

The importance of timber security

Donal Whelan



Each load of sawlog timber from a third thinning has a value up to €1,000 so forest owners need to be vigilant about timber removals from their forests

SECURE TIMBER MOVEMENTS

With strong markets at present, the security of timber movement in thinning and felling sales at both the time of removal from a forest and also after it leaves is an important issue for timber growers. It is similarly important for buyers and harvesting contractors as it is not in their interest to have timber removed from a sale that they have harvested at their own cost.

Timber is a valuable commodity. Surprisingly, international timber prices have remained buoyant despite the recession, in many ways mirroring a number of agricultural commodities. In Britain, where there is an active market in semi mature woodlands, it has also translated into excellent returns and growth in the value of semi mature plantations. This is reflected in the IPD UK Forestry Index which is produced by Investment Property Database Ltd. and which shows a forestry investment return in the UK of 34.8% for 2011 alone.

The standard method of sale for thinnings is usually based on weight. When thinnings or fellings are sold on a weight basis, the forest owner will only get paid for that timber weighed over a weighbridge and reported back to him/her. The system summarised below aims to provide growers with a standardised procedure to assist in accounting for all timber removals from forests and to improve timber security. This model timber sales dispatch system has been developed by the ITGA with funding assistance from Forest Service.

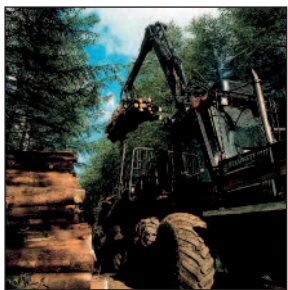
Outline procedures for timber sales dispatch system

The seller should supply standardised forest dockets to the purchaser. These are available from the ITGA at cost price plus postage (some sawmills will have a similar type forest docket) There should be 4 copies for each individual docket.

In a sale the purchaser must notify the seller before each and every entry onto the forest property by way of at least one hour prior to arrival at the forest sending a notification text to the seller's mobile phone giving at least the, drivers name, and lorry registration number. On receipt of the text from the purchaser, the owner will be aware that a load is to be collected and can open the forest gate if necessary.

On arrival at the forest, the top copy of the forest docket must be filled-in by the haulier/buyer and posted into an on-site sealed secure docket box prior to commencing loading.

The seller should remove the dockets regularly so as he can check the dockets against the texts received. Spot checks should also be made by the seller to ensure there are no unauthorised trucks on site. The forest entrances should be locked outside business hours.



It is important that all timber sales are agreed between parties by having a deposit in place before any loads are removed and with subsequent pre-agreed instalment payments at various stages during the sale.

Procedures for hauliers/buyer at the mill/weigh-bridge

When weighing-in to the sawmill or on another agreed weigh-bridge, loads should be weighed giving the forest name and the forest docket signed on behalf of the buyer.

When weighing-out of the mill/weighbridge to get the net weight, the weight docket should be attached to a copy of the forest docket and the buyer should then return a copy of these to the seller.

Procedures for seller

The seller, should retain all the text notifications from the purchaser in his/her phone so these can be checked with forest dockets to ensure that these match all notified loads. This should be undertaken regularly so as any difference can be queried with the purchaser immediately.

When carrying out site visits ensure any vehicles that have passed the docket box and are loading or laden have deposited a docket in the docket box.

Reconcile the copy forest dockets and their attached weight docket received from the purchaser with the copy dockets collected from the on-site docket box.

The above is a summary. Full procedures are available at www.itga.ie/docs/MTSSApril2010.pdf. Most of the established timber purchasers have agreed to use this system in private sales when requested.

A strong timber sales contract is vital in addition to the secure timber sales dispatch system and ITGA has commenced work on a standardised timber sales contract for growers. It is important that all timber sales are agreed between parties by having a deposit in place before any loads are removed and with subsequent pre-agreed instalment payments at various stages during the sale. Ideally the contract should be written so that the deposit covers the value of all loads removed between each instalment. If the purchaser then defaults on paying an instalment when it falls due, then no further removal should be permitted until the overdue instalment has been paid.

Where the deposit covers the value of timber between instalments then the seller will not be out of pocket if the sale is stopped when an instalment is not paid. A contract should also ensure that best thinning practices, health and safety procedures, full insurance cover and other relevant practices are fully agreed to and implemented on site.

It is always prudent to get advice from an independent forestry company or consultant before embarking on a timber sale (see www.forestry.ie). Also check out ITGA membership (www.itga.ie).



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