

Inside Highlights:

Timber Markets Hot or Not	2
The Hunter Games	2
NRG Real Estate Listings	3

**Quarterly
Management
Calendar**

October:

- Conduct site prep burns
- Coordinate reforestation plans
- Ensure your boundaries are clearly marked prior to hunting season
- Archery deer season begins (see article “The Hunter Games”)

November:

- Conduct site prep burns
- Coordinate reforestation plans
- Firearms deer season begins (see article “The Hunter Games”)

December:

- Enjoy hunting
- Get your shopping done
- Merry Christmas and Happy New Year!

The History of History (part 2 of 2)

In our last newsletter, we detailed why keeping accurate information about your timberland investment is so important (Volume 3N2). Knowing what information to keep is just as important. Whether you manage hundreds of thousands of acres of timberland, or the 40 acres behind the house, keeping records of these basic categories of information are critical to the land’s management

BASIS – Simply put, this is the original value of your property and is important because it helps determine taxes when something changes hands. It is usually the cost of the property when it was purchased, but could also be the value when it was inherited or acquired through gift or exchange. Don’t just keep a record of the overall value, but allocate the basis between land and timber. We do a lot of work for clients establishing their basis years later, but it’s free if you make a note of it on day one.

LEGAL – Gather together all legal paperwork such as the deed, any title opinion or title insurance, any easements, and any other documents that pertain to title. Make a note of where the documents are filed (the county courthouse for example), and the record number they’ve assigned to them.

HISTORY – Maintain a history of the property as a whole. Document conversations with prior owners, neighbors, users, hunters, and any of their history. Record issues with access, disputes with neighbors, and boundary line history. Anytime you do work on the property, write it down. Record price quotes from vendors, contractors, attorneys, accountants. Record any agreements such as temporary permission for access given to others. Be sure to keep up with the pleasant things too; like all the times you and your grandchildren went to the property together, or the time your son shot his first turkey.

BOUNDARIES – Boundary disputes can create some of the most contentious and emotional stresses of owning land. The best way to reduce or even avoid them is to make sure your boundary lines are well-displayed, then put a map in the file indicating how all the corners are marked. Is there a pile of rocks, steel rebar, witness trees? Include notes about how the lines are marked. Indicate any challenges from adjacent landowners such as fences or structures being built across the line. Challenge any adverse possession claim and update the file as to the status of the claim. Be sure to put in the file any agreements between you and your neighbor regarding the boundary lines.

TAXES –Put in your file the tax ID number that the taxing authority uses to identify your property, the phone number for their office, the guy in charge, and the date taxes are due each year. Include whether the property is being assessed at current use, and any conversations you have had with the assessor regarding appraisals or your taxes. Keep tax receipts so you know when you paid them, and you’ll have a record of taxes over time.

LEASES – For timberland, leases are usually for hunting rights, but landowners may have leases for mineral rights as well. Put copies of the lease in the file, as well as copies of liability insurance policies protecting you and your land.

STANDS - We divide the property we manage into stands of similar timber types and for each one we record:

- * Any timber cruise of the stand
- * The information regarding the establishment of the stand, including seedling species, family, variation, planting vendor, trees per acre, spacing, weather during the planting, and related notes.

continued on page 2 ...

The History of History continued ...

- * Any site preparation done including chemicals applied, rates per acre, weather during the application, vendor, and related notes. If the site prep was mechanical, include pertinent info about the vendor, and equipment used. For prescribed burns, include permit number, weather conditions, precautions used to make sure fire was contained, adjacent landowners notified, response teams alerted (such as forestry commission and local fire departments).
- * Thinning activity – record volumes removed and acres thinned. Include basal area of the stand before and after thinning, and the method the harvesters used to determine tree selection.
- * Document information about timber harvests such as volumes sold, timber deeds, any sales agreements, bid list of people contacted about sale, history of negotiations, road use, and if sold by the ton, volumes harvested.

Timber Markets

Hot or Not?

Pine pulpwood (NOT) – We don't expect much movement in prices. Seasonal increases could be offset by the recent global slowdown. Wet weather this winter could still squeeze inventories and create price peaks.

Hardwood pulpwood (NOT) – Ditto.

Pine sawtimber (NEUTRAL) – We are really watching this market. Stumpage prices came close a couple of times last winter to getting our green light, and after two very strong quarters housing starts stood at a seasonally adjusted, annual rate of 1.174 million in June. That's up from 927,000 a year ago, and enough to begin to work through some of that oversupply in the forests.

Hardwood sawtimber (WARM) – Prices for hardwood sawtimber, particularly for red oak, have pulled back from their peaks. Falling oil prices affect the demand for lower grade wood being used in the oil fields (for temporary roads and new rails). For the right tract, we can still recommend selling, but it now depends...

CASH FLOWS – This is the meat and potatoes of the investment, and it deserves its own file. In a simple journal, keep track of expenses and revenues for the property. Make sure to indicate to which stand any item can be attributed.

ACTIVITIES – This is your TO DO List, so when you think of something that needs to be done in the future, commit it to paper. As each activity progresses, add notes that are pertinent. When an activity has been completed, don't discard the entry, put it in the history file.

PHOTOGRAPHS AND VIDEOS – This file can make an investment more personal than anything else, but make sure to include people in the frames. Otherwise it's just trees and they all begin to look the same.

The Hunter Games

It's the start of hunting season again, so we thought we'd add some helpful information for our hunters...

Always check with your state for specifics. Not all counties are the same.

ALABAMA	
Deer/bow	Oct 15 – Jan 31
Deer/muzzleloader	Nov 16 – 20
Deer/rifle	Nov 21 – Jan 31
Turkey - no decoys	Nov 21 – 30
Turkey (select counties)	Mar 15 – Apr 30
MISSISSIPPI	
Deer/bow	Oct 1 – Nov 21
Turkey (select counties)	Oct 15 – Nov 15
Deer/primitive weapon	Nov 10 – 21; Dec 2 – 15; Jan 22 – 31
Deer/Gun (with dogs)	Nov 22 – Dec 1; Dec 24 – Jan 21
Deer/Gun (without dogs)	Dec 16 – 23
Turkey	Mar 14 – May 1
TENNESSEE	
Deer/bow	Sept 26 – Oct 30; Nov 2 – Nov 6
Deer/muzzleloader	Nov 7 – 20
Deer/rifle	Nov 21 – Jan 3
Turkey	Oct 17 – 30; Apr 2 – May 15

On March 25, 2013 Mississippi Governor Phil Bryant signed House Bill 1139 into law which now allows hunters the use of any caliber rifle as long as gun season is open and they hunt on private or leased land.



REMEMBER: No bear hunting in Alabama or Mississippi.

When the last deer disappears into the morning mist, When the last elk vanishes from the hills, When the last buffalo falls on the plains, I will hunt mice for I am a hunter and I must have my freedom. – Chief Joseph

Venison Sausage Balls ... even a man can make these.

Ingredients:

- 1 lb. deer sausage
- 2 cups shredded sharp cheddar cheese
- 2 cups Bisquick

Directions:

- Mix all ingredients together with a stand mixer or by hand.
- Roll out individual 1-inch balls.
- Bake 350° for 30 minutes.



While delicious on their own, you can serve these with hot sauce, mayo-mustard mix, or a sauce of your liking.

courtesy of LeShae Tapp



Real Estate Listings

See more of our listings at www.naturalrg.com



BTT01 – Blount County, Alabama
35 acres - \$4,500 / acre

Beautiful creek excellent for wildlife
Building sites w/ power & water adjacent to property
Woods road providing excellent interior access



PST01 – Colbert County, Alabama
40 acres - \$1,250 / acre

Perfect get-away for the busy hunter
Only 15 min. drive from downtown Muscle Shoals
Investment opportunity w/ 18 year old pine plantation



SST01 – Prentiss County, Mississippi
42 acres - \$1,995 / acre

This property has so much to offer
Power, county water, building sites
Paved county road frontage
Merchantable pine timber – food plot
Potential lake sites



RKS01 – Tippah County, Mississippi
189.85 acres - \$2,575 / acre

2 well maintained cabins – game cleaning facilities
Propane tank, city water, electricity
Stocked fishing lake with pier & pavilion w/fishing dock
Excellent population of deer and turkey
Merchantable pine timber and established food plots

GOT LAND? We probably have a Buyer. Got young pine? We probably have lots of buyers.



GROWING ASSETS™

112 South Main - Suite 201
Tuscumbia, AL 35674
256-383-8990
www.GrowingAssetsLLC.com

WE WANT TO KEEP YOU INFORMED!

If your address changes give us a call or email us at info@naturalrg.com and we'll update our records.

Who We Are

Growing Assets, LLC does just that. Your timberland is one of the best investments out there. We manage that investment to make it even better. If it needs to be done, we do it.

www.GrowingAssetsLLC.com

Natural Resources Group, Inc. specializes in timberland real estate. We not only represent Sellers as their agent, but we just as often represent Buyers who are looking for timberland to purchase. Being foresters as well as real estate professionals, we are uniquely qualified to see the forest investment in the trees.

www.naturalrg.com

Count on Change

When you invest in a product that takes 20 to 25 years to mature, it's easy to think of things as static, never changing: you plant a tree, predict that in 15 years you will thin the stand, and in seven more you will clearcut and start again. The reality is just the opposite. A better strategy would be to expect big and even huge changes in the economy, the government, and in markets, and plan on taking advantage of the opportunities they create. Take as an example what has happened during the life of the trees that are now ready for harvest. When they were planted in the early 1990's, the economy was rebounding from the high interest rates and stagnation of the 80's. By the end of the millennium, Southeastern pine sawtimber prices had peaked due to federal regulations on the West coast, and white paper production was at an all-time high. Timber prices reflected both. A couple of years later, the internet bubble had popped and timber prices slumped as the economy slowed, but a pent-up demand for housing had prices back on track by 2003. Government policies pushed the housing demand to artificially-high levels and the inevitable collapse sent markets spiraling downward in 2007. Add to that the fact that white paper production had now been cut in half by the "paperless" society created by computers and smartphones, and you had a dire market indeed! By 2010 and in response to recovering oil prices, demand and prices for hardwood sawtimber (think railroads and wooden roads into the oil fields) started rising – some products to levels never reached before. Now in 2015, slow but steady increases in housing starts are again having an effect on pine sawtimber prices. The most valuable lesson experience has taught us is to plan for the future, then plan to adjust the plan.

Every summer around this time of year we get a few calls from concerned landowners about their pine trees losing needles. Even though pine trees are coniferous, they do in fact lose their needles. Most do so in late summer and fall, and can cast about a third of their needles.