders until the designated time of bid opening.
- Do not open any bids until the specified date and time.
- Award the sale to the highest bidder unless you have a very valid reason for rejecting their bid. Anyone whose bid you anticipate rejecting for personal reasons should be informed of this before he has a chance to bid. In cases where the highest bid is rejected for valid reasons it would be proper to accept the next highest bid.
- As soon as possible after bids are opened, notify all bidders as to whether or not they were awarded the sale and why.

Have questions? Find your district forester.

Visit dnr.illinois.gov/conservation/forestry or scan the QR code

