

FOREST STEWARDSHIP BRIEFINGS

Timber ◇ Wildlife ◇ Water ◇ Soil ◇ Best Management Practices ◇ Forest Health ◇ Recreation ◇ Aesthetics

LUMBER PRICES VS. TIMBER PRICES

from TFS fact sheet dated October 2018; written by Nana Tian and Aaron Stottlemeyer, TFS

For more information:

- <http://bit.ly/2QGy8UH>
- If you have questions or purchase timber in the East Texas market and would consider being a bimonthly price reporter, please contact: Nana Tian (nana.tian@tfs.tamu.edu), Texas A&M Forest Service.

What do the record-high lumber prices in the first half of 2018 mean for the performance of timber prices? Incidentally, after an all-time high of \$582 per MBF (thousand board feet), lumber prices dropped sharply to a low of \$436 per MBF in the third quarter, making 2018's lumber market one of the most volatile in history.

Nonetheless, it seems reasonable for landowners to expect higher prices for standing timber when lumber prices are high. In reality, however, there is only a loose association between lumber and timber prices over relatively short time periods.

Theoretically, lumber and timber prices should track one another. For example, if lumber demand increases, then demand for timber to meet lumber production quotas should also increase, leading to an increase in timber prices.

Texas A&M Forest Service economists and analysts plotted the average annual framing lumber composite price and pine sawtimber price between 1984 and 2018. Results show that lumber and timber prices tend to track each other over the long term. However, over shorter periods, such as a quarter or even a year or more, they might diverge and even move in totally opposite directions.

Several factors contribute to the disconnect between lumber and timber prices. The price of lumber is primarily affected by the U.S. housing market, which continues to improve since the 2008 recession. Housing starts were estimated at 1.28 million units in August 2018, 9.2% higher than in July, implying that lumber demand remains strong. In addition, lumber sup-

ply is currently tight due to reductions in Canadian imports and current U.S. lumber production capacity. The combination of high demand and tight supply led to the record-high lumber prices in early 2018.

In contrast, there is an abundant supply of standing timber. Possible reasons are that some mills closed and many landowners pulled their timber off the market in the immediate aftermath of the 2008 recession, causing the total volume of logs in the U.S. South to rise unimpeded the last few years.

For example, the total inventory of standing timber in the South increased 8.1% from 231.7 billion cubic feet (BCF) in 2008 to 250.4 BCF in 2014.

Another factor which can weaken the correlation between lumber and timber prices is technological advancement in lumber production. For instance, optimized cutting and increased efficiency of downstream processing equipment results in less volume of timber needed to produce the same amount of lumber. Improved technology combined with abundant timber supplies results in lower timber prices even during periods of high lumber demand.

In summary, the combination of housing markets, lumber demand and production capacity, sawmill technology, timber supplies, and local market conditions all contribute to short-term disconnections between lumber and timber prices.

It takes time for timber markets to adjust to lumber markets. However, the establishment of new mills and expansions are planned for East Texas and across the South, which could be a positive sign for timber markets in the future.

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TEXAS INVASIVE SPECIES INSTITUTE

from *Texas Invasive Species Institute website*

For more information:

- www.tsusinvasives.org
- <https://texasinvasives.org>

Invasive species are non-native species of animals, plants, and pathogens whose introduction causes economic or environmental harm in their newly-acquired ecosystem. Their economic damage can cause a loss of millions of dollars.

Non-indigenous species are species that through human influence occur outside of its native range. Synonyms: non-native species, alien species, and exotic species.

To date, more than 800 aquatic and terrestrial species have “invaded” Texas, and experts predict the trend will continue to increase. Existing impacts in Texas are in excess of one billion dollars per year.

The Texas Invasive Species Institute (TISI) is the first comprehensive effort in Texas that is focused on research and coordinating the effective early detection and rapid response to multiple new invasive species that currently impact, or have the potential to impact, ecosystems and produce major economic effects.

TISI currently draws from the expertise of over 40 researchers within the Texas State University System (TSUS). This expertise enables TISI to apply effective measures

currently lacking in Texas when dealing with detection and rapid response to primarily new invasive species.

Specifically, TISI focuses on:

- **Early detection** (monitoring), **rapid assessment**, and **rapid response** (data and methods standards, best management practices, species identification keys, decision support tools) for research and informed decision making;
- **Research** associated with invasive species (biology and ecology of new invasive species);
- Utilization of Geographic Information Systems (GIS) and applications (**predictive modeling**);
- Citizen science, education, outreach, extension, and coordination (**rapid dissemination of information** on the web with an emphasis on rural areas, training certifications);
- Data standards and tools for **interoperability** and **sharing**; and
- Application of **taxonomic expertise** and reference collections.

URBAN FORESTRY TOOLKIT

from *Vibrant Cities Lab website*

For more information:

- www.vibrantcitieslab.com/toolkit

Urban forests — they provide real, measurable benefits to residents and neighborhoods. Hundreds of communities have developed plans to grow their urban forests and harvest this suite of benefits. The “Urban Forestry Toolkit” charts their experiences to create a comprehensive collection of tools, resources, and guideposts.

Like them, you’ll need to find the pathway which best suits your community — the one that addresses your own goals, excites your leadership, engages your residents, and helps enlist your peers.

This U.S. Forest Service step-by-step guide to implementing urban forestry in a community helps you to: **Assess** what

you have; **Prioritize** you needs; **Organize** a core group of allies; **Plan** your funding, sites, maintenance, etc.; **Build** on your plans, programs, and policies; and **Sustain** your urban forest through monitoring and maintenance strategies.

A wealth of helpful, easy-to-follow information is packed in this guide on an easy to maneuver website. The destination is a vibrant urban forest that enriches your city for generations.

The Vibrant Cities Lab Urban Forestry Toolkit is adapted from Michael Leff, *The Sustainable Urban Forest: A Step-by-Step Approach*. U.S. Forest Service and Davey Institute, 2016.

FOREST STEWARDSHIP PROGRAM

The Forest Stewardship Program, offered in Texas through Texas A&M Forest Service (TFS), promotes long-term land management by encouraging landowners across the state - no matter where their property is located - to continuously maintain their trees, forests, and woodlands.

The program focuses on the development of comprehensive, multi-resource management plans that are tailored to individual landowners and their specific needs. The plans provide landowners with all the information they need to care for their forests and accomplish their management goals. Plans are written to maximize the productivity of a particular property, while also striving to protect and promote the benefits forests and trees provide.

In addition to traditional forest products, trees also help clean the air we breathe and water we drink, create a habitat for wildlife, prevent soil erosion, and give landowners a peaceful place to go and relax.

Texas A&M Forest Service Actions:

- Almost 11,000 Forest Stewardship Plans developed since 1991.
- 1,857,643 acres across the state have been enrolled since 1991.
- 95 percent of plans have been implemented, suggesting landowners are making conscious efforts to actively manage their forestlands.

- Forest Stewardship Plans are crucial in protecting/reestablishing ecologically-diverse ecosystems such as longleaf pine.
- TFS coordinates and maintains a State Stewardship Committee that meets annually to discuss the changing needs of landowners statewide.

Economic Impact

- Forest Stewardship Plans provide a catalyst for landowners needing federal assistance programs to offset management costs. On average, landowners receive a 50 percent cost-share on approved practices and plan acres.
- Enrolled acres are actively managed, thus increasing the value of not just the land, but also the benefits it provides. This, in turn, creates a better quality of life. On average, enrolled lands annually provide to the state \$1.7 billion worth of environmental benefits.
- Through active management, enrolled acres are at reduced risk for catastrophic losses from wildfire, insects, and disease.
- When compared with non-managed lands, Forest Stewardship Program properties provide an additional \$543 million in environmental benefits each year.

from TFS fact sheet

For more information:

- <http://bit.ly/2PMj5Ug>
- <http://texasforestservicetamu.edu/Stewardship>

STATE FLOOD ASSESSMENT

Though Texas has experienced flooding throughout its history, losses of life and property in recent years—from the 2015 Memorial Day Flood in Wimberley to Hurricane Harvey along the Gulf Coast region in 2017—highlight the state's vulnerabilities. These disasters, along with six other federally declared flood declarations since 2015, call attention to the need for a clearer understanding of flooding in Texas, from the events themselves to the resources needed to mitigate them.

The "State Flood Assessment," the result of extensive research conducted by the Texas Water Development Board, is a written report to the 86th Texas Legislature. Until this new report, Texas has never conducted a statewide assessment of flood risks and needs. Input from stakeholders across Texas forms the foundation of this report. Stakeholders identified a need for greater investment in mapping, planning, and mitigation—three pillars of comprehensive flood risk management.

from Texas Water Development Board website

For more information:

- www.texasfloodassessment.com
- <http://bit.ly/2Rd4dmA>

Distribution of this newsletter is provided free of charge to professional foresters, state and federal agency professionals, county judges and commissioners, state senators and representatives, various forestry-related associations, and others.

PLEASE ADVISE US IF YOU WISH YOUR NAME REMOVED FROM OUR MAILING LIST.

This newsletter is also available on the web at tfsweb.tamu.edu/StewardshipPublications. If you would rather receive this newsletter electronically (by e-mail), contact us at the address, phone number, or e-mail address above.

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CITIZEN SCIENTISTS

In collaboration with Texasinvasives.org, the **Texas Invasive Species Institute (TISI)** conducts a Citizen Scientist workshop. Anyone can become a citizen scientist with a fun, one-day workshop! These Citizen scientists are volunteers that help slow down the spread of invasive species, and reduce their impact by being another set of eyes in the field. This workshop provides training in identifying and tracking important invaders in our area.

The **Invaders of Texas Program** is an innovative campaign whereby volunteer "citizen scientists" are trained to detect the arrival and dispersal of invasive species in their own local areas. That information is delivered into a statewide mapping database and to those who can do something about it. The premise is simple - the more trained eyes watching for invasive species, the better our chances of lessening or avoiding damage to our native landscape.

These teams contribute important data to local and national resource managers who will, in turn, coordinate appropriate responses to control the spread of unwanted invaders. In the fight against invasive species, early detection is the first step, and with help from citizens, entities like TISI and texasinvasives.org have a stronger chance of detecting and eradicating invasive species.

E-mail invaders@texasinvasives.org for questions or comments about the Invaders of Texas Citizen Science Program.



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