

What to do when the Seed corn's gone: Restoration



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Outline

- Causes
- Face the facts
- Strategies

Invest something, or grow nothing?

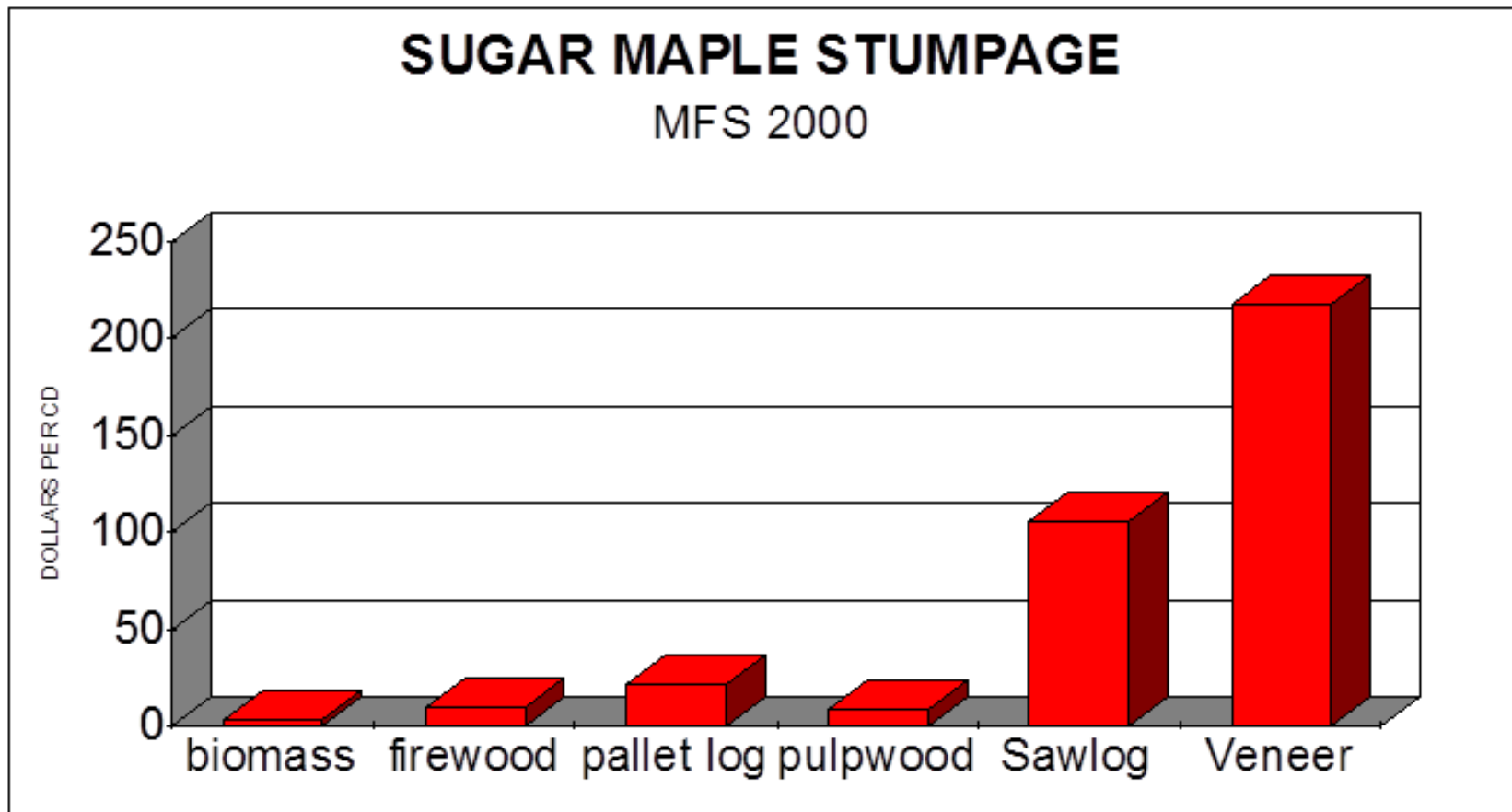
- Plant Larch!
- Try Coppicing (w. standards)
- Discard “the Box”

Where did the Seed Corn go?

- Bugs and Crud
- Storms: wind, ice storm, or flood
- Long history of NO management
- Hyperactive Liquidators
- Owners inattentive to the long term



However it happened, the 2 rightmost bars are gone



Face the Facts

- Tell yourself and ownership the truth:
- They'll have to wait and/or spend money
- Estimate the cost of doing nothing: 2-3 decades of zero net returns – compound that forward
- If any revenue potential survives, decide if necessary to sacrifice it now

Strategies

- Get to like mixtures and irregular stands
- Triage stands and soils
 - Work with the best 25%
- Abandon traditional notions of well-stocked stands
- Some of these stands need a full true clearcut
- Get used to small wood: downscale equipment and expectations



Mixed and irregular....

Pest damages to
plantations: tough choices

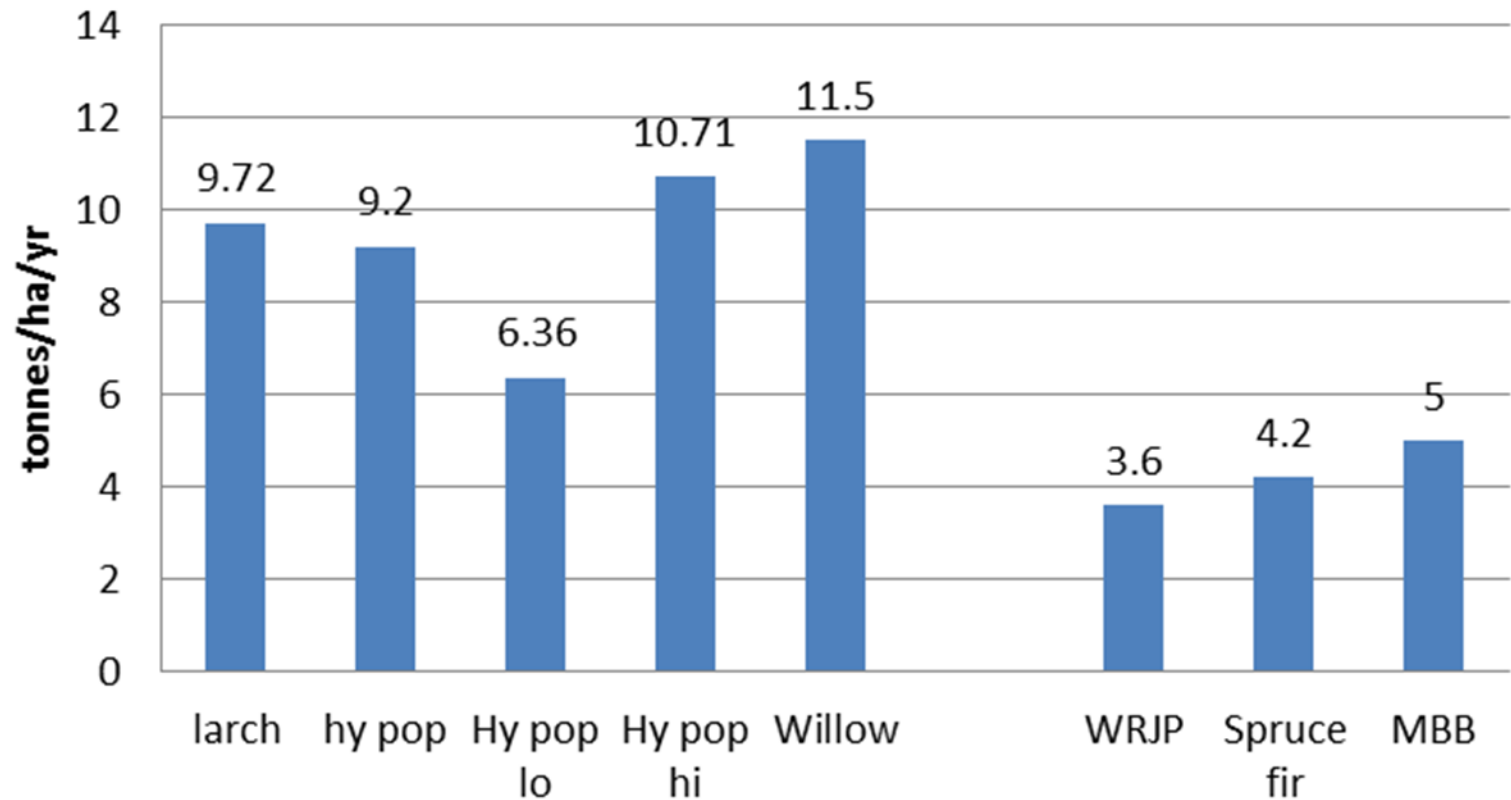


Plant Larch!

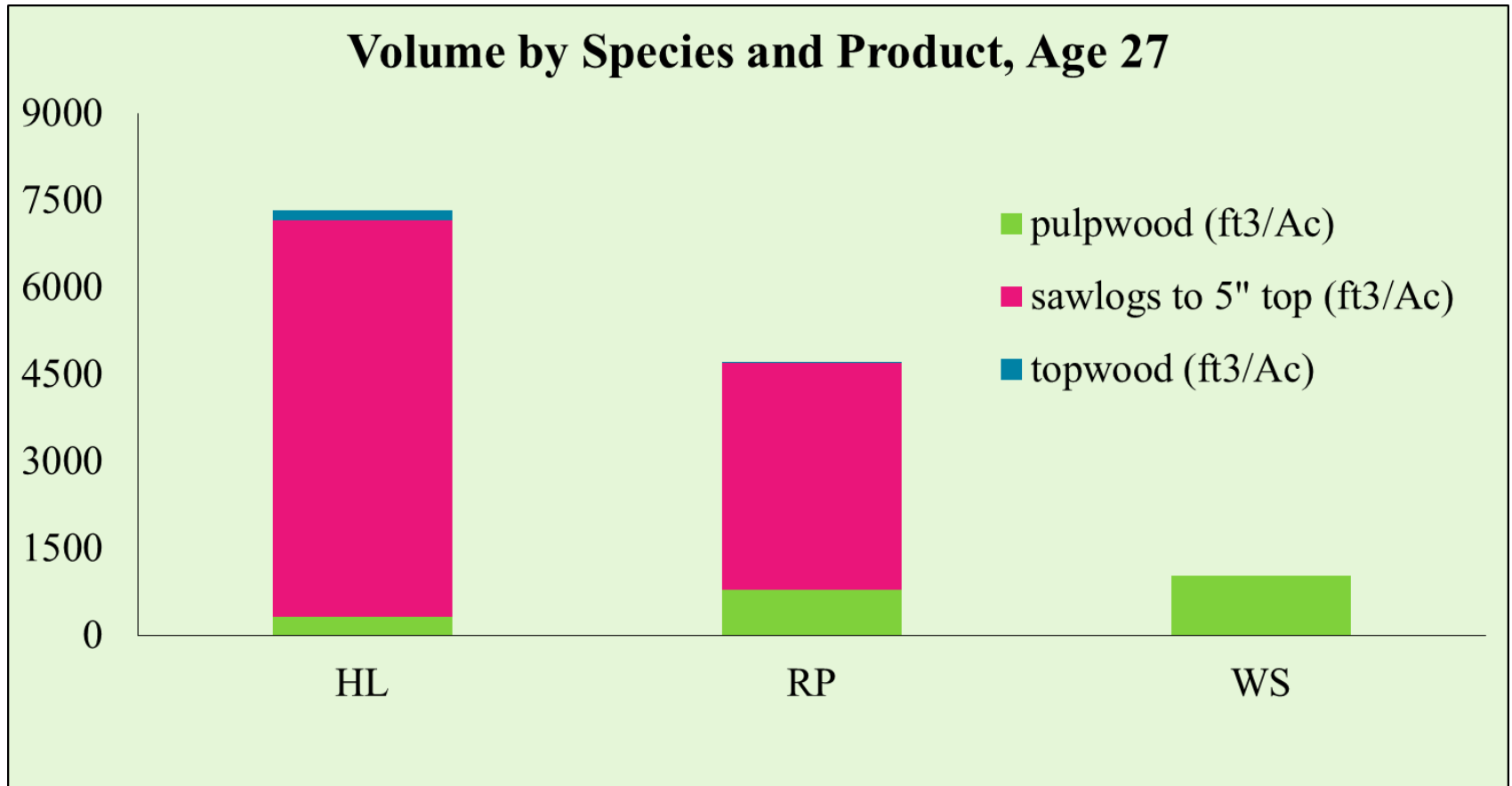
- Abundant evidence on
Rapid height/volume
growth
- Methods well known
- Sawlogs in 16-20 years
- Nurse crop or mixtures?
- Damaging agents- not
yet – interested in other
observations



Biomass Yield comparisons, Northeast SRIC and Natural Stands



Chase Stream Larch Performance



Try Coppicing

- It's what we are already doing in hardwoods!
- Plan for stands not likely to yield logs for decades
- Grow your own fuel, some to sell
- Minimizes splitting



Prof Spiecker's Idea:

- Carefully tend the best 20 + trees (Crop Tree Release etc)
- And forget the rest!
- Coppice those!
- Basically an idea of a two storied stand with two prescriptions
- = Coppice with standards



Unpleasant Choices

- Choose between things you Don't want to do
- Cut some stands prematurely
- Keep some good wood for later, for financial or silvicultural reasons
- Accept low value regen for lack of options
- Spend Money
- Accept negligible returns and/or fluctuating yields

DM Smith's Idea

- “The principal resource of forestry is the analytical reasoning of its practitioners”
- How hard is silviculture if you have:
 - lots of high quality merchantable wood
 - markets hungry for all grades of logs
 - brand-new high standard roads/water crossings,
 - and a balanced age class distribution?

Welcome to the New World

- We'll have to:
- Not only think outside the box, discard the box
- Do more – a lot more – with less
- Innovate and then innovate some more!
 - Thanks for your time and attention!



Financial Advice for Small Woodlot Rehabbing

LCI for Windsor Field Meeting June 19 2015

1. Rehabilitation generally means buying back productivity after it has been degraded. Someone ate the seed corn.

For this reason, it is usually a matter of estate planning.

1. Because returns will be long in coming, cost consciousness is essential.
2. If you do nothing, though, you're paying taxes on property producing very little for decades.
3. Good management should upgrade property value for any future use.
4. You want the lot to cover its own **cash** costs, but need not charge land costs.

Doing the work yourself opens many possibilities.

5. Try to fund rehab costs out of timber revenues.

6. Cut lightly and frequently.
7. Natural regeneration of desirable species is a gift – treat it well.
8. If a tree won't increase in product class in next cut cycle (15-20 yr) ask why you would keep it.

But -- Keep trees you like – it's not all about dollars.

9. Don't try to time the market – if you do you're just trusting to luck.
10. Like to run financial numbers, NPV's etc? Try ForVal, from Univ of Mississippi. www.cfr.msstate.edu/forval/. Neat little calculator.
11. When you do, use incremental costs and returns, and assume no real price inflation in stumpage.
12. Note that returns to risk free assets are currently near zero, negative after inflation.