August 3, 2010

OPPENHEIM TRUST TIMBER APPRAISAL

The following is an appraisal of the current merchantable stumpage timber value in the 21 acre Oppenheim Trust Classified Forest located in Section 6 of Tippecanoe Township, Kosciusko County, Indiana. Schrader Auction has this woods listed as 21.5 acres, but for my calculations I have used 21 acres after adjusting for the mostly open area in the northeast corner.

WOODLAND DESCRIPTION

This woodland is bounded by crops on the north, east and south sides. The west side adjoins another woodland. The southwest corner is well marked, but there is no fence between the two woodlands. This woods is enrolled in the Indiana classified forest program, which is an excellent program that among other thing grants the owner a nearly complete savings on property taxes. There is an old maple syrup building in the southwest part of the woods. It is not in a usable condition. A good woodland access lane starts in the northeast corner of the woods, then goes down the north side until the middle of the woods, then goes southwest through the woods, and exits into the adjoining woods to the west. The size of the trees, the timber volume per acre, and the timber value per acre, in this woods are far above average. The main soil type in the east part of this woods is Crosier loam, and the main soil type in the west part is Riddles-Ormas-Kosciusko complex. These are all good timber producing soil types explaining in part the high timber value and productivity of this woods. The past management of this woodland, with regards to timber harvesting, has been very conservative, resulting in the presents of a large number of large mature trees, and a very high per acre timber volume. The main species, making up 1/3 of all the timber volume is sugar maple. These maple are mostly found on the higher ground in the west part of the woodland in the area around the old sugar building. The fact that they were at one time tapped for maple syrup will somewhat reduce their current timber value. Other common species include white ash, soft maple, red oak, tulip and black walnut. These five species combined make up 53% of all the timber volume in the woods. Other species include basswood, bitternut hickory, black cherry, chinkapin oak, swamp white oak, hackberry, Kentucky coffeetree, and elm. Tree quality, form, growth rates, and vigor are good. I found 16 black walnut and 2 chinkapin oak that I though were veneer quality, with 8 of these walnut being special high value trees.

INVENTORY

The fieldwork for this appraisal was completed by myself on August 2, 2010. To estimate the timber volume I used the horizontal point sampling method with DBH and merchantable heights measured. I took 20 sample points in this 21 acres. I did a 100% inventory of all veneer quality black walnut. The inventory results show a total of 13,090 board feet per acre, and a total of 274,881 board feet for the 21 acres. The inventory shows 48 trees per acre that are 12 inches DBH and larger and a total of 918 trees for the 21 acres. I found 16 black walnut trees that I estimated to be veneer quality with 2728 board feet. The following table is a listing of my estimates of the number of trees and timber volume in the 21 acres.

Species	# of trees	Estimated board foot volume
Sugar Maple	315	98,886
White Ash	125	39,564
Soft Maple	92	33,255
Red Oak	64	27,097
Tulip	74	24,613
Black Walnut	124	17,955 + 2728 veneer in 16 trees
Basswood	52	15,748
Bitternut Hickory	23	5,110
Black Cherry	8	3,388
Chinkapin Oak	5	2,191 + 809 veneer in 2 trees
Swamp White Oak	3	1,999
Hackberry	33	1,538
Totals	918 trees	274,881 Bd.Ft.

APPRAISAL

The appraisal of this timber at this time is difficult because we are in a period of improving prices as we recover of the recession. To appraise the timber value in this 21 acre woodland I used the fair market approach using 9 comparable sales, which were selected from over 100 sealed bid sales that I conducted for my clients in the northern Indiana marketing area from before the bottom of the recession. Tree species, quality, tree and woodland size, location, and logging accessibility and date sold were all factors considered when selecting comparable sales and values per board foot. I also used lumber marketing reports, and timber sales from 2010 to determine an appraised 2010 timber value. Stumpage value means the value paid for the trees standing and unharvested in the woodland with the buyer assuming all the cost of harvesting. Merchantable timber means trees 12" DBH and larger.

Appraisal Summary - Based on these selected comparable timber sales, and my knowledge of timber markets and values, and my volume and quality estimates, I would appraise the August 2010 stumpage value in this 21 acre woodland to be as follows.

274,881 board feet at $.46 board foot = $126,445 or $6,021/acre

Management Recommendations

This woodland is ready for a timber harvest whenever the new owner wishes. The size of this currently recommended sale could vary greatly depending on the landowner's objectives, and the species included in the sale might vary depending on which species are selling best at that time. The first harvest should include the most mature, defective, and damaged trees along with most of the white ash. I would not recommend selling more than 1/3 of the total volume during the first sale, as that would reduce the overall productivity of the woodland. The timing of a second timber sale will depend on the size of the currently recommend timber sale. I would recommend a size of timber sale that would allow a timber sale every 8 to 12 years. This woods does not have a problem with exotic species or grape vines. It is not likely that this woods would need timber stand improvement work after a harvest. The new owner should work with the IDNR district forester Tim Eizinger 260-782- 0430 to create a new timber management plan before conducting a timber harvest.

Respectfully Submitted,

Bruce Wakeland ACF, CF