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UNIVERSITY OF HAWAII

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College of Agriculture

# Small Non-Industrial Forest Owners In Northern Idaho

Their Characteristics, Attitudes, and How They Market Products  
from Their Woodlands

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This bulletin is a contribution to the Regional Marketing Project, WM-31, "Marketing Practices and Prices for Western Non-Industrial Logs and Stumpage," being carried on by agricultural experiment stations at California, Colorado, Idaho and Oregon.

It is a cooperative effort between the College of Agriculture, Agricultural Experiment Station and the College of Forestry at the University of Idaho.

This project would not have been possible without the cooperation of the nearly 1850 small woodland owners in northern Idaho who filled in a detailed, lengthy questionnaire.

Cooperation in the form of making records available was extended by the various county assessors' offices, the State Forestry Department and the U. S. Forest Service.

A special note of acknowledgement is due A. K. Wilson and J. H. Wikstrom of the Intermountain Forest and Range Experiment Station at Ogden, Utah, who made special efforts to furnish data for northern Idaho.



# Small Non-Industrial Forest Owners In Northern Idaho

**Their Characteristics, Attitudes, and How They Market Products  
from Their Woodlands**

GEORGE D. FRAZIER<sup>o</sup>

## Introduction

There are nearly 10,000 small non-industrial woodland owners in Idaho.<sup>1</sup>

These people are from all walks of life—farmers, teachers, professional people, business owners and managers, retired persons, logging and sawmill workers and many others. This group of forest owners owns an estimated 1.5 million acres of forest land—nearly 50 per cent of the privately owned commercial forest land in the State.

Of the 53 million acres of land in Idaho, forests comprise the largest single land resource. Over 21 million acres are forested and about 13 million acres are considered "commercial forest land."<sup>2</sup> Northern Idaho<sup>3</sup> includes 25.5 percent of the land area of the State, and contains nearly 60 percent of the State's commercial forest land.

The Federal and State governments own 78 percent of the commercial forest land in the State. Twenty-two percent is privately owned and about equally divided between industrial forest land owners and small non-industrial private owners.

The small woodland holdings owned by non-industrial owners can be an important source of raw material (sawlogs and stumpage) for the forest-based industry of the region. The location of the woodlands, their generally high productivity and the availability of labor on these forest lands all may enable the small woodlands to contribute to the forest-based economy as well as to the general economy.

The market place demonstrates the profitability of present marketing practices and past woodland management practices. In an effort to provide the nation with future timber supplies, the Federal Government, particularly the U. S. Forest Service, is encouraging the intensive management of these small woodlands in order to assure the nation of a

<sup>o</sup> Formerly Assistant Agricultural Economist Jr. and Assistant Forest Economist Jr., College of Agriculture and College of Forestry.

<sup>1</sup> The small non-industrial woodland owners are defined as: "all woodland or timberland owners, not involved in a proprietary interest in processing wood or wood products and whose woodland ownership does not exceed 5,000 acres in extent."

<sup>2</sup> "Commercial forest land" is defined by the U. S. Forest Service as: "forest land which is (a) producing, or physically capable of producing usable crops of wood, usually sawtimber, (b) economically available now or prospectively, and (c) not withdrawn from timber utilization."

<sup>3</sup> Northern Idaho comprises the ten northern counties, Idaho, Nez Perce, Lewis, Clearwater, Latah, Benewah, Shoshone, Kootenai, Bonner and Boundary.

timber supply for the future. It has been assumed that the management of small forest land holdings would be improved if proper management were proven to be more profitable. If management of small non-industrial woodland ownerships is profitable, then perhaps two things might be accomplished:

1. The economic position of the individual woodland owner might be improved, and
2. The future of the nation's timber supplies might be assured.

It is important to identify these small non-industrial woodland owners and determine their characteristics because: ". . . the identity of timberland owners, their characteristics and forces that motivate their decisions are extremely important in their effect on timber supplies."<sup>4</sup>

This project is the first step in the study of small non-industrial woodland owners and the land they own. It:

1. Identifies the small non-industrial woodland owners,
2. Describes their characteristics, attitudes and marketing practices, and
3. Reports the prices received in the region during the six-year period, 1952 to 1957.

## The Region

### **The Forest Resource and Industry**

The major forest zones in northern Idaho are western white pine and ponderosa pine. Ponderosa pine is the principal timber type associated with the small non-industrial private woodland holdings.

The 13 million acres of forest land in the region support an estimated 64,034,000,000 board feet<sup>5</sup> of live sawtimber. This forest resource is the base for a considerable industry. In 1958 there were 238 sawmills reported operating in northern Idaho.<sup>6</sup> In addition, there is a sizeable cedar products industry, e.g. shingle mills and pole yards, as well as markets for pulpwood and other minor products. The sawmills in this region were estimated to have processed 1,150 million board feet of sawlogs in 1956 from State and private holdings. A portion of this originated on small non-industrial woodland ownerships.

### **Ownership Patterns**

The U. S. Forest Service administers the largest acreage of forest land in the Region. The Bureau of Indian Affairs and the Bureau of Land Management administer minor acreages. Sixty-eight percent, 7.5 million acres, are controlled by the Forest Service; 23 percent, 2.5 million acres, are in private ownership; the balance is controlled by the State of Idaho and federal agencies other than the Forest Service.

<sup>4</sup> U. S. Forest Service, "Timber Resources for America's Future," USDA For. Res. Rept. No. 14, Jan. 1958, Washington, D. C.

<sup>5</sup> Measured by International 1/4-inch log scale rule.

<sup>6</sup> U. S. Forest Service, "North Idaho Sawmills," Intermountain Forest & Range Expt. Sta. Mimeo. Publication, September 1958, Ogden, Utah.



**GENERALIZED FOREST TYPES**

IN NORTHERN IDAHO

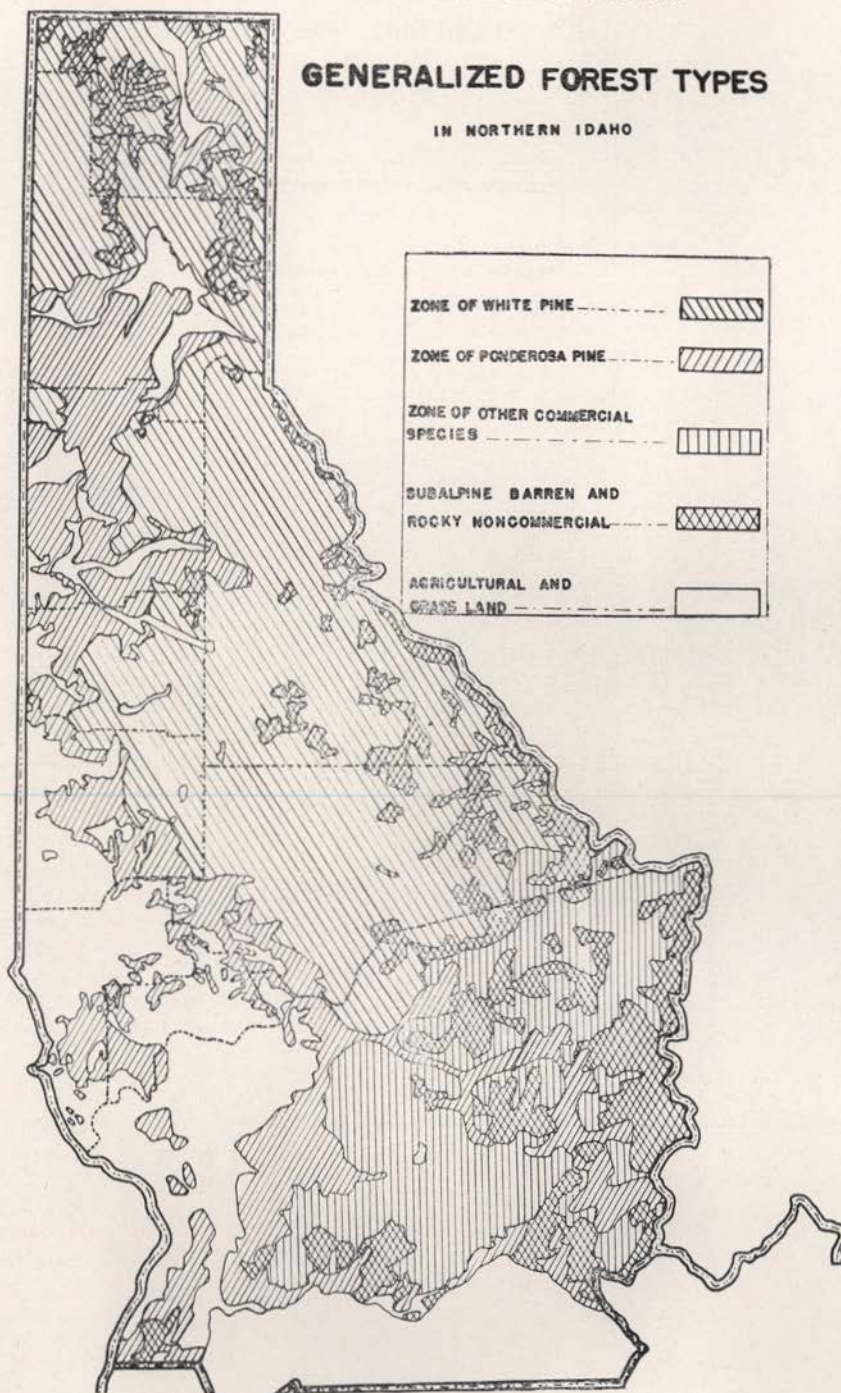
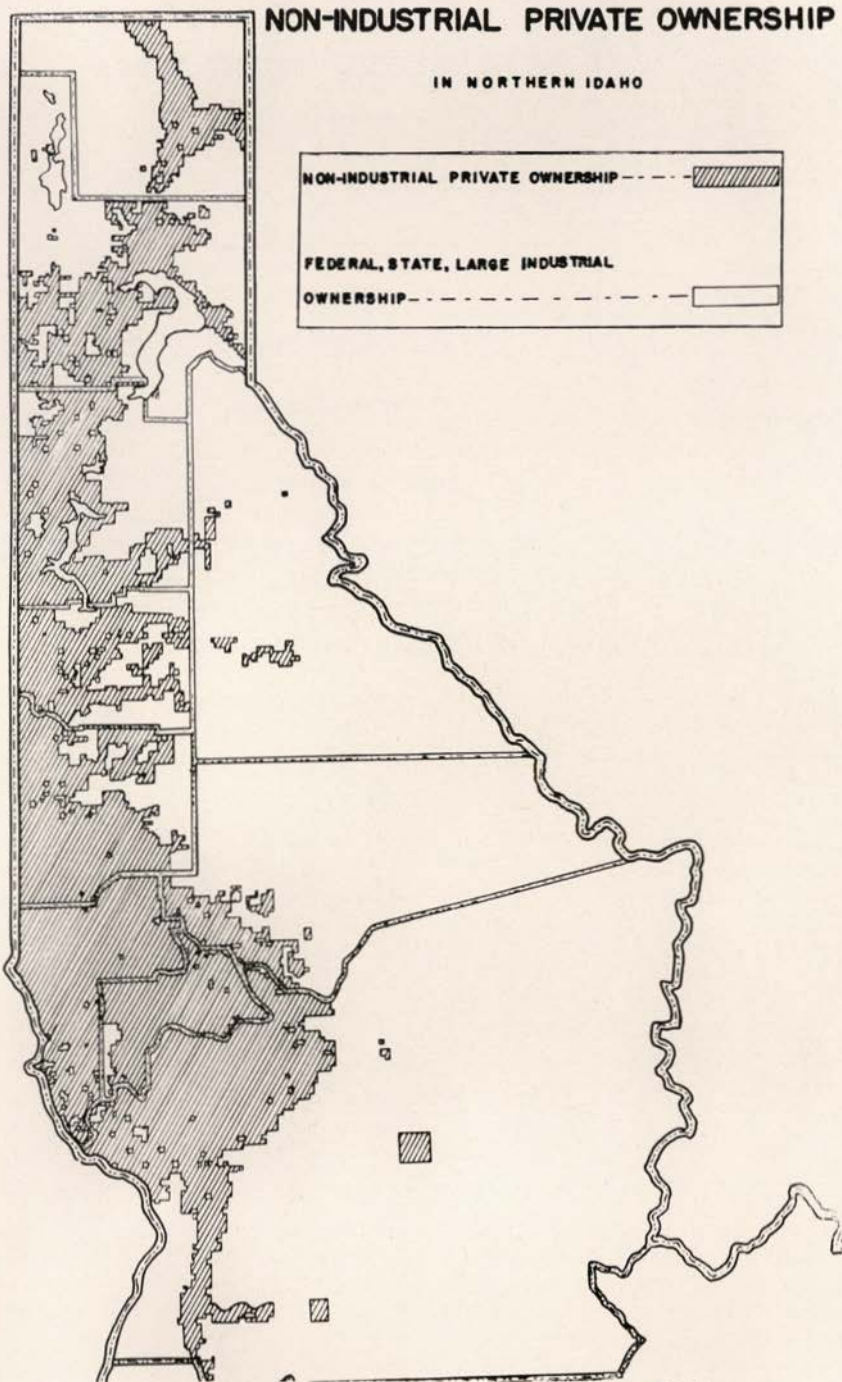


Figure 1.—Generalized forest types in northern Idaho





**Table 1.—Private forest land ownership in northern Idaho.**

Ownership	Number	Acres	Percent
Farmer .....	4,763	1,057,522	41.3
Other .....	3,860	428,216	16.7
Industrial .....	106	1,077,495	42.0
Totals .....	8,729	2,563,233	100.0

Source: *Census of Agriculture*, 1954, Vol. 1, P. 28, Idaho, Washington, D. C., 1956 and Survey Data from County Assessor's Offices.

The 2.5 million acres of private forest land are nearly all owned by either farm or industrial owners. This study was concerned with only the 8,600 private owners who are non-industrial and own nearly one and one-half million acres of forest land.

## Scope and Methods

All, nearly 7,000, of the non-industrial woodland owners in the eight-county area in northern Idaho, comprising Boundary, Bonner, Kootenai, Shoshone, Benewah, Latah, Clearwater, and Idaho Counties were contacted with a questionnaire<sup>7</sup> by mail. The recipients of the questionnaire were asked to give information regarding their characteristics, attitudes, marketing practices and details of the sales which they had made in the 6-year period 1952 to 1957. They were asked to report volumes sold and prices received by species, e.g., western white pine, ponderosa pine and mixed species, and by product sold, e.g., stumpage, sawlogs, pulpwood, etc.

**Table 2.—The population and net usable response, numbers of respondents, and percent of population by county.**

County	Total number of land owners (f)	NET USABLE RESPONSE				Total	
		Non-seller		Seller		(f)	(%)
		(f)	(%)	(f)	(%)		
Boundary .....	664	90	13.6	79	11.9	169	25.5
Bonner .....	1,495	253	16.9	183	12.2	436	29.1
Kootenai .....	1,689	335	19.8	158	9.4	493	29.2
Shoshone .....	319	64	20.1	16	5.0	80	25.1
Benewah .....	628	94	15.0	77	12.3	171	27.3
Latah .....	1,121	160	14.3	124	11.1	284	25.4
Clearwater .....	585	55	9.4	62	10.6	117	20.0
Idaho .....	413	27	6.5	65	15.7	92	22.2
Total .....	6,914	1,078	15.6	764	11.1	1,842	26.7

Responses were received from 26.7 percent of the questionnaires mailed. The percent responding varied between counties, and between sellers and non-sellers within counties.

## A Description of the Small Non-Industrial Woodland Owner

The characteristics and attitudes of the woodland owner will influence the management of his property, the use to which he puts the property, and the methods which he uses in marketing his woodland products. They may have an effect upon the prices which he receives for his woodland products.

A knowledge of these characteristics and attitudes should provide

<sup>7</sup> See Appendix for copy of questionnaire.

insight into the management problems of the individual woodland owner. This knowledge should enable those involved in the development and implementation of policy to better execute effective programs and policies.

### Occupation

Thirty-nine percent of the respondents were farmers. This group owned 54 percent of the woodland acreage in the survey. The 61 percent non-farmers owning 46 percent of the forest land were from all occupations. Eleven percent were employed in the wood products industry, eight percent, retired, 15 percent were laborers either skilled or unskilled, nearly eight percent were professional people and the balance were unclassified.

There is a significant difference in size of woodland owned between farm and non-farm owners. Farm owners reported an average of 210 acres of woodland; non-farm owners, 120 acres.



Figure 3.—A. Respondents classified by occupation. B. Total woodland acres classified by owners occupation.

Figure 4.—A. Respondents classified by residence of owner. B. Total woodland acres classified by residence of owner.

### Residence

The majority of the respondents including both farmers and non-farmers were residents on their property.

There is little difference in acreage of woodland owned between residents and non-residents. The residents reported an average sized woodland of 157 acres compared with the non-residents who reported 153 acres of woodland. The non-residents who lived outside the county of ownership however, had a considerably smaller woodland than the non-residents who lived within the county. Those living within the county reported an average of 187 acres compared to 136 acres owned by the non-residents living outside of the county of ownership.



### Size of Ownership

Ninety-four percent of the small non-industrial woodland owners in northern Idaho own less than 500 acres of woodland. They own 65 percent of the woodland reported by the respondents. The average size of woodland acreage held by these owners is 159 acres.

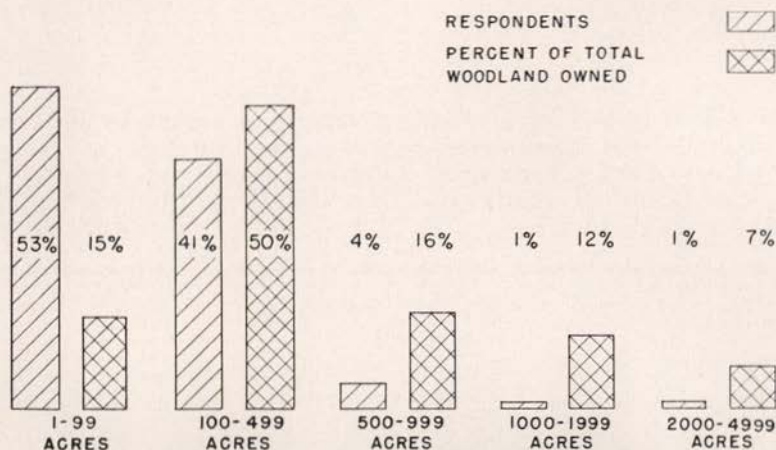


Figure 5.—Size of Ownership. Respondents classified by size of woodland holding and total woodland held classified by size of holding.

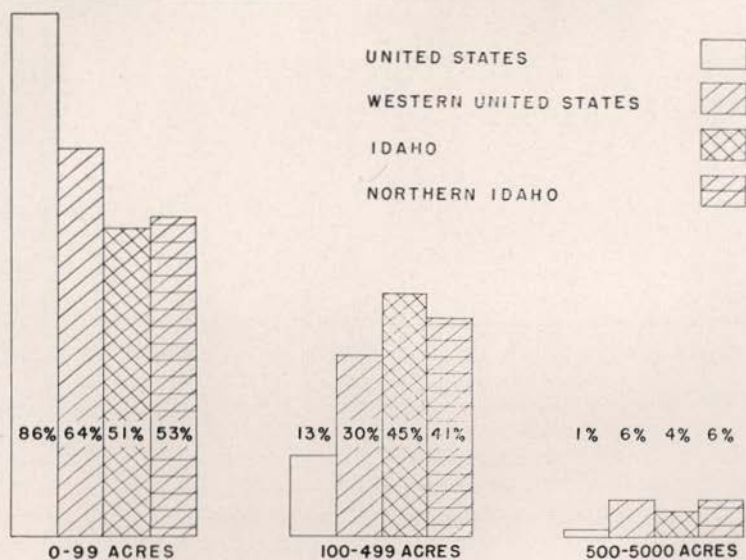


Figure 6.—Woodland owners of the United States classified by size of ownership according to regions.

**Table 3.—Number of responses by woodland acre classes.**

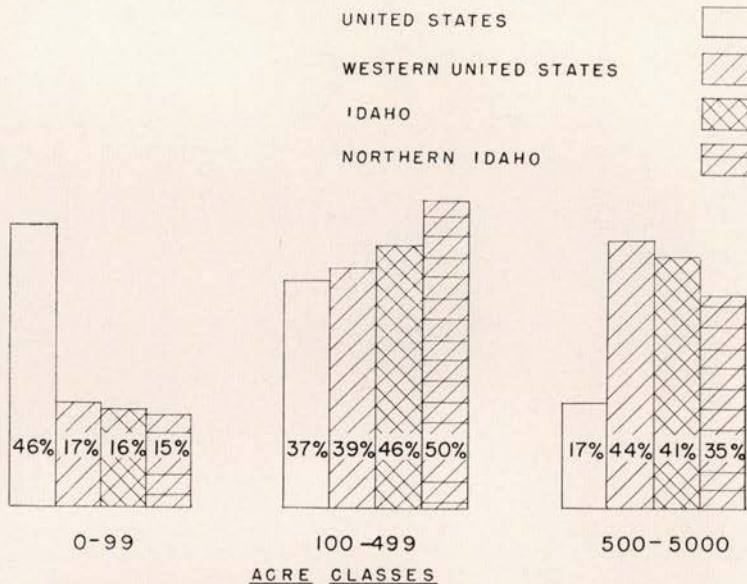
Woodland Acre Class	Number of Responses	Percent
1-99	892	53.2
100-499	686	41.0
500-999	67	4.0
1,000-1,999	25	1.5
2,000-4,999	5	.3
Totals	1,675	100.0

The size of Idaho's small woodland ownerships is considerably larger than in most of the other forested regions of the United States. Ninety-nine percent of the nation's small woodland owners own less than 500 acres individually, but together they own 83 percent of the small private holdings in the country.

**Table 4.—Average size holding\* of forest land, by ownership size class and region.**

Acreage Class	Nation	West	Pine Sub-region	Idaho	North Idaho
	---Acres---				
0-99	31	41	47	53	44
100-499	167	200	225	160	194
500-5000	1,001	1,171	1,360	1,503	963

Sources: Data for the Nation, West, Pine Sub-region and Idaho are from "Timber Resources for America's Future." Data for northern Idaho are a result of the survey.

**Figure 7.—Total woodland acres classified by size of ownership.**

\* The data presented for northern Idaho in Figures 7 and 8 and Table 4 do not include industrial ownerships. The information presented for the other geographical areas include the industrial ownership within the acreage classes.



### Length of Tenure

Seventy-two percent of the respondents have owned their property less than 20 years. This does not necessarily indicate instability in ownership in northern Idaho. The region is relatively new in its development—the majority of its settlement having been made since the early 1930's.

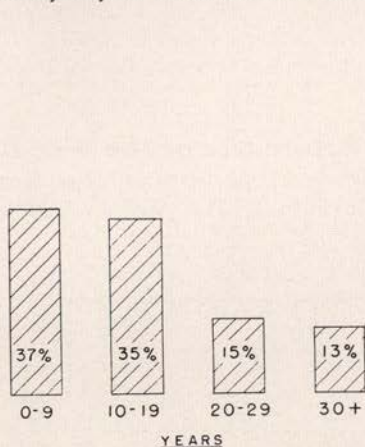


Figure 8.—Length of Tenure. Respondents classified by number of years they reported owning their property.

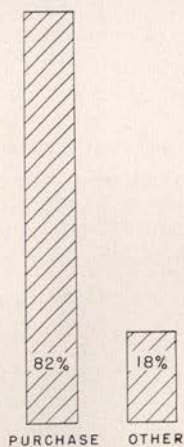


Figure 9.—Method of Acquiring Land. Respondents classified by the method of acquiring their property.

### Method of Acquiring Property

Over 80 percent of the respondents acquired their woodland property by purchase. The other methods of acquisition reported were homestead, inheritance, gifts, and trade.

- (1) FARMING OR GRAZING
- (2) FOREST PRODUCTION
- (3) OTHER

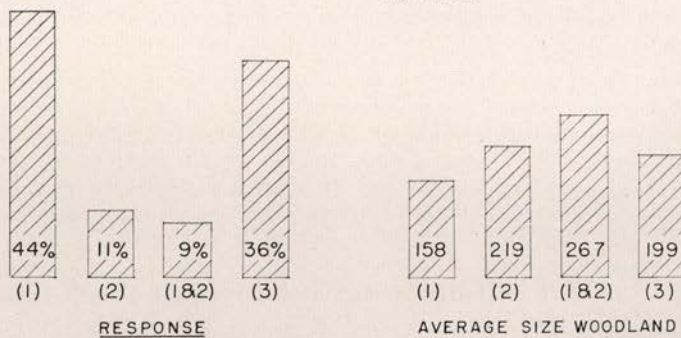


Figure 10.—Reason for Purchasing Property. Respondents classified by their reason for purchasing woodlands, and total acres of woodland classified by reason for owner's purchase.

### Reason for Purchase

The majority of the respondents purchased their property for farming or grazing. A few individuals purchased their property for the express purpose of growing timber or other forest products. Those individuals who had other reasons for acquiring their property were most likely to have purchased the property for a summer home, as an investment, as a home for retirement purposes, or other non-monetary reasons. The 36 percent who are classified as "other" indicates the diversity of reasons for acquiring or owning land.

### Owner's Present and Expected Future Use of the Woodland

In an attempt to gain some insight into owner attitudes, present and future, the respondents were asked to indicate the present and future use of their woodland.

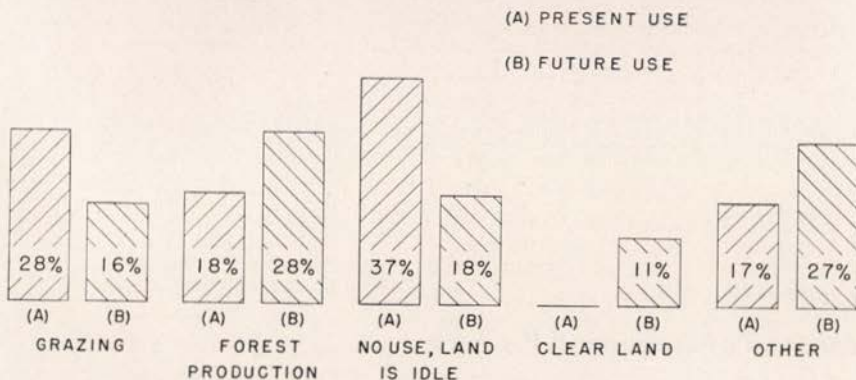


Figure 11.—Present and Future Use of Woodlands. Respondents classified by their reported present and future use of their woodlands.

Eighteen percent of the woodland owners considered their land in forest production. Thirty-seven percent of the respondents indicated their woodlands were idle. Twenty-eight percent reported they were grazing their woodlands. The 17 percent who reported "other" reasons indicates a combination of the various reasons or such uses as "recreation" and "resort property."

A change in the use of the woodland can be expected if future expectations are realized. Based upon owner response, there will be a considerable increase in the utilization of small woodlands in the production of forest products in the future. The increase in the "other" response is a result of the future expectations of these owners in utilizing their woodland ownership as a place for retirement, recreational area and home sites.

### Reasons for Not Selling Forest Products in the 6-year Period, 1952-1957

Those respondents who had not sold products were asked to indicate their reasons for withholding their products from the market. The majority of the woodland owners reported that "timber was too small."



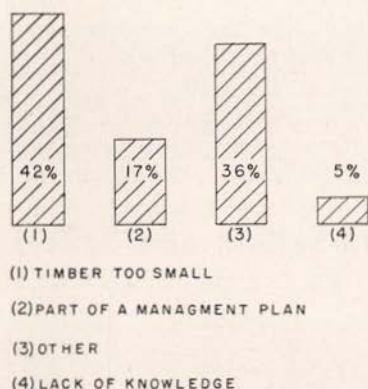


Figure 12.—Reasons for Not Selling. Nonsellers classified by their reasons for not having sold forest products in the 6-year period 1952-1957.

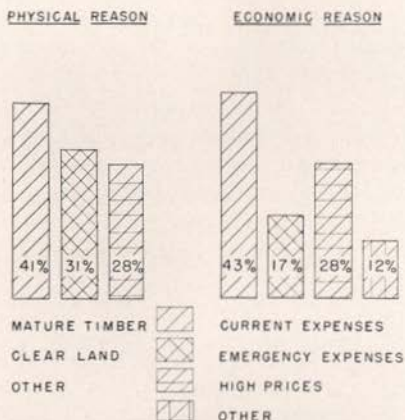


Figure 13.—Reasons for Selling Forest Products. Sellers classified by reasons for selling forest products in the 6-year period, 1952-1957.

Respondents interpreted the question in two ways. Some considered the timber too small—others considered the size of their woodland too small. Over one-third of the respondents had some “other” reason for not selling in the 6-year period. There were many reasons given, including the non-monetary values some individuals place on the property for recreation facilities, home-sites, and esthetic values, e.g., “just like to look at timber.”

A relatively small proportion, five percent, of the woodland owners indicated that a lack of knowledge was the primary reason for not entering the market.

As with any question dealing with “why people do a certain thing” there were many different responses to this question which are lumped under “other.” Such reasons as, “lack of time,” “for recreation only,” “it’s our home,” “just don’t want to sell,” were reported as “other” reasons for not having sold woodland products. Other reasons such as “recent purchase,” “use products on place for fuel,” etc., were also among the many diverse reasons for not having sold.

### Reasons for Selling Forest Products

The woodland owners were asked to indicate both a “physical reason” and an “economic reason” for having sold forest products in the 6-year period 1952-1957.

Over 40 percent of the owners reported selling mature timber. Nearly one-third of the respondents sold forest products which were developed from clearing land.

There were many “other” reasons for selling forest products in response to “physical reason for selling.” One and one-half percent of the respondents reported products sold as a result of a thinning of the woodland. While some respondents mentioned “winter employment” or “employment of relative” as a physical reason for selling, these really are economic reasons and belong in the discussion below.

A need for money was mentioned most often as the reason for selling forest products, with 60 percent of the sellers reporting a need for money for current expenses or emergencies as the reason for selling.

The "other" response to "economic reason for selling" was varied. Several individuals reported they had no economic reason for selling—others reported such reasons as "to pay for property," "for livelihood," "to help clear," and "to pay for future improvements" among others.

## **A Comparison Between Non-Sellers and Sellers**

The characteristics and attributes of woodland-products sellers are different from those of the non-sellers.

Non-sellers are more likely to be:

1. Non-farmers
2. Non-residents

They generally:

1. Acquired their property in some way other than by purchase
2. Own an average size woodland of 112 acres
3. Purchased their property for some reason other than farming or grazing
4. Have no use for their woodland at present
5. Either have no planned use for it in the future or are planning production of forest products
6. Do not manage their property directly

Sellers are more likely to be:

1. Farmers
2. Residents

They generally:

1. Acquired their land by purchase
2. Own an average size woodland of 219 acres
3. Purchased their property for farming or grazing
4. Are presently using their woodland for grazing livestock or forest production
5. Expect to use their woodland in the future to produce forest products
6. Manage their property personally.

## **Marketing Practices in Northern Idaho**

The small non-industrial woodland owner produces stumpage or standing timber on his woodland. There are two alternatives in marketing for him. He can either sell the standing timber or he can convert the standing timber to some form of wood product and in turn market this. The owners in northern Idaho reported selling about 45 percent of their woodland production as stumpage and the balance as a semi-manufactured product, sawlogs, poles, pulpwood, posts, etc.

There are two general markets for stumpage. It can be sold to a logger, who in turn will convert it to sawlogs, pulpwood, or some other product. It can be sold directly to a processor, who will make the arrangements to convert it and have it delivered to the processing plant.



If the woodland owner elects to convert his stumpage to a saleable product, he is faced with further alternatives in disposing of his products. He can produce sawlogs and deck them at the roadside, selling them in the deck to the processor who makes the arrangements to have them hauled to the mill; or he can deliver the sawlogs directly to the sawmill where the sale is consummated.

### Who Made Harvest Cut

Fifty-eight percent of the sellers reported harvesting their timber. In 20 percent of the sales the buyer harvested. Four percent of the sales were harvested by "tenants," and "trespassers."

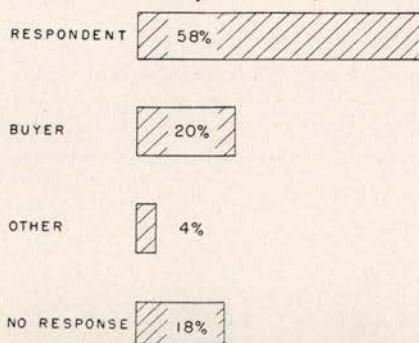


Figure 14.—Who Made the Harvest Cut. Sellers classified by who made the harvest cutting.

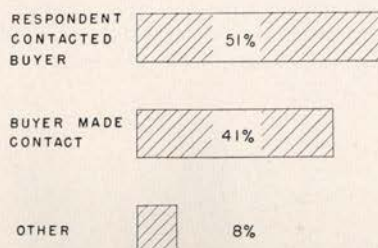


Figure 15.—Buyer Contact. Sellers classified by the method in which they made contact with the buyer.

### Buyer Contact

In 51 percent of the sales the seller contacted the buyer. In 41 percent of the sales the buyer contacted the seller. The eight percent "other" response was distributed among a variety of methods of contacting the buyer, among which were: relatives in the logging or sawmilling business; renter making the contact; and "I've sold to him for five years."

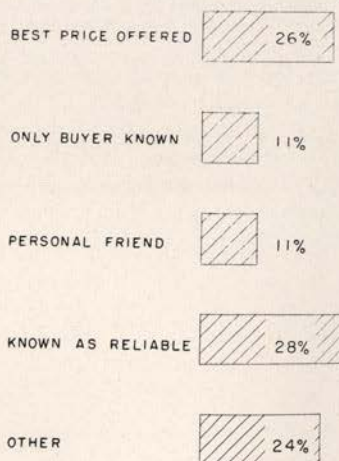


Figure 16.—Buyer Selection. Sellers classified by basis used in selecting buyer.

## Buyer Selection

Approximately 25 percent of the woodland owners selected their buyer because he was known as being reliable. Another 25 percent selected the buyer because he offered the best price. Twenty-five percent of the sellers selected their buyer for some other reason. Only 11 percent selected their buyer because he was the only buyer known.

The largest response given as "other" was "close haul." Ten percent of all respondents mentioned this as a consideration in the selection of the buyer. The selling of products or stumpage to relatives accounted for another portion of the "other" responses.

## Miles to Market

It was not possible to establish the distance of the woodland from the market directly. The distance of the property from the market was estimated by computing the road mileage from the property location to the mill location for those individuals who reported a buyer's name and address.

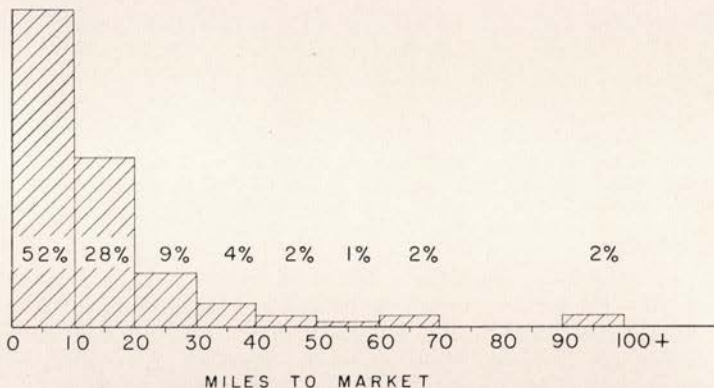


Figure 17.—Miles to Market. Sellers classified by the distance of their woodlands from the buyer who purchased their woodland products.

The data from the survey indicates that the majority of the woodland owners who have sold products in the 6-year period 1952-1957 sold to buyers located within 10 miles of their forest land. Only 20 percent sold their products at a distance greater than 20 miles. There were some stumpage sales to distant buyers. No sawlog sales were made at these greater distances.

The distance of the product from the market is directly related to the density of concentration of the processors in the area. With 228 sawmills operating in 1958 in the ten-county area there was no apparent lack of market possibilities. Table 5 shows that the market outlets for sawlogs and stumpage are fairly well distributed through the area.

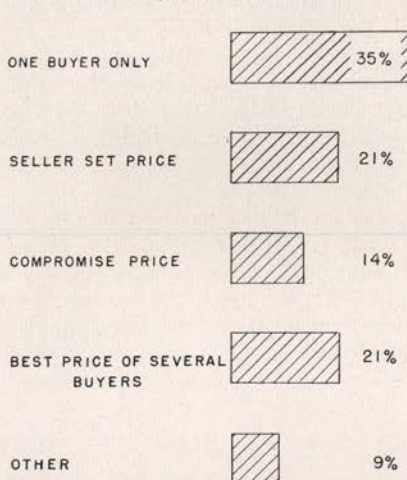


**Table 5.—Number of active sawmills, by counties in northern Idaho, 1958.**

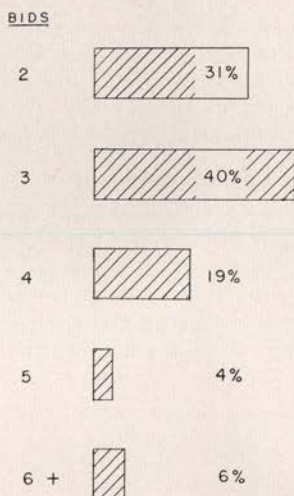
County	No. of Mills
Boundary	36
Bonner	40
Kootenai	33
Shoshone	21
Benewah	24
Latah	18
Clearwater	21
Lewis	8
Nez Perce	6
Idaho	21
Total	228

### How the Price was Determined

Twenty percent of the sellers had determined their selling price on a basis of more than one offer for their products. It would seem that there was some attempt at bargaining by the woodland owners since 13 percent of the sellers determined a price as a result of a compromise between the buyer and himself.



**Figure 18.—Method of Price Determination.** Sellers classified by method used in determining price for woodland products.



**Figure 19.—Number of Bids Received.** Sellers classified by number of bids received for forest products.

Ninety percent of the sellers whose selling price was determined competitively, received four bids or less. Nearly three-fourths of the sellers determined their selling price on a basis of three bids or less.

### Method of Volume Determination

Nearly three-fourths of the respondents reported determining log value on the basis of log scale at point of sale. The high proportion of log scale product measurement would indicate that many of the stumpage sales were also sold on a basis of log scale measurement.

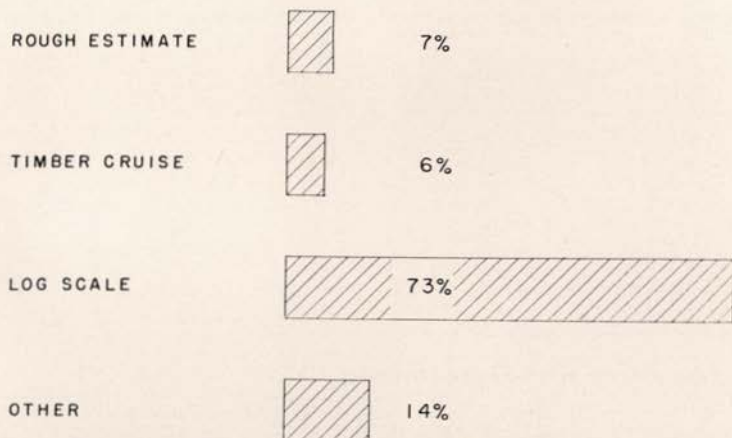


Figure 20.—Method of Volume Determination. Sellers classified by method used to determine volume of products sold.

The Scribner Decimal C log rule is used throughout northern Idaho. Because of the general use of this rule, the respondents were not asked to indicate the log rule used in selling their products. Although this rule is in general use, there are many individual buyer variations in the application of the basic rule. This individual variation can account for considerable variability in log scale which results in price variability as well.

### Type of Agreement

Few of the woodland owners in northern Idaho had a contract for the sale. Twenty-five percent used a written contract from the buyer, nine percent from the seller. Well over one-half of the sales were made on the basis of a verbal agreement between the buyer and seller. One factor influencing the high level of verbal sales would be the high frequency of selling sawlogs delivered to the mill.

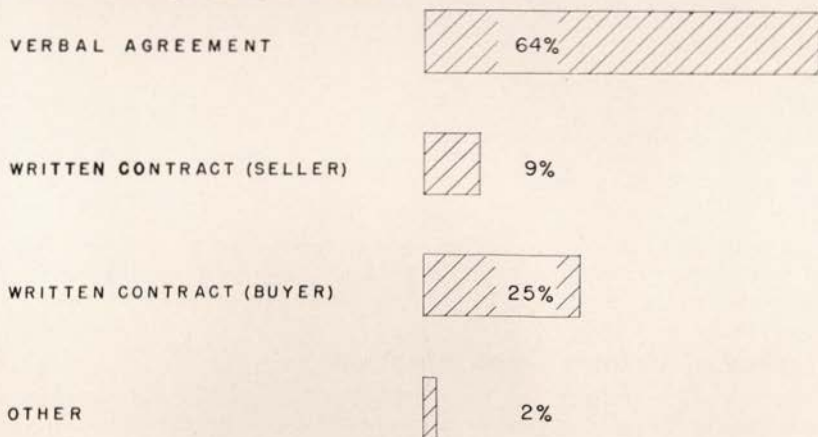


Figure 21.—Type of Agreement. Sellers classified by type of agreement used in selling forest products.



### Method of Payment

The method of payment is closely related to the method of volume determination. Eighty-eight percent of the respondents indicated that they were paid on the basis of a log scale. Only eight percent reported being paid on the basis of a lump sum received either for the logs or stumpage. Most of the respondents reporting "other" methods of payment indicated such methods as "trade," "exchange for work," etc.

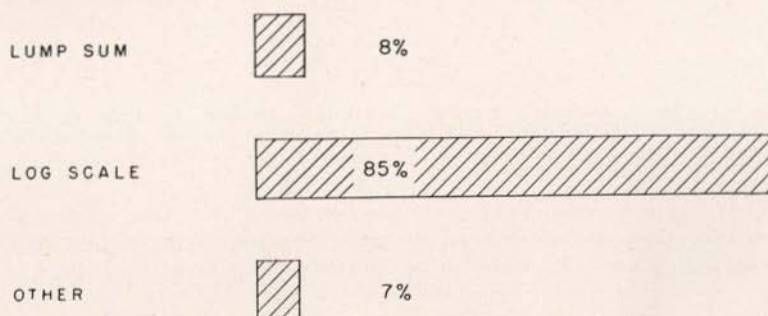


Figure 22.—Method of Payment. Sellers classified by method of payment used for products sold.

### Frequency of Sales

Two-thirds of the respondents had made but one sale in the 6-year period 1952 to 1957. Those who had made more than one sale generally owned larger woodlands than those who had made but one sale.

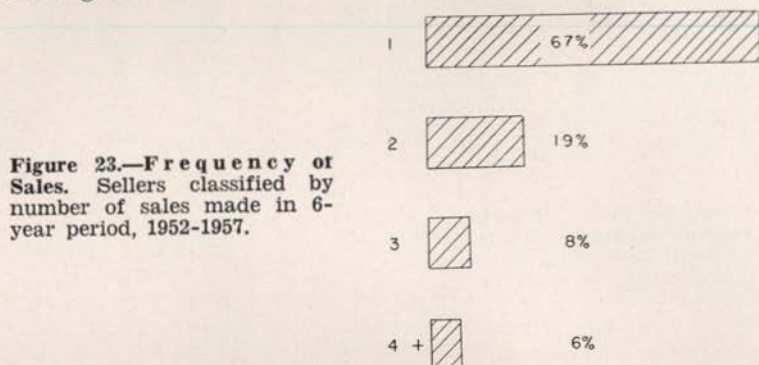


Figure 23.—Frequency of Sales. Sellers classified by number of sales made in 6-year period, 1952-1957.

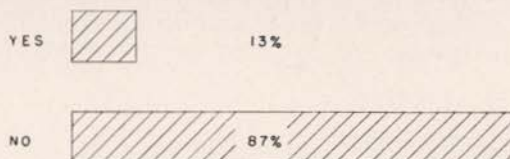
Table 6.—Average size of woodland property, classified by number of sales made in the six-year period 1952-1957.

Number of Sales	Average Size Woodland Owned
1	189.2 Acres
2	268.3 Acres
3 and over	266.2 Acres

There seems to be little difference in size of woodland owned between the respondents who had made two sales and those who had made three or more sales.

### Technical Forestry Assistance

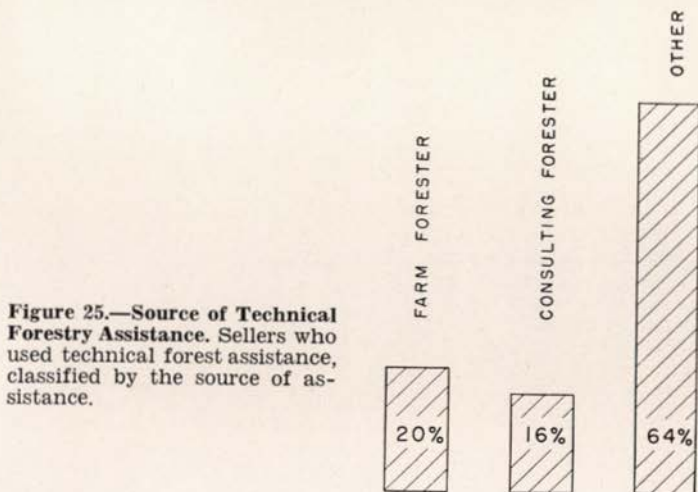
Eighty-seven percent of the respondents reported receiving no technical forestry assistance either in the management of their woodlands or in the marketing of its woodland products.



**Figure 24.—Use of Technical Forestry Assistance.** Sellers classified by whether they had technical forestry assistance in the management of woodlands or marketing of woodland products.

The 13 percent that did report assistance did not necessarily receive technical or professional help in the management or marketing of their woodland products. Many reported help received from such persons as "father," "son," "brother," "neighbor," etc.

Twenty percent of those who had professional help received it from farm foresters. Another 16 percent received aid from consulting foresters and over 50 percent reported other sources as "logger," "relative," "tenant," etc.



**Figure 25.—Source of Technical Forestry Assistance.** Sellers who used technical forest assistance, classified by the source of assistance.

### Prices Received

There was considerable variation in prices reported by the respondents. In general prices received were higher in the four northernmost counties—Boundary, Bonner, Kootenai, and Shoshone (Area I) when compared with the area made up of Benewah, Latah, Clearwater, and Idaho counties (Area II.)

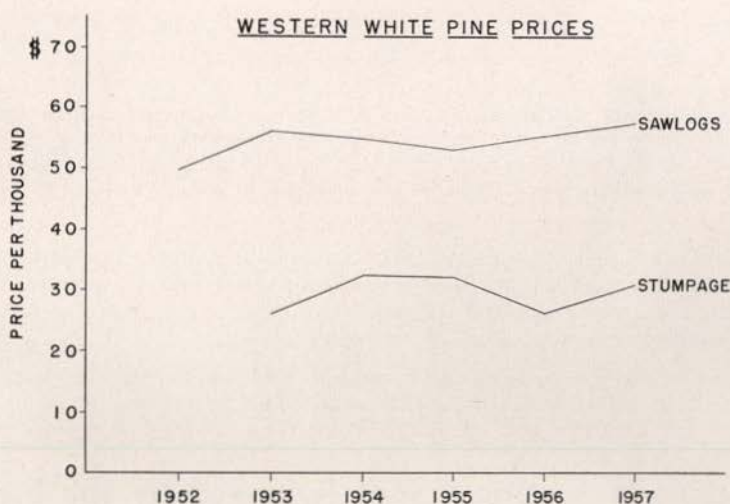
<sup>8</sup> This assumes that the individual mentioned was not a trained forester.



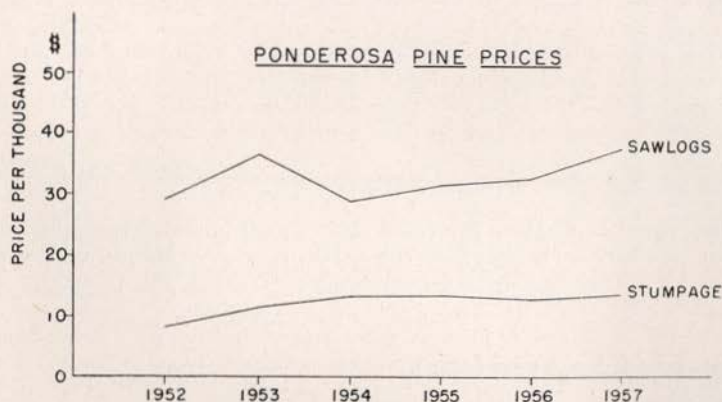
**Table 7.—Price per M ft. board measure by species-product and area.**

Species-Product	Price per M ft. b.m.*	
	Area I	Area II
White Pine Stumpage .....	\$32.61	22.13
White Pine Sawlogs .....	57.27	47.91
Ponderosa Pine Stumpage .....	11.58	12.89
Ponderosa Pine Sawlogs .....	34.54	30.54
Mixed Stumpage .....	8.33	6.61
Mixed Sawlogs .....	28.21	23.25

\* The prices have been adjusted for year and county of sale and are for comparative purposes only.



**Figure 26.—Western White Pine Prices.** Prices reported for western white pine stumpage and sawlogs for the 6-year period, 1952-1957.



**Figure 27.—Ponderosa Pine Prices.** Prices reported for ponderosa pine stumpage and sawlogs for the 6-year period, 1952-1957.

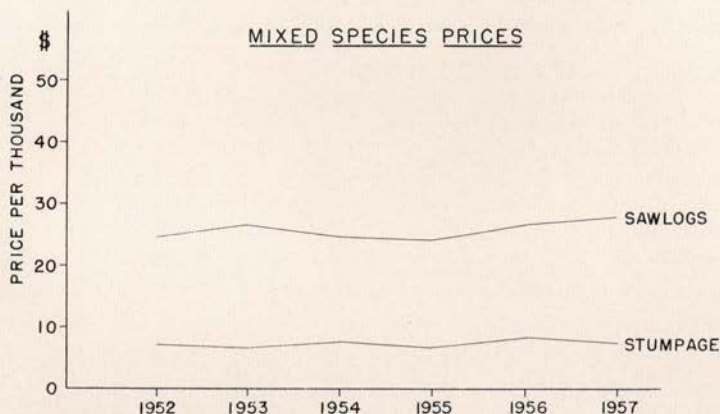


Figure 28.—Mixed Species Prices. Prices reported for mixed species stumpage and sawlogs for the six-year period, 1952-1957.

Western white pine sawlog and stumpage prices have not differed significantly between years in this period.

Ponderosa pine stumpage prices have been relatively stable. Prices for ponderosa pine sawlogs have been somewhat more erratic from year to year. The prices reported for ponderosa pine sawlogs are significantly different between the years of the sales.

Price levels for both mixed stumpage and mixed sawlogs have been relatively steady during the past six years. The difference between prices for the six years was not significant for either sawlogs or stumpage.

## Factors Affecting Prices Received by the Small Woodland Owners

An evaluation was made of the effect of the characteristics, attitudes, and marketing practices of the owners upon prices received. A comparable price was developed (see Appendix) which was used in this evaluation. This price eliminates differences between counties, between years, and between species-products. Only six species-products were considered in this part of the study: white pine stumpage, white pine sawlogs, ponderosa pine stumpage, ponderosa pine sawlogs, mixed stumpage and mixed sawlogs. Insufficient data were received to make comparative analyses of the other species-products.

Using the comparative prices an analysis of variance test was made to determine whether the prices reported by the respondents were dependent upon the various owner characteristics, attitudes, and marketing practices.

### Ownership Characteristics

The ownership characteristics tested did not prove to have a significant effect upon prices received by the small woodland owner in northern Idaho.



### **Ownership Attitudes**

Only one of the attitudes evaluated proved to have a measurable effect upon prices received by the woodland owner. The expected future use of the small woodland property was affected by prices received by the owner in the past. Those owners who had previously received higher prices were more likely to have a future expectation of producing woodland products. A woodland owner who had experienced relatively low prices in the past was more likely to have the expectation of "clearing" his woodland or some other "non-forestry" use for his woodland.

### **Marketing Practices**

Few of the marketing practices demonstrated a significant effect upon prices received by the small woodland owner.

The method of contacting the buyer had a measurable effect upon prices received. The higher prices were achieved by the land owner contacting the buyer when contrasted with other methods of buyer contact.

The method of price determination was important in the level of prices received. Offers from more than one buyer resulted in a significantly higher price.

Selling price was directly related to the number of bids received for the product. In general, the more offers received for a particular product the higher the final sale price proved to be.

## Summary and Conclusions

1. The small non-industrial woodland owners are of two types—farm woodland owners and other woodland owners.

2. The problem of “size” of woodland is not as critical in northern Idaho as it is in other sections of the west and of the nation. However, the size is still small enough to constitute part of the “small woodland problem” in the region.

3. In general, small woodland holdings are located relatively close to a market.

4. There is a relatively large number of firms in the area which can furnish a market for products from small woodlands.

5. The majority of the woodland owners acquired their woodland property in conjunction with lands purchased for reasons other than the purpose of producing forest commodities.

6. The owner's present use of the woodland resource is for purposes other than forest production, but the trend in the future is toward greater utilization of the woodland. This may indicate that small woodland owners are changing their thinking about their woodlands.

7. Lack of knowledge of market sources and woodland values did not seem to be as important a deterrent in selling forest products as the small physical size of the woodland. Other values, for the most part non-monetary, were important reasons for withholding forest products from the market, especially in the case of the non-farm owner.

8. Mature timber and a need for cash were the principal reasons for selling timber. The small woodlands would seem to furnish a ready source of funds when the need is great for additional income.

9. The non-selling woodland owners are different from the selling woodland owners, both in characteristics and attitudes. The non-sellers were generally non-farmers and non-residents. Woodland owners who had sold products in the six-year period were generally farmers and residents. The sellers had a woodland ownership twice as large as the non-sellers. These would seem to be the most important characteristics determining whether a woodland owner is a non-seller or a seller.

10. The marketing practices of the region are as follows:

a. The buyer was selected for many reasons; about 25 percent selected him on the basis of reliability, 25 percent on the basis of best price offered, and ten percent on the basis of “closest haul.”

b. The majority of sales were made without a formal contract between the buyer and seller. Only one-third of the sellers sold under contract. The level of non-contract sales is probably related to the number of sales of delivered products by the seller to the buyer.

c. Payment was based upon delivered log scale.



d. One-half of the sellers had made more than one sale in the six-year period. This indicates that the woodland owners are in the market frequently.

e. Over 80 percent of the woodland owners received no technical assistance in woodland management or marketing. This may indicate one of several things. They might be able to better the results of their marketing by utilizing the services available. They may have enough past personal experience so that technical assistance is not needed. They may not be aware that such assistance is available or the assistance available may not be sufficient in scope that all owners can avail themselves of the service.

f. The product sold was about evenly divided between sawlogs and stumpage. Fifty percent of the woodland owners are converting their other resources, i.e., labor and equipment, into saleable commodities in the form of sawlogs.

11. A considerable variation in prices was experienced between owners for a given species-product marketed. Two general areas can be defined: Area I, Boundary, Bonner, Kootenai, and Shoshone Counties; and Area II, Benewah, Latah, Clearwater, and Idaho Counties. Area I has experienced higher prices generally during the six-year period 1952-1957.

12. Few of the ownership characteristics, attitudes or marketing practices had any demonstrable effect upon prices received. The exceptions are:

- a. Expected future use of the woodland,
- b. Method of contacting the buyer,
- c. Method of price determination, and
- d. Number of offers received.

Although it cannot be concluded on the basis of this study that the marketing practices did influence prices received for all woodland owners, it can be said that a seller should not ignore the methods which he uses in marketing the products from his woodland property.

13. The results of this study would indicate that the primary price-making forces are outside the influence of the characteristics, attitudes and marketing practices of the small non-industrial woodland owner. Without doubt these have an influence upon prices received for woodland products. However, this study was unable to demonstrate that such was the case for prices received by 764 small non-industrial woodland owners in the eight northern counties in Idaho composed of Boundary, Bonner, Kootenai, Shoshone, Benewah, Latah, Clearwater, and Idaho.

It might be assumed that the location, condition, age, species composition, and volume of the sale—the physical characteristics of the woodland—would have an effect upon prices received and that these effects would be more important than the characteristics, attitudes and marketing practices of the woodland owner. Yet, in general, it is considered

that the small non-industrial woodland ownerships are located in areas which are not typified by rugged mountainous country, they are generally located close to the processor, and the species composition is predominantly ponderosa pine, douglas fir, and white fir. It is probably true that these ownerships have younger age timber with lower quality products, at least when compared with virgin old-growth stands. It is also likely that the volumes offered for sale by these owners are small and not attractive to the large loggers or processors. However, none of these factors should have any bearing upon the prices received by the small woodland owner when he delivers his products to the processor, i.e., sawmill. Thus it might be said in the case of sawlogs, that the physical characteristics of the woodlands have no effect upon prices received.

If sawlogs are considered, then this study would indicate the price-making forces are not found within the sphere of influence maintained by the small woodland owner, i.e., in his characteristics, attitudes, or marketing practices or in the physical characteristics of his woodland ownership. Therefore, areas outside of these must be investigated if the forces which determine prices received by the small non-industrial woodland owner are to be discovered and evaluated.



## Appendix

### ***Development of Comparative Prices***

It was possible for a respondent to have reported prices received from several sales of different species-products at different times. To have some basis for comparing prices between owners, each characterized by a distinct group of attributes, it was necessary to have a single price to associate with the particular "bundle" of attributes of each seller.

This single price per individual was derived by eliminating the variation which might be caused by differences between counties, year of sale and species-products.

The following method was used in deriving a single price. The mean price for all respondents was determined. A mean price for each year-county-species-product was then computed for all respondents fitting that classification. A weight factor was then computed for each of these by dividing the mean price for all respondents by the mean price for a year-county-species-product. This weight was then applied to each of the individual prices in the year-county-species-product classification.

After this was done, it was still possible for an individual to have as many as three prices now adjusted for county, year of sale, and species-product, because he could have sold three different species-products. This mean relative price computed above was then weighted by the volume sold for each species-product and a mean weighted relative price was then computed. This price was then used in computing average prices for the various responses.

University of Idaho  
College of Forestry

WM-31 Form No. ....../57

## FOREST OWNER QUESTIONNAIRE

**NOTE:** If you answered "no" to Item 11, please skip to Number 28.

1. Occupation .....
2. Check one:
  - Resident on property
  - Non-resident on property
    - Living in County
    - Living outside of County
3. Total acreage owned in County .....
4. Acreage in timber or woodland .....
5. Year land was acquired .....
6. Land was acquired by: (Check one)
  - Purchase
  - Homestead
  - Inheritance
  - Gift
  - Other, specify .....
7. If you purchased land please check your main reason for buying it:
  - Farming or grazing
  - Timber or forest production
  - Anticipated rise in timber values
  - Anticipated rise in other values
  - Other, specify .....
8. How is the property managed?
  - Directly by you
  - By some member of your family
  - Leased for cash
  - Leased for a share of the crop
  - No management, land is idle
  - Other, specify .....
9. Present use of timber or woodland (Check one)
  - Grazing livestock
  - Production of forest products
  - Erosion control
  - No use, land is idle
  - Other, specify .....
10. Future use of timber or woodland (Check one)
  - Clear land for crop production
  - Clear land for other reasons
  - Grazing livestock
  - Production of forest products
  - No use in foreseeable future
  - Other, specify .....
11. Have you sold any forest products in last five years?
  - Yes
  - No
12. To whom was most recent sale made?
  - Name .....
  - Address .....
  - Date .....
13. How was contact made with buyer? (Check one)
  - You contacted buyer
  - Buyer contacted you
  - A logger in vicinity contacted you
  - Contact made through public agency
  - Contact made through another owner
  - Other, specify .....
14. Why did you select this buyer? (Check one)
  - He offered best price
  - Only buyer known
  - Buyer is a personal friend
  - Buyer is known as being reliable
  - Other, specify .....
15. Why did you sell your products?
  - A. Physical reasons (Check one)
    - Mature timber
    - To salvage dead or dying material
    - To clear land for grazing or farming
    - To clear land for other purposes
    - Other, specify .....
  - B. Economic reasons (Check one)
    - To meet current expenses
    - To meet a need for emergency cash
    - To take advantage of high prices
    - Other, specify .....
16. Where was product sold?
  - On the stump
  - At the roadside
  - At the mill
  - Other, specify .....
17. Were the trees marked prior to cutting?
  - Yes
  - No
18. If the trees were marked, who marked them?
  - You or your agent
  - The buyer or his agent
  - Other, specify .....



19. How was volume determined?  
(Check one)  
 Rough estimate made by you  
 Rough estimate made by buyer  
 Cruise made by you  
 Cruise made by buyer  
 Scale of logs in woods  
 Scale of logs at point of sale  
 Other, specify .....
20. How was price determined?  
(Check one)  
 Offer by one buyer only  
 Buyer agreed to your asking price  
 Compromise between you and the only buyer who made offer  
 Best price offered by more than one buyer. (Total number of bids received) .....  
 Other, specify .....
21. Type of agreement used:  
(Check one)  
 Verbal agreement  
 Written contract supplied by you  
 Written contract supplied by buyer
22. Method of payment: (Check one)  
 Lump sum based on estimate of volume  
 Lump sum based on cruise of timber  
 Payment based on delivered log scale  
 Other, specify .....
23. Did you have any help in management or marketing of your timber?  
 Yes       No
24. If you had help, from whom was it received?  
 Farm forester  
 County agent  
 Consulting forester  
 Company forester  
 Other, specify .....
25. How many acres of your woodland or timber land has been cut in the past 5 years?  
 ..... acres
26. Who made harvest cutting?  
 You or your help  
 Contractor hired by you  
 Contractor hired by buyer  
 Other, specify .....
27. Were any of your products sold on a basis of quality such as log quality, etc.?  
 Yes       No
28. If you did not sell in past 5 years, what were your reasons for withholding?  
 Holding for better market  
 Timber too small to market  
 Unfamiliar with buyers locations  
 Holding timber for higher prices  
 Holding timber as part of a management plan  
 Other, specify .....
29. Please furnish information on as many sales as you have made in the 5-year period, 1952-56. Please indicate below the total volume, and price received for each product sold, and the year in which it was sold. If you sold the same product in each of several years, please indicate each separately. Please put an "x" in Column "Q" opposite the product for each species which was sold on a basis of quality.

Product removed	Year	WHITE PINE			PONDEROSA PINE			MIXED		
		Q	Volume	Price	Q	Volume	Price	Q	Volume	Price
Stumpage										
Sawlogs										
Studlogs										
Pulpwood										
Veneer Logs										
Shingle Logs										
Poles and Piling										
Fence Posts										
Other, specify										

THANK YOU FOR YOUR COOPERATION! If you have any comments you would like to make regarding your experiences in marketing forest products, please use the other side.

**Other University of Idaho Publications  
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Cold-Soak Wood Preservation. Ext. Bul. 187

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How to Plant Your Trees, Ext. Cir. 119

Measuring and Logging of Trees, PNW 31

Needle Cast Diseases of Western Larch, Ext. Bul. 215

Plant Your Trees Right, PNW 33

Raising Christmas Trees for Profit, PNW 6

Red Top Conifers and Why They Turn Red, Ext. Bul. 214

Small Non-Industrial Forest Owners in Northern Idaho, Exp. Bul.  
317

Trees Against the Wind, PNW 5

Trees of Idaho, Ext. Bul. 289

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