Timber selling scenario

Situation

Landowner Jones sells his pine sawtimber for $40/ton because he knows and trusts the buyer.

Landowner Smith hears Jones talking about his sale and contacts the same buyer, who he personally knows and trusts, and agrees to sell his pine sawtimber for $40/ton.

Did they both make a good deal?

What would you have done?

Outcome

<table>
<thead>
<tr>
<th>Landowner</th>
<th>Stand Age</th>
<th>DBH (Inches)</th>
<th>Logs (16 Ft.)</th>
<th>Bd. Ft. Doyle F.C 81</th>
<th>Bd. Ft. Doyle F.C. 82</th>
<th>Tons per MBF</th>
<th>Prices per MBF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jones</td>
<td>35</td>
<td>14</td>
<td>2.5</td>
<td>95</td>
<td>9.05</td>
<td>$362.00</td>
<td></td>
</tr>
<tr>
<td>Smith</td>
<td>55</td>
<td>18</td>
<td>3.0</td>
<td>257</td>
<td>7.00</td>
<td>$280.00</td>
<td></td>
</tr>
</tbody>
</table>

Mr. Jones received:  $40.00 x 9.05 = $362 per MBF

Mr. Smith received:  $40.00 x 7.00 = $280 per MBF

Mr. Jones made a good sale, but Mr. Smith may have sold below market value. Actually both were taking a risk by not knowing their average tree size, but only Mr. Smith was hurt financially.

Solution

Always have a professional forester inventory your timber to determine average tree size before selling by the ton.