



## Doug Enyart, Consulting Forester & Top of the Ozarks RC&D Forestry Committee

### Forestry Terms

By Doug Enyart

The following column is the fifth in a series intended to benefit woodland owners.

Most people who come to a professional forester for assistance are amazed by how complicated and detailed the practice of forestry really is. After all, it's just a bunch of trees. Well, read on and I'll bet you find something of interest anyway. If you really want to get an exposure to the big picture of forestry, spend a day with a forester on your land.

This is a sampling of forestry terms of interest and use to private forest owners and to the general public. Rather than write in dictionary style and in alphabetical order, I've grouped terms together by their relationship to one another and by priority of the need to know. I've written each term's definition not as a purely technical definition, but in a manner that really explains the term as it is used.

**Basis (timber):** The most important thing a forest owner can do for themselves when either purchasing or inheriting forest land is to have the Basis in timber established by a professional forester. At the time of acquisition a forester estimates the volume and value of the timber. The reason this is so important is because it can save a LOT of money when the time comes to sell the timber. This enables the owner to qualify as a **Passive Investor** having the tax burden reduced through **Depletion** and **Capital Gains** treatment of the income. The owner qualifies for a **Casualty Loss** if the timber is later damaged or destroyed in a sudden and unexpected manner.

**Stumpage:** When timber is sold as it stands in the woods it is called stumpage. The cost of cutting, skidding, bucking, and hauling the logs to the mill is carried entirely by the buyer. At the mill a different value is attached to the logs called mill delivered price. It is important for the forest owner thinking of selling timber to know the difference in valuation of wood at the different points in the processing chain from the woods to the end user.

**Diameter Limit (Timber Harvest):** Selling timber based on diameter limit is the most common way of designating which trees will be harvested. The result is a high graded forest where the best trees are cut and the rest are left to produce the next forest. This has been repeated across the Missouri Ozarks so many times that we see only a shadow of the forest that could be growing here and which formerly did. Typically the forest owner will receive an offer to buy all the timber of a certain size and larger. Few forest owners hire a professional forester to intentionally manage their forest.

Submitted by Peter Maki, Forestry Communication Specialist, Top of the Ozarks RC&D

