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## 2019 Forest Management Newsletter

**Year 1: Goals met, new challenges** – January 3, 2018 was our first official day as Rooted IN Forestry, LLC. We met most of our business objectives for the first year and for that *we thank our clients* who gave us a chance to help them with their woodland management objectives. New for 2019, we will begin mechanically planting hardwood seedlings, so please keep us in mind if you are planning a tree planting for 2020. We planned to be a full-service forestry consulting firm from the start, and we are also exploring expanding into seeding or planting native plants for understory restoration or pollinator habitat. For northern Indiana woodlands, it seems likely that this will become a necessary step following invasive control.

We currently offer: Forest Management Plans (CAP106, Taxes, Other), Timber Stand Improvement, Timber Sales Administration, Timber Appraisals, Tree Planting & Weed Control, Invasive Species Control, Marking Property Boundaries, Timber Theft Investigation, and other Forestry Consulting. And now a little about us...



**Andrew Suseland ACF** – Growing up on a small farm in Northern Indiana, I was always fascinated with the outdoors. The 4-H and FFA programs taught me leadership and responsibility, which has given me the drive to own a business. I am a 2012 Purdue University graduate with a Bachelor's in Forestry and a minor in Wildlife. I worked for Wakeland Forestry Consultants from November 2012 until December of 2017, when Mike and I decided to venture out and form Rooted IN Forestry, LLC. My qualifications include being an NRCS technical service provider (TSP), an Indiana category 2 licensed pesticide applicator, a member of the Society of American Foresters since 2012, and most recently a member of The Association of Consulting Foresters (ACF). It has always been my belief that forest management can improve the health and productivity of a woods and result in a good long-term investment for the landowner. I

strive to recommend management options that are in the best interest of the woodland owner as well as the woods.



**Michael Denman CF, ACF** – I have worked as a consulting forester, timber buyer and sawmill manager in the South Bend area since 2003. I am a University of Kentucky graduate, originally from Lexington, Kentucky. Some of my qualifications are: Certified Forester – Society of American Foresters, Secretary – Indiana Chapter of Association of Consulting Foresters, Communications Chair – Indiana Chapter of Society of American Foresters, Technical Service Provider – NRCS, and Licensed Indiana Pesticide Applicator. I enjoy teaching classes on tree and invasive species identification for the St. Joseph County Master Naturalist program. In 2018, I became a den leader for my son's cub scout pack 444. I consider promoting a love of the outdoors and forest management to our youth to be a key part of sustainable forestry.

### Where you may see us in 2019 -

- July 20<sup>th</sup>: Forestry Field Day @ Michael Stark Farm in Knox, Indiana.
- August 6<sup>th</sup>: "Realizing your Timber Assets" with Halderman Farm Management, IDNR, @ Pinney-Purdue.
- Early October: We are planning an Invasive Species Field day at Koinonia Nature Preserve in Pierceton.
- 4-H Fairs, FFA Competitions, Master Naturalist Program, Arrowhead Country RC&D Raft Trip, etc.



*Andrew working in a harvest clearing at ISAF TSI Fundraiser*

### **Shifting Management Objectives – Andrew Suseland**

Woodland properties are changing hands to the next generation. In the past most woodland owners managed trees for two reasons: timber production and hunting. Since the goals did not conflict with one another, management was relatively straightforward. The younger generation seems to be less concerned about timber production and more focused on wildlife habitat, particularly large openings. Harvest openings in northern Indiana have historically been less than a half-acre due to our fragmented ownerships. Larger woods can support larger contiguous openings and I have been involved in marking up to a two-acre opening which benefits tree species such as oak and walnut. This new approach to clearcutting a woods is not economically sustainable for smaller woodlands and requires a long-term financial commitment by the landowner. It is purely habitat

driven, and while I share their concern about how few acres of young forests exist in Indiana, I struggle with their solution. Heavy deer predation of seedlings, potential infestation by exotic invasive plants and a lack of hardwood regeneration may cause these areas to become poor-quality brush rather than healthy young forests. I propose that rather than clearing an existing woodland for young habitat, they should contemplate creating more habitat by planting trees in marginal agricultural land. If you are looking to sell a woods, consider having a timber appraisal and allow the next landowner to decide how they want to manage the property.

### **NRCS Cost Share Programs available in 2019 – Andrew Suseland**

**The Environmental Quality Incentives Program (EQIP)** is available for brush management on pasture and forestland (i.e. invasive species removal), forest stand improvement, tree and shrub establishment, post planting weed control, and creating forest openings. When applying for EQIP, a conservation activity plan (CAP 106) must be on file with the Natural Resource Conservation Service (NRCS). EQIP can also provide financial assistance to help pay for having a forester prepare the conservation activity plan. More information on EQIP can be found at <https://www.nrcs.usda.gov/wps/portal/nrcs/in/programs/financial/eqip/>.

**The Conservation Stewardship Program (CSP)** is for landowners who are already actively managing their property and wish to do enhancements. It is available for brush management (i.e. invasive species removal), forest stand improvement, tree and shrub establishment, and post planting weed control. Enrollment is for a five-year period. Payments consist of a minimum yearly amount of \$1,500. The exact payment depends on the size of the property, ranking, and the number and type of enhancements scheduled. When applying for CSP, a conservation activity plan (CAP 106) must be on file with the Natural Resource Conservation Service (NRCS). EQIP can provide financial assistance to help pay for having a forester prepare the conservation activity plan. More information on CSP can be found at <https://www.nrcs.usda.gov/wps/portal/nrcs/in/programs/financial/csp/>.

**The Conservation Reserve Program (CRP)** received an acreage cap increase in the new Farm Bill. Historically, the payments have been very good for CRP tree plantings or grassland habitat. Hopefully, this will be the case once the new program guidelines are released. Historically there have been State Acres for Wildlife Enhancements (SAFE) practices available for planting trees and grasses. I am anticipating a late summer continuous CRP sign-up that still includes these practices. The CP38C SAFE practice requires a tree planting that focuses on improving habitat for Indiana bats. Tree planting plans for Indiana bats require 30% oak and 10% hickory. CRP will pay for 50% of the installation costs. Landowners then receive annual rental payments for the land based on the soils that are present in the field. Contracts are between 10 and 15 years. CRP is only available on cropland. More information on CRP can be found at <https://www.nrcs.usda.gov/wps/portal/nrcs/in/programs/conservation+reserve+program/>. Click on the job sheet link titled [CP38C - Indiana Bat](#) for more information on that specific practice.

If you are interested in learning more about these programs, talk to your NRCS District Conservationist located in your county's USDA Service Center. The location of your local USDA Service Center can be found at <https://www.nrcs.usda.gov/wps/portal/nrcs/in/contact/local/>.



## Controlling Invasive species – Cut or Spray? – Michael Denman

After you recognize the threat of invasive exotic plants you are told to call a professional to help. Traditionally this meant a forester with a pesticide license, using cut-stump chemical treatment and a follow-up of backpack spraying. The NRCS has a 3-year cost-share program because this method was difficult and required multiple treatments to be effective.

Invasive species treatment has evolved. Now we selectively spray chemicals on a broader mix of invasive exotic plants in the first year and we have an 85%+ effective root kill rate. We focus on killing only the exotic invasive plants, cost-effectively, and with minimum site impact. We no longer cut because it encourages vigorous resprouting and thick impassable brush. A hard lesson learned from years of cut-stump treatments.

You may have noticed other new “brush clearing services”, where a high-flow skid-steer and either a heavy-duty brush hog or a rotating drum head (Fecon) pulverizes a 7ft+ swath of plants. Aesthetically, this service is far superior, but ecologically the real impact of non-selective understory mulching is unknown. Also, an equipment operator is not necessarily a forester or a pesticide applicator, however, some foresters are starting to use these machines. I only recommend these services for trail-clearing, recreation areas, or severe infestations.

Both “brush cutters” and “selective spray” methods have changed to increase production, effectiveness, and efficiency with bigger equipment. Whatever route you decide, make sure you kill the roots with chemicals. It’s always satisfying to cut something down, but if the root survives it’s a short-lived, hollow victory.

## Timber Markets and Trends– Michael Denman

Stumpage prices change at a glacial pace as compared with hardwood lumber, veneer, or log prices. We typically manage for and sell a broad mix of desirable hardwood species in our client’s forests to protect them from sudden drops in a species’ demand. Our 2-year contracts also allow timber buyers to purchase timber ahead and wait to harvest if markets improve later. Currently, there are good markets for pallet, tulip-poplar, soft maple, white oak and black walnut. It is important to keep in mind that timber market trends are important, but not the only deciding factor for harvest timing.

It seems the main factors impacting current markets are the ones that are completely out of anyone’s control, namely the weather and trade wars. I would advise caution in selling tracts with primarily black cherry or red oak at this time. Any sales without summer access or with clay/wet soils are likely to get less bids and/or a lower price. If you are interested in selling timber in the fall or have sandy ground with summer access, give us a call and we will evaluate your woodland and get you a quote if a sale is deemed appropriate. Before conducting any sale, we will assess timber markets and plan accordingly. I have not yet seen a drop in standing timber prices for our recent timber sales, but I am moderating the sale of certain species for the short term.

Here are factors impacting timber prices:

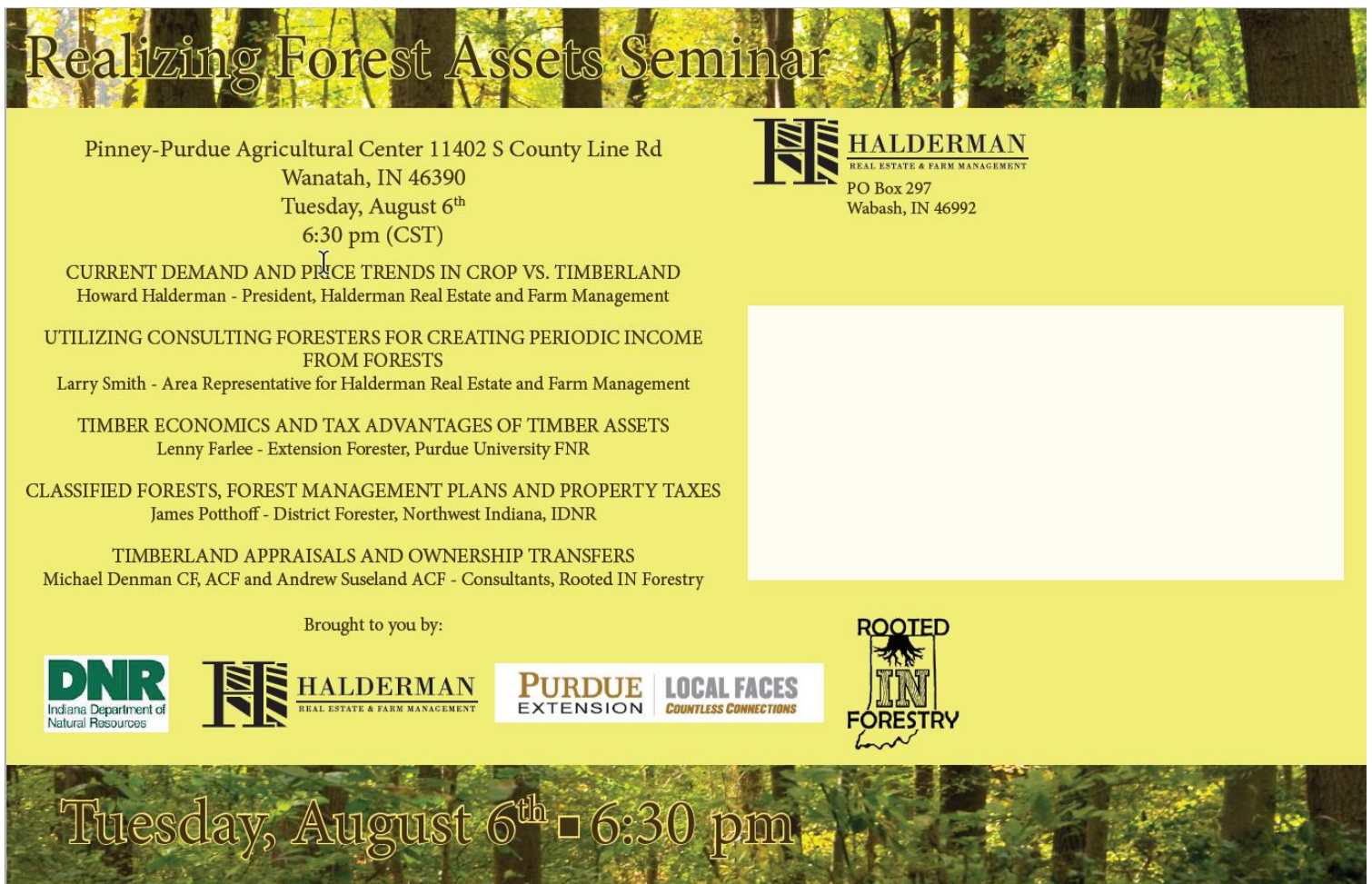
- 1) Trade deals and tariff uncertainty: Chinese lumber and log buyers prior to 2018 were expanding in the United States, and in Indiana we were exporting about 60% of our hardwood products. Trade wars with longstanding trade partners has had a negative effect on hardwood demand. China’s economic downturn has lowered their domestic consumption of hardwoods, so exports of Ash, Cherry, Red Oak, & Hickory are down. Inventory levels have steadied or risen for these species, pressuring prices downward. Much of the recent recovery in hardwood markets was due to increased exports; now a big downside risk.
- 2) Domestic Demand Trends: Painted wood surfaces are currently trending over “natural grain” in many wood products including cabinets, furniture and molding. All our traditional hardwood lumber and veneer industries are facing intense competition from engineered and simulated wood products. Truthfully, it’s becoming difficult for consumers AND some experts to see the difference. Domestic demand for traditional wood products and building materials is stable but should be rising in step with increased consumption and home construction in a strong economy. It’s obvious that consumers tastes are shifting away from high-quality/genuine hardwood products, and they are losing market share.



*New Southern Indiana Barrel Stave Factory - White Oak Logs*

- 3) White Oak market stabilization: Over the past three years, white oak has overtaken black walnut in terms of hardwood demand, but not yet price. The regional white oak price surge was led by a strong demand from the barrel stave industry, which typically sourced and produced staves from other states, or southern Indiana counties. The combination of strong domestic markets and strong export markets made white oak prices peak, and then stabilize at a high level. In terms of sustainable long-term white oak production, the industry acknowledges there is a shortage coming, and is encouraging landowners to plant and actively manage for white oak timber through their new “White Oak Initiative”.
- 4) Local Weather Impacts: In northern Indiana, winter is considered a high-production season for loggers and log truck drivers. Extreme weather patterns, flooding and constant thaw/freeze conditions has limited production of the entire industry locally and regionally. Even our best logging crews are struggling to finish jobs properly, and logs are sitting in fields instead of sawmill yards. This winter/spring has been a clear answer to the question “Why do we need a two-year contract?”. This has kept a floor under most timber prices, despite the grade market challenges mentioned above. However, the demand for low-grade pallet and tie material is increasing and has been for some time. Local pallet mills have struggled to fill orders and have firmed or raised gate log prices and bought more standing timber. This has allowed owners of marginal, sandy timber ground to get a premium. This may cause a short-term price spike for delivered logs or “Sandy Timber Jobs” that can be worked regardless of weather and sloppy ground conditions. My experience tells me that the industry can and will quickly respond to this seasonal “supply problem”, and inventories of logs and lumber will stabilize.

Realizing Forest Assets Seminar RSVP Postcards coming to your mailbox soon!



**Realizing Forest Assets Seminar**

Pinney-Purdue Agricultural Center 11402 S County Line Rd  
Wanatah, IN 46390  
Tuesday, August 6<sup>th</sup>  
6:30 pm (CST)

**HALDERMAN**  
REAL ESTATE & FARM MANAGEMENT  
PO Box 297  
Wabash, IN 46992

CURRENT DEMAND AND PRICE TRENDS IN CROP VS. TIMBERLAND  
Howard Halderman - President, Halderman Real Estate and Farm Management

UTILIZING CONSULTING FORESTERS FOR CREATING PERIODIC INCOME FROM FORESTS  
Larry Smith - Area Representative for Halderman Real Estate and Farm Management

TIMBER ECONOMICS AND TAX ADVANTAGES OF TIMBER ASSETS  
Lenny Farlee - Extension Forester, Purdue University FNR

CLASSIFIED FORESTS, FOREST MANAGEMENT PLANS AND PROPERTY TAXES  
James Potthoff - District Forester, Northwest Indiana, IDNR

TIMBERLAND APPRAISALS AND OWNERSHIP TRANSFERS  
Michael Denman CE, ACF and Andrew Suseland ACF - Consultants, Rooted IN Forestry

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**ROOTED IN FORESTRY**

**Tuesday, August 6<sup>th</sup> ■ 6:30 pm**