

FACT SHEET

L-1034

PROFITS FROM PINE TIMBER PRODUCTION

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How much money can one expect from growing pine timber? This question is asked often and an uncomplicated answer is expected. Such an answer is hard to give because of growing site, species planted, weather conditions, management level and prices paid for products. However, a study was made of pine plantations on the Davy Crockett National Forest near Ratcliff, beginning in 1936, which gives the landowner a good idea of past

income from a pine plantation¹ under varying conditions. Future income from timber growing, based on different stumpage or standing timber values is likely to be somewhat higher.

The timber producer will go into the business by either obtaining income from a pine plantation² or by managing an existing stand. Income from both types is discussed, starting with plantations.



A well managed stand of timber is a stand where the better trees have plenty of room to grow. Here, maximum income per acre is returned to the landowner.

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Ratcliff Lake Slash Pine Plantation — Planted 1936

Above-average site under good forest management

Average income per acre per year — \$26.49

Per acre 1948

Total	30 cords ³	\$120
Cut	15 cords	60
Leave	15 cords	60

Per acre 1955

Total	35 cords	\$140
Cut	10 cords	40
Leave	25 cords	100

Per acre 1960

Total	8.01 cords plus 12.40 MBF ⁴	\$404.04
Cut	5.24 cords plus 5.48 MBF	185.36
Leave	2.77 cords plus 6.92 MBF	218.68

Per acre 1969

Total	0 cords plus 17.06 MBF	\$597.10	
Cut	0 cords plus 1.26 MBF	44.10	
Leave	0 cords plus 15.90 MBF	553.00	
Value of stand	1970	\$571.20 per acre	16.32 MBF
Returns	1969	44.10 per acre	1.26 MBF
Returns	1960	185.30 per acre	5.48 MBF plus 5.24 cords
Returns	1955	40.00 per acre	10 cords
Returns	1948	60.00 per acre	15 cords
Total value		\$900.66 per acre	23.06 MBF plus 30.24 cords
Average per year		26.49 per acre	.678 MBF plus 0.89 cords

Rates used—1948, 1955 and 1960

\$30 per MBF
\$ 4 per cord

Rates used—1969

\$35.00 per MBF
\$ 3.25 per cord

In 1971, stumpage values for average grade pine are approximately \$40 to \$45 per thousand board feet and around \$4 per cord for pulpwood.

In the process of marketing timber, trees should be marked selectively for removal of undesirable trees.

In this stand, the trees are growing too close together. Certain trees are marked for removal.



Ratcliff Lake Loblolly Pine Plantation — Planted 1936

Average site under good forest management

Average income per acre per year — \$16.03

Per acre 1948

Total	18 cords	\$72
Cut	9 cords	36
Leave	9 cords	36

Per acre 1960

Total	9.43 MBF plus 7.72 cords	\$313.78
Cut	3.10 MBF plus 5.19 cords	113.76
Leave	6.33 MBF plus 2.53 cords	200.02

Per acre 1969

Total	10.03 MBF plus 1.95 cords	\$357.40
Cut	1.85 MBF plus 1.50 cords	69.63
Leave	8.18 MBF plus .45 cords	287.76
Value of stand	1970	\$301.76
Returns	1969	69.63
Returns	1960	113.76
Returns	1955	24.00
Returns	1948	36.00

Total value	\$545.15
Average per year	\$ 16.03

Rates used—1960

\$30 MBF
\$ 4 per cord

Per acre 1955

Total	15 cords	\$60
Cut	6 cords	24
Leave	9 cords	36

Rates used—1969

\$35.00 per MBF
\$ 3.25 per cord



This tree is approximately 25 years old. It has had plenty of room to grow and consequently has made good returns to the landowner. Note the size of the log as indicated by the pair of glasses.

More than likely, the forest landowner has a variety of stand conditions. For example, the average forest landowner will own mixed pine-hardwood stands of varying age classes as well as some open land needing planting. Following is an actual example on average site with projections to 1977.

Purchase 1970.....	65 acres
Young stands (not ready for 1971 cut).....	5 acres
Open area (needing planting).....	15 acres
1971 cutting area.....	45 acres
TOTAL	65 acres

1971 INCOME AND VALUES

Low quality overstory selectively harvested on 45 acres.

(a) 1,000 board feet (Doyle scale) cut per acre @ \$33.33 per MBF.....	\$1,500 income
(b) Remaining on the 45 acres is 2,200 board feet per acre @ \$35 per thousand board feet.....	\$3,465 value
(c) Also, on the 45 acres is 8 cords per acre pulpwood @ \$3 per cord.....	\$1,080 value
(d) Also, on the 5 acres is 14 cords per acre pulpwood @ \$3 per cord.....	\$ 180
Value of cut and standing timber.....	\$6,225

Ratcliff Shortleaf Pine Plantation — Planted 1936

Below-average site under good forest management

Average income per acre per year — \$5.29

Per acre 1955

Total	9.60 cords	\$30.40
Cut	4.80 cords	19.20
Leave	4.80 cords	19.20

Per acre 1960

Total	17.70 cords plus 990 B. F.	\$100.50	
Cut	5.52 cords	22.08	
Leave	12.18 cords plus 990 B. F.	78.42	
Value of stand	1960	\$100.50 per acre	17.70 cords plus .99 MBF
Returns	1955	19.20 per acre	4.80 cords
Total value		\$119.70 per acre	22.50 cords plus .99 MBF
Average per year		4.99 per acre	.94 cords plus .04 MBF

Per acre 1969

Total	14.86 cords plus 2.41 MBF	\$132.65	
Cut	1.20 cords	3.90	
Leave	13.66 cords plus 2.41 MBF	128.75	
Value of stand	1970	\$134.64 per acre	13.75 cords plus 2.57 MBF
Returns	1969	3.90 per acre	1.20 cords
Returns	1960	22.08 per acre	5.52 cords
Returns	1955	19.20 per acre	4.80 cords
Total value		\$179.82 per acre	25.27 cords plus 2.57 MBF
Average per year		5.29 per acre	.74 cords plus 0.08 MBF

Rates used for 1955

\$30 per MBF
\$ 4 per cord

Rates used for 1969

\$35.00 per MBF
\$ 3.25 per cord

1977 PROJECTED INCOME AND VALUES

Pines on 50 acres selectively thinned, growth computed at 300 board feet per acre annually.

(a) 900 board feet (Doyle scale) cut per acre at \$40 per MBF.....	\$1,800 income
(b) Remaining on the 50 acres is 3,100 board feet per acre @ \$40 per thousand board feet.....	\$6,200 value
(c) Also, on the 50 acres is 5 cords per acre pulpwood @ \$4 per cord.....	\$1,000 value
Value of cut and standing timber.....	\$9,000

This landowner received a value of \$1,500 for the first cut and has made \$14.25 per acre yearly since then.

However, this isn't the complete story. Forest management makes an ideal land use for the small to medium-sized owner because he has such a small

initial investment to get his land into production and an even smaller investment to keep it producing. Consulting foresters can be hired to manage the land, and the owner need not even see his forest to realize a good income from it.

Hence, forestry is an ideal investment for anyone, particularly persons who have other jobs or are absentee owners.

FOOTNOTES

¹Information presented by District Ranger Hubert Steidle, Netches Ranger District, U. S. Forest Service, Crockett. This information was gathered by present and past U. S. Forest Service personnel from 1948-1969.

²A pine plantation is established by planting pine seedlings.

³A cord is a stack of wood 4 x 4 x 8 feet.

⁴Thousand board feet. One board foot is a piece of wood 1 foot square and 1 inch thick.