



# WALNUT NOTES

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## Selling Black Walnut

Walnut timber buyers consider three things primarily when they look at a tree: size, straightness, and number of defects. Tree size includes diameter as well as height parameters. A tall, clear, straight tree will probably have several merchantable logs in addition to the butt log. Straightness is important because straight trees produce more logs. Defects decrease the value of a tree and the logs in it. Examples of defects include cat faces or limbs caused by a lack of branch pruning; seams caused by disease, improper pruning, lightning, or frost damage; holes caused by insects or bird peck; pin knots; hollows; and any ingrown metal objects.

The highest prices paid for black walnut timber are for large trees, 16 inches in d.b.h. or larger. Large trees that are exceptionally straight and defect-free can be used for veneer production; such trees command premium prices. Veneer-quality trees should contain at least one 8½-foot log at least 12 inches in diameter (inside bark) at the small end of the log. In areas of high demand, it is sometimes possible to sell smaller trees, but such smaller timber also commands lower prices.

### 1. Determine Your Business Strategy

You've found merchantable walnut in your stand and have decided to sell the timber. Now what do you do!

First, determine the business strategy: how will the trees be sold, as lump-sum or by the board-foot? Lump-sum sales may be appropriate if you want all the timber on a tract removed, but you may want to sell only certain trees on your property. If so, number the trees with nontoxic tree-marking paint and record individual tree dimensions, estimated board-foot lumber content, and tree condition. You might also ask your local or State forestry agencies to "cruise" the potential sale trees and provide some "ball-park" estimates of the value of the timber. The extension agent or area service forester with your Department of Natural Resources may also be able to provide a list of timber buyers in the area.

### 2. How to Make the Sale

Most hardwood timber is bought on a one-to-one basis between the owner and the timber buyer. However, this is not necessarily the best method for the landowner. A more favorable approach for the timber owner involves inviting buyers to make sealed bids on the timber. Bid notices should clearly define the seller's name, address, and phone number; location of trees to be harvested (legal description and local map); number of trees to be sold, dimensions, and how trees are identified; and special sale instructions and requirements (such as stipulations about timing of harvest, etc.). Bid notice should clearly state that only sealed bids will be accepted and should specify the time and place when bids will be accepted, opened, and awarded.

### 3. Draw Up a Sale Contract

Once the deal is closed, a timber sale contract should be drawn up. Although standard contract forms are available, no standard contract can cover all circumstances arising in all situations. Draw up the contract with advice from an attorney and a professional forester. The contract should stipulate that all timber sold should be paid for before it's removed from the property. The buyer should be given a reasonable amount of time to remove the timber. Normally this is 12 to 18 months and should be stated in the contract although more time may be needed if unusual weather conditions occur. The timber sale contract should include:

- a. Names and addresses of seller and buyer.
- b. Legal description and location of timber.
- c. Number of trees to be sold and how they are marked.
- d. The purchase price and how and when it is to be paid.
- e. Expiration date of the contract.
- f. Special instructions to the buyer about the prevention of fires; condition of fences, roads, and other structures; and an understanding of what is expected if the remaining timber is excessively damaged.
- g. The seller's guarantee that the buyer has access to the property for harvesting timber.
- h. Name of a third party agreeable to both seller and buyer to handle possible contract disputes.
- i. The buyer's proof of liability insurance coverage and workmen's compensation.

The timber sale contract should be signed and dated by both seller and buyer, usually in the presence of a notary public, although any mutually agreeable third party is acceptable.

Check the property on which the sale occurred several times during and after the logging operation to make sure that the buyer complied with the terms of the contract. Once you've determined that the terms of the timber sale contract have been met, provide the buyer with a written release from the contract.

*George Rink*