



Forest Management Specialists, Inc.

Rural and Urban Forestry Consulting

4886 Chisholm Road
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Volume 1 / Issue 1

FOCUS

“Only the net gain from a timber sale, after deducting timber depletion and sale expenses, is taxed*.” A tax basis established by Forest Management Specialists, Inc. can help reduce the amount of Capital Gains taxes you pay!

**Tax Tips for Forest Landowners for the 2013 Tax Year.* USDA Forest Service, Linda Wang and John Greene.



KiOR Production Facility Columbus, MS

TIMBER MARKET UPDATE

Pine pulpwood: Prices in north Alabama, southern Tennessee, and northeast Mississippi fell sharply after the announcement of the closing of the mill in Courtland, AL. However, prices in east Tennessee and some portions of northeast Alabama remain high.

Pine chip-n-saw & saw timber: The reduced inventory of standing softwood timber in Canada and the recovering housing markets should cause the prices for these products to rise in the near future.

Hardwood pulpwood: While prices paid for standing hardwood pulpwood in north Alabama, middle Tennessee, and northeast Mississippi have fallen significantly since September 11, 2013, the price drop is not as severe south of the Tennessee River. Also, prices in northeast Alabama and east Tennessee are still high due to the wet weather and diminished inventory of mills in the area!

Hardwood blended saw timber: Prices for these products remain extremely high. While prices for mixed tie logs remain strong, those paid for oak tie logs can actually be \$2-4/ton higher! Poplar prices remain good for most of the Mid-South region. FMS has received several requests for ash, hickory, and cypress saw timber.

Hardwood high quality/specialty: Prices for white oak stave logs are extremely high. Walnut and cherry continue to bring high prices in north Alabama and Tennessee.

EMERGING MARKETS

Construction on the KiOR production facility in Columbus, MS was completed in 2012. According to their website, the facility began producing gasoline and diesel blendstocks from Southern Yellow Pine woody biomass during 2013. Although these type plants utilize much less wood than a typical paper mill, they provide yet another market for pine pulpwood.

“If you are contemplating a sale of hardwood saw-timber, now is the time!” – Billy Rye



IRS Form T

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TIME FOR:

Timber sales: Tracts that are composed predominately of hardwood sawtimber on upland tracts should be marketed while the soils are still wet. If you are contemplating a sale of hardwood saw-timber, now is the time!

Tax preparation: Contact Forest Management Specialists, Inc. to obtain a copy of *Tax Tips for Forest Landowners for the 2013 Tax Year* by the U. S. Forest Service. Direct your accountant to the [Forest Landowners' Guide to the Federal Income Tax](#) found at the National Timber Tax Website (www.timbertax.org) to answer any of their timber related tax questions.

Boundary maintenance: To improve efficiency in painting property boundary lines, complete all scraping and painting during the dormant season. Contact us at info@fmsforestry.com to obtain a copy of our boundary marking specifications.

Understory Prescribed burning: All burning under an existing forest stand should be conducted before the end of March. Be sure to follow your state forestry agency's guidelines for prescribed burn planning, smoke management, permitting, and notification of surrounding landowners.

UNDER CONSTRUCTION

We are pressing the "reset" button on our website. You will be notified when these changes are implemented and we would love to know what you think.

FOREST MANAGEMENT SPECIALISTS, INC.

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