

## FamilyForestNews

## EDITOR

Tom Linville

## EDITORIAL COMMITTEE

Ron Berryman

Larry Camp

Tim Cookenboo

Denise Levine

Valdek Parik

John Williams

John Wilson

## BOARD OF DIRECTORS

Claire McAdams, McKinleyville  
President

Don Beaty, Redding  
1st Vice President

Russell Greenlaw, Livermore  
2nd Vice President

Carol Michener, Zenia  
Treasurer

Fran Belden, Redding  
Secretary

Valdek Parik, Aloha, OR  
Past President

Larry Camp, Castro Valley

Jim Chapin, Redding

Tim Cookenboo, Richmond

Matt Greene, Cazadero

Tom Linville, Gazelle

Ed Stewart, Shingletown

Charl Stoneman, Eureka

John Williams, Occidental

John Wilson, Redding

## DIRECTOR EMERITUS

Joe Russ IV, Ferndale

Charles Wagner, Stockton

Peter Parker, Altadena

## EXECUTIVE DIRECTOR

Deidre Bryant

(877) 326-3778

deidreb@forestlandowners.org

www.forestlandowners.org



## President's Message

*Claire McAdams, FLC President*

It's midsummer, and for many people that means vacations and taking it easy. Not so for those of us who are forest landowners. For some of us, summer brings the biggest work season of the year, making sure that our foresters are ready for our Licensed Timber Operators (aka logging contractors) to enter our woods and harvest our timber. This spring and summer have brought a massive scramble to get logs to mills before the mills, overrun with both fire-killed and green logs, stop taking raw logs.

The labor shortages, which the pandemic has brought, have not spared the timber industry: there is an acute shortage of logging trucks and experienced drivers. If one is fortunate enough to have secured transport of logs to the mill, there are water truck and water truck driver shortages, and even shortages of water itself. The list is dauntingly long.

In harvest years, this busy season is when our annual logging income is earned, assuming we can dodge challenges from the Delta variant to repair parts shortages, to ever-shifting log prices.

While praying for wildfire to spare our region. For most non-industrial landowners whose lands are being logged, at least on the North Coast, the busy season extends until the rains of October or November come, legally shutting down our entry into the woods.

For those of us whose trees are not ready to harvest, we spend vacation time tending our land in many different ways, improving our forest health while preparing our forests for wildfire. This year, the Governor's twice-announced billion dollars of 'forest fire resilience' funding has some of us rushing to apply for CFIP funding while the funding spigot is 'full on.' State governmental support for forestry has not ever been designed to fully fund our forest improvement projects, but it can significantly lessen their cost, and it is



## this issue

President's Message .....	1
FLC Staff.....	2
Legislative and Regulatory Update .....	2
What Is the Resource Guide? .....	3
We Appreciate the Generous Support of Our Contributors!.....	4
My Experience with the August 2020 Complex Fire .....	4
Availability for Affordable Liability Insurance for Your Woodlands:.....	5
Casualty Losses As a Result of Fire or Other Casualty Events.....	6
New Members .....	7
Ask a Forester .....	7
Help Spread the Word .....	9
Request for Submissions About Inter-Generational Planning.....	9
My Herbicide Treatment Experience.....	10
Our Story About NTMP Partnerships .....	12
Fire Damage Perspective.....	13
Excerpts from the Fall 2015 Newsletter .....	13
NSO Forum III (held February 25, 2021): The Summary.....	16
FLC Member Signs for Your Property .....	17
Southern Redwood Region Log Market Trends ...	18
Maven's Notebook.....	20
Register Now for a California Forest Stewardship Workshop.....	20

*Continued on page 3*

## FLC Staff

### DEIDRE BRYANT, EXECUTIVE DIRECTOR

- Ext 2233  
deidreb@forestlandowners.org
- Oversees all staff for the association
  - Reports directly to the FLC Board of Directors
  - Board governance and administrative operations
  - Membership database management (updating existing records)
  - Process new and renewing memberships
  - Interact with members about their dues renewals
  - Point of contact for members with questions about FLC events, etc.

### TRACY BROWN, DIRECTOR, CREATIVE SERVICES & WEB DEVELOPMENT

- Ext 2207  
tracyb@forestlandowners.org
- Department head for design, production, and web services
  - Update FLC website
  - Design/layout of newsletter and annual meeting registration program

### KATHI CAMPBELL STAFF ACCOUNTANT

- Ext 2222  
kathic@forestlandowners.org
- Accounts payable
  - Oversees accounts receivable clerk
  - Addresses questions about receivables and payables
  - Prepares financial statements

### FOREST LANDOWNERS OF CALIFORNIA

950 Glenn Drive, Suite 150  
Folsom, CA 95630  
(877) 326-3778  
(916) 294-0415 Fax  
www.forestlandowners.org



Forest Landowners  
OF CALIFORNIA

## Legislative and Regulatory Update

*By Brian White, KP Public Affairs, and Larry Camp, Legislative Committee Co-Chair*

### Key Upcoming Dates

August 16	Legislature reconvenes from Summer Recess
August 27	Last day for bills to pass fiscal committees
September 10	Last day for Legislature to pass bills for Governor's consideration
September 14	Governor's recall vote
October 10	Last day for Governor to sign or veto bills

### Legislature Returns from Summer Break as Wildfires and Energy Reliability Top Priority List with Recall Election Looming

The 2021 legislative session is getting closer to wrapping up but not before the Legislature took its month-long summer recess which started on July 16. Prior to that, legislators debated several bills during a three-week period so bills could meet the July 14 policy committee deadline. Bills that did not pass out of the policy committees by July 14 will now become two-year bills unless they were provided special reconsideration. On August 16, the Legislature returned from its month-long summer break and now begins a three-week sprint to conclude its business by the September 10 end-of-session deadline.

While several ambitious wildfire bills introduced earlier in the legislative session have already been whittled down with many sitting on the sidelines, a handful of bills are still alive seeking to address various policy areas, including a bill to extend the 300-foot THP defensible space exemption for four years; a bill providing liability protection for fire suppression costs associated with prescribed burns; legislation providing two, two-year extensions for a THP approved between January 1, 2014, and December 31, 2015; a bill seeking to enhance fire safety building and home hardening standards; and legislation requiring the state to identify high and moderate fire hazard severity zones while expanding building standards to those new zones (see link below for chart). Most of these bills have moved to the respective fiscal committees where they will hold hearings in mid-August to consider the fiscal impacts and then must pass the fiscal test by August 27 for consideration on the Senate and Assembly Floors.

On the budget front, Governor Newsom signed a revised budget agreement the week of July 9 to reflect a \$263 billion spending plan for fiscal year 2021-22. Lawmakers originally passed a 900-page budget bill (AB 128 – Ting) as a procedural move to meet the June 15 constitutional deadline. They followed that up with passage of so-called “budget bill junior” (AB 129 – Ting) and several other budget trailer bills that were signed by the governor as part of his “California Comeback Plan.” The revised budget provides increased funding for education, homelessness, small business relief, rent relief, water and utility bill payments, economic stimulus checks, and wildfire funding. While Democrats celebrated the increased spending for key programs, Republicans expressed concerns it fails to plan for future deficits and may require future tax increases to make up for future budget shortfalls. The increased funding in the budget was made possible due to a budget surplus of more than \$60 billion, which relied on tax receipts from high-wage earners and the state’s progressive tax system. Pretty remarkable considering last year the state was facing a \$54 billion budget deficit.

Despite enactment of the overall budget, dozens of budget trailer bills are still pending, and they could surface at any time up until the Legislature adjourns on September 10. This includes details on how to spend nearly \$1 billion for various clean energy and transportation investments, including additional funding from the state’s cap-and-trade program. There will also be follow-up details and agreements between the Governor, Senate and Assembly on how to spend funding for various wildfire programs as the state heads into the inevitable late summer and fall wildfire months. To date, the Legislature has appropriated \$536 million in early action funding for wildfire prevention, natural resources, and forest resiliency for the 2021-22 fiscal year. The Legislature initially allocated \$10 million as an early action item to fund the CFIP program with an additional \$40 million as part of the overall 2021-22 budget.

Overall funding for wildfire, including the early action items, could reach \$1 billion after details are worked out. The increased funding for wildfires and other resources areas to address drought, water conservation, water quality and climate change are in part an effort by the Governor to fund programs now and avoid the possibility of having the Legislature pass a potential bond for voter consideration in 2022. A full report on the Legislature’s budget actions can be found here – [Floor Report of the 2021-22 Budget](#) (see pages 79-81 for CalFire and wildfire funding dollars).

*Continued on page 3*



## Legislative and Regulatory Update

Continued from page 2

### What About That Recall?

With Legislature back in session, more media attention is beginning to shift towards the inevitable recall election that Governor Newsom will face on September 14. With 1.7 million signatures agreeing to sign the recall petition, it was all but certain it had enough valid signatures and a recall would take place. The recall ballot will have two separate questions that will require majority approval from voters. At least 51% of percent of voters must agree to the recall and if successful, must then decide who should replace him by whoever captures the most votes.

Most political observers think Governor Newsom will beat the recall, however, recent polling shows the race is narrowing, which is causing alarm for Newsom's supporters as a UC Berkeley poll indicates that 50 percent of most likely voters would retain Governor Newsom versus 47 percent saying they would replace him. Of equal concern for Newsom is his approval rating, which has taken a hit with 51 percent of registered voters disapproving of his performance and 48 percent approving. But given California's overwhelmingly Democrat electorate and substantial resources at his side, the poll results could simply be a sign that more Republican voters are excited about the election right now and likely Democrat voters are not particularly enthused (at least not yet).

However, there are some other potential wildcards in the mix that could negatively impact Newsom's fate other than low turnout, including the continued threat of wildfire outbreaks, drought restrictions and rolling blackouts due to extreme heat waves. While these are all things that may be directly out of his control, voters may not view it that way. In addition, Governor Newsom's party identification will not appear on the ballot because he failed to meet a mandatory deadline for filing the proper paperwork that would have stated his party preference on the ballot. Officially, there are 46 candidates on the ballot with most of them listed as Republicans, including conservative radio talk show host Larry Elder who is getting the most attention followed by former San Diego Mayor Kevin Faulconer. Ultimately, it remains to be seen how the vote turns out but only time (and money) will tell.

To track legislation, state budget information and fiscal/policy advisor information, visit these sites:

[www.leginfo.ca.gov](http://www.leginfo.ca.gov) | [www.dof.ca.gov](http://www.dof.ca.gov) | [www.lao.ca.gov](http://www.lao.ca.gov)

FLC Legislative Bill Chart – <https://bit.ly/flcBillChartAug21>

FLC All Bills Status Report – <https://bit.ly/allBillsReportAug21>

AB 129 (Ting) – <https://bit.ly/AB129Ting>

Floor Report of the 2021-22 Budget – <https://bit.ly/FlrRpt202122budget>

### President's Message

Continued from page 1

worth one's time to pursue this funding. FLC can help you learn what is required and to find skilled foresters (RPFs) to plan and implement activities that will improve your forest, and to pay for all this work, so you can spend your summer days in your woods.

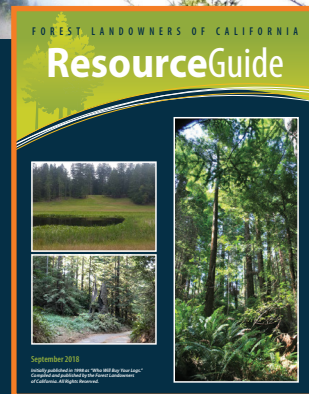
Our lives are a bit counter cyclical to those of our more urban families and friends, but these differences give us 'teachable moments' of conversation as we explain why we can't just kick back during the summer. If we are really lucky, our families visit our forestlands and see this activity for themselves, enriching later, perhaps wintertime, conversations.

This year, Forest Landowners of California 'covid adjusted' our annual meeting date, from early May to end of July, and we hope that you registered for our annual meeting so that you had access to the recorded speakers. This let you review the prescribed fire speakers, and the legislative analyst's recap, once your life has slowed down. We hope that you found something you wanted at the online auction, and supported FLC by winning the bidding for it. We thank you for your support of FLC, and always want to hear what you need in the way of future program topics, so we can continue to be useful to you.

Until next issue, keep cool, stay healthy, and carry on with your active forest management planning and operations.

Very respectfully,

Claire McAdams, President



## What Is the Resource Guide?

In 2014 Forest Landowners of California (FLC) published the Resource Guide. FLC is committed to publishing the Resource Guide every other year in even years. The fourth edition will be printed and distributed to members in the fall 2022 .

The original publication called, "Who Will Buy Your Logs?" was published in 1998. The Resource Guide is compilation of mills and log buyers — personal contacts are made prior to each printing to ensure that the publication is as current as possible. If you know of changes or updates, please send the updates to staff at the FLC office (see below for contact information).

Associate members of FLC receive a complimentary listing in the Resource Guide. Associate members are individuals who provide a service or product to forest or timber landowners — consulting foresters, CPAs, appraisers, attorneys, etc. If you know a professional service provider who should be listed in this Resource Guide, please send the information to staff at the FLC office (see below). We strive to continue expanding the Resource Guide with resources that benefit the forest land owners.

Send your updates, inquiries or additions to Deidre Bryant:  
Email: [deidreb@forestlandowners.org](mailto:deidreb@forestlandowners.org)  
Call: (877) 326-3778  
Fax: (916) 294-0415  
Mail: Forest Landowners of California,  
950 Glenn Drive, Suite 150  
Folsom, CA 95630

## We Appreciate the Generous Support of Our Contributors!

### **Sapphire (\$5,000+)**

This space reserved for you.

### **Diamond (\$2,000 to \$4,999)**

This space reserved for you.

### **Platinum (\$1,000 to \$1,999)**

Don & Judy Beaty

Carol Michener

### **Gold (\$500 to \$999)**

Larry & Connie Camp

John Mills

### **Silver (\$200 to \$499)**

C. Rober Barnum

Jimmie-Fay Beal

John Bennett

Dana Blencowe

Peter Bradford

Nan Deniston

Claire McAdams

Steve Miller

Jack & Joe Russ

Eric Smith-Mohrhardt

Charll & Donna Stoneman

John Wilson

Ted Wyman

### **Bronze (\$100 to \$199)**

Gary & Jan Anderson

Thomas Arens

Ginger & Jim Armstrong

Matt Babich

Dennis & June Bebensee

Fran Belden

Robert Benfield

Ron & Martha Berryman

Jesse Brown

Linda Carruthers

Jim & Lana Chapin

Daniel & Cheryl Cohoon

Mary Coletti

Carrie Cook

Timothy Cookenboo

Gilda Drinkwater

Steven & Valerie Dowty

Deborah Elliott

Carol Fall

Ed Fountain

Ralph & Barbara Gaarde

Dorothy Goodyear

Russell Greenlaw

Walton & Barbara Haines

Donna Hall

## My Experience with the August 2020 Complex Fire

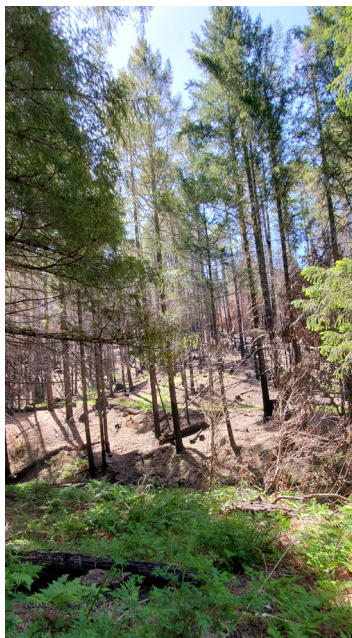
*By Carol Michener*

I feel a little strange writing about the August Complex fire, because I escaped the damage suffered by so many of my neighbors. The fire did not come to my house during the initial wind event, and I still have my house, barn and equipment. I did not stay to watch or fight, but left as soon as they predicted a possible evacuation order. My house is in a canyon, with the only level ground the house and barn pad and the garden. That is not a good place to be in a fire.

I have my house and etc. because of luck. Our local volunteers were filling their tankers from my lake at just the time the fire was coming down the hill behind my house. It was coming from the west and could not be seen from the road and with the smoke, could not be seen from the place they were getting the water. While the tanker was filling they checked my place, and the fire, though pretty much a ground fire, was just six feet from the back of the barn. Just luck. The rest of my property was not so lucky. Jim Chapin, my forester, estimates I lost 70-80% of my timber. I also lost my water system and the outhouse. For obvious reasons I some-times regret the loss of my outhouse the most.

The way the fire was fought has caused considerable controversy. The local news interviewed anyone they could get and many had complaints about the fire management. Currently some are organizing a lawsuit against the Forest Service. Many of my neighbors are old timers who fought fire in the past and their claim is that had the Forest Service fought fire like it was fought in the past, many structures and trees could have been saved. The fire did seem to go on and on, and kept returning to our area. I was evacuated from my property two more times. It must be remembered, though, that there were many fires occurring at the same time and firefighters were spread pretty thin.

I think FEMA and Trinity County did pretty well in advising what would happen and who would do it and what the landowner was responsible for. They took the initiative and sent out procedural information fairly quickly, and I have had a prompt personal response to my questions when I contacted them. My insurance company also has been pretty good in advising me and taking care of business. I am not so happy with the program to eliminate hazard trees along the county road. On my property I have trees marked that would not reach the road if they fell. You have no right of complaint regarding hazard trees. However, you can fill out a form and be responsible for removing them yourself.



*Continued on page 5*



## Complex Fire

*Continued from page 4*

The problem is time. The crews come to your property and map all non-timber debris. Later another crew comes in and removes the asbestos, if any. Later another crew comes in and removes more debris. Later another crew comes in and tests the ground where things burned for hazardous waste. I do not know but I suspect that later another crew comes in and removes contaminated soil if any. Did you notice all those "laters?" It is now May 2021 and I still am waiting for the waste removal. I cannot redo my water system until my partially burned 2,500 gallon water tanks are removed because they are in the way, and we have been told that any movement of debris should not be done by the property owner. If I was trying to rebuild a house in the same location as before the fire you can see that this could be a real problem.

Now to get to the trees. I want to do a salvage log, and I hope to use NRCS grants to replant part of the property, but all the loggers are booked for the summer. The loggers are having trouble finding truckers. The price the mill will give is not awful but may not pay for the extraction. I want to get rid of as many of the burned trees as possible, but may have to leave some because it just costs too much. I may have to leave them because I cannot find anyone to remove them. And where am I going to find workers for the NRCS grant if everybody else is thinking the same thing? These are issues still facing me, and to tell the truth I am dreading them.

The effect on the community has been huge. The community was in trouble any-how because as the old families moved to be closer to their kids or hospitals or passed away, their children did not want to take over the ranch. Much of our community was marijuana growers, and many of them did not participate in the local community. Gone are the days of the Mother's Day breakfast, the Father's Day breakfast, the dance in the road in front of the store. The fire just accelerated the process. Some of the older folks have found other places to live, some will only rebuild to vacation cabins, many of the dope growers just left. One neighbor told me "I'm 82 years old, all this makes my head hurt." Another told me it just hurt too much to see the destruction so they would not return. Of course, the loss of possible income from the trees in the future was devastating. Gone is the value that could have been used to soften the problems of old age.

My heart goes out to those who have lost everything. Insurance, even if up to date, never covers everything. Personal items with emotional attachment and historical family items lost forever. And now this tedious process to deal with. I can-not imagine how distraught they must be. It causes me to realize how lucky I am.

I cannot omit telling about some of the women from the community, who stayed and worked in the Fire Hall kitchen to provide food, sometimes their own, for any-body from 7am to 8pm every day for I think four weeks or more, disregarding the smoke and eviction orders, even when the fire was just across the county road from the Fire Hall. Also, I applaud the persons and organizations who provided the food they used.

There are three things I learned from this fire. One, update your insurance and be sure to include all your equipment, outbuildings etc. Two, the minute you think your property might be in the path of the fire find a logger and make a deal. Three, the reason I did not lose all my trees is that I manage my forest as best I can and it was thinned and limbed and I was keeping much of the understory down, especially around the house and lake where friends walk. Those trees have scorched trunks, but are still beautiful and most still have green lower branches so from my house I still see beauty. So management is critical.



## Availability for Affordable Liability Insurance for Your Woodlands:

### A Benefit of Forest Landowners of California Membership

Did you know that, as an FLC member, you are eligible for low-cost woodland owners' liability insurance? FLC, along with sister organizations of forest landowners in other states of the U.S., is an affiliate of the National Woodland Owners Association (NWOA). The NWOA has long offered a "pooled" woodland liability insurance to its affiliates. Any size acreage is eligible. A simple one-page application form, and your annual payment, is all that is needed to protect your woodlands from the unexpected. Find more information, and how to apply, at the NWOA website (<https://woodlandowners.com/>), or in any quarterly issue of the very useful NWOA magazine, *National Woodlands*.

## Connect with Other Forest Landowners on Facebook and Instagram!

A great place to read interesting articles, network with fellow forestland owners around the world!

Share information and stay current with FLC activities!

Check us out and “Like” our page!

Share with friends and family!

Help us build this new FLC resource!

Go to [www.forestlandowners.org](http://www.forestlandowners.org) – on the home page click on the Facebook and Instagram images.



## How You Can Make a Difference

Have you been wondering how you could make a difference? Join a dynamic group of individuals by serving on a committee. There are four committees you could join: Annual Meeting, Communications, Legislative and Membership.

Contact Deidre Bryant at (877) 326-3778 or [deidreb@forestlandowners.org](mailto:deidreb@forestlandowners.org) with your interest.

## Casualty Losses As a Result of Fire or Other Casualty Events<sup>1</sup>

**Your timberland has just experienced damage from a wildfire. What must you do now, to be able to claim a potential loss on your Federal and state tax returns?**

**What is a casualty loss?** A casualty loss for individuals is defined in Section § 165(c) of the Internal Revenue Code (IRC) as follows: In the case of an individual, the deduction under subsection (a) shall be limited to (1) losses incurred in a trade or business; losses incurred in any transaction entered into for profit, though not connected with a trade or business; and . . . losses of property not connected with a trade or business or a transaction entered into for profit, if such losses arise from fire, storm . . . or from theft.

**Limitations in the calculation of a casualty loss. For all casualty losses, the maximum amount of a casualty is the lesser of the adjusted basis or the change in fair market value “before” and “after” the casualty for the SIP (explained below).**

**What is basis and how is it calculated?** Basis is the accounting/taxation term for what does an item cost when purchased or when received as a gift on inheritance. Basis is used in a number of sections of the IRS code and regulations. For individuals or entities growing and harvesting timber it is used to determine taxable income, capital gains and casualty losses among other purposes. Because tax treatment varies by asset type, total basis (costs) for timbered properties needs to be allocated to different subaccounts, e.g. land, timber, and improvements, such as roads, and structures. The timber subaccount can and generally should be further divided to account for the cost and quantity of the merchantable timber, premerchantable timber, and reproduction. It is always best to make the allocation to these accounts at the time of purchase if possible. Dr. Tamara Cushing has a YouTube discussing basis in greater detail at the following link <https://www.youtube.com/watch?v=C7LsNR46Py8>.

An allocation of value to the subaccounts should be reflective of the asset as a whole, e.g., land and timber rather than timber or some other asset alone. If the purchase price is not reflective of all of the value of all of the assets, it needs to be allocated on a proportional basis across all assets categories based on fair market value.

**Note:** Basis of various asset classes can be calculated after the fact through consultation with foresters who can analyze comparable land and timber sales, a current or relatively recent inventory, and growth and yield calculations to provide a retrospective allocation to the appropriate account.

**What is adjusted basis and how is it determined?** Adjusted basis is the term to reflect changes between the time of acquisition and the time when a taxable event occurs. Examples include a timber harvest or fire, sale of a portion of the property, additional improvements such as construction of a pond, or depreciation of assets such as roads, and buildings. For the timber account, reforestation costs including site preparation are additions to basis unless provision of IRC § 194 (expensing of reforestation costs) are utilized.

**What is the Single Identifiable Property (SIP) for purposes of determining a casualty loss?** The SIP is the accounting unit for purposes of a casualty loss. The accounting block is often many acres and large dollar amounts for large commercial timber firms. For smaller owners it is often a single tract of land.

**What is your purpose of ownership?** Tax treatment for casualty losses varies for property held for investment purposes, or a trade/business, or as personal property. Proper classification of ownership purpose is beyond the scope of this document. Generally, homesites within forested subdivisions settings, or smaller acreages, e.g. five (5) acres or less, where periodic timber harvest would be marginal for economic reasons, would be considered personal property.<sup>2</sup> **Note: as a result of the 2017 tax legislation, casualty losses for personal property will generally not be deductible for federal income tax purposes unless the loss is within an area declared as a Federally Declared Disaster area after 2017. California has not amended its statutes as of mid-August 2021.**

Any potential loss based on either the adjusted basis or change in fair market value must be reduced by any reimbursement such as insurance payments, legal settlements or net income from salvage of timber.

*Continued on page 7*

<sup>1</sup> Larry Camp, forestland owner, California Registered Professional Forester, and retired IRS forester.

<sup>2</sup> A coalition of forestry-favorable NGOs has introduced legislation in 2021 to change the provisions for casualty losses to recognize the long-term nature of forest growth.



## Casualty Losses

Continued from page 6

For investment and business ownership purposes the adjustments for personal property discussed below are not required.

For casualty losses associated with personal property there are additional limitations.

- i. First, the preliminary loss is further reduced by deduction of 10% of the taxpayer's adjusted gross income. **This may result in no deductible loss in the year of the casualty.**
- ii. Second, the amount of \$100 must be deducted from a preliminary determination of a casualty loss.

## A Simplified Decision Process Guide

Consideration of basis and other factors to calculate a potential casualty loss.

1. **All types of property:** What is the adjusted basis of the assets, (improvements, trees, etc.) lost? If the property was purchased a long time ago or acquired as a gift, the basis may be very low and that will limit any potential deduction. Land is generally not subject to a casualty loss resulting from a fire.
2. **Deduct from a preliminary estimated casualty loss any proceeds from insurance, judgements and/or salvage logging.**
3. For **personal property**, determine if the property is within a Presidentially Declared Federal Disaster Zone. Next, do a quick calculation of adjusted gross income (AGI) and calculate 10% of that amount. **Unless the preliminary loss exceeds** 10% of AGI plus \$100, do not bother as you will not be able to claim a casualty loss for income tax purposes.
4. Estimate the effort and cost that will be incurred in determining basis if it was not done at the time of acquisition especially for timber where a timber inventory may be necessary.
5. Ascertain what type of documentation is available to demonstrate that the loss was sudden and unexpected, e.g., photos, management plans, harvest records. Do keep track of costs to repair or replace damaged or destroyed equipment or assets (culverts, gates, etc.) as they **may be** considered as the difference in the before and after value depending on the **facts and circumstances**.
6. Obtain an estimate of the cost of having an appraisal done to reflect the "before" and "after" value of the property. Note that acceptable appraisals will usually often require the services of a state licensed appraiser or forester with formal appraisal training. Cost may exceed the value of a potential casualty or the adjusted basis, see item No. 1 above.
7. Consider the potential costs and time of a claim. These include:
  - a. Accountant's or Enrolled Agent's charges.
  - b. Charges by other experts such as foresters and others.
  - c. Potential uncertainty associated with an audit, perhaps as long as three (3) years after the return is filed. If the case is referred to IRS Appeals a decision may take 6-12 additional months. Finally if a case is litigated, it may be a year or more from the time of trial before a judgment is rendered. Interest will accrue if the disputed amount is not paid.
8. Consider amending your previous year's tax return if the loss occurred in a Federally Declared Disaster Zone. This may not be worth the time and trouble, but discuss the issue with your tax advisor.
10. Consider the use of IRC § 1033 (Involuntary Conversion) if salvage logging will result in net income exceeding the adjusted basis of the timber account.
11. Consider the impact of IRC § 126 (State and Federal Cost share programs such as CFIP and EQIP), IRC § 194 (deduction for future reforestation costs), IRC § 469 (Passive Loss Rules) if these code sections apply to your situation.

Continued on page 8

## New Members

Please join us in welcoming new members joining in June and July..

### Landowner Members

Frank Hennefer  
(Shasta County)

Peter Lockhart  
(Sonoma County)

Christopher Nettles  
(Lake County)

Mike & Belinda Small  
(Siskiyou County)

Kathleen Willott  
(Santa Cruz County)

## Ask a Forester Summer 2021

Q) I have just finished scarifying brush under my shaded fuel break. What should my next steps be?

A) Hopefully, the brush was piled in open areas where burning this winter will not scorch nearby trees. The brush will almost always come back in a few years, either by sprouting from root crowns under the soil surface or by seedlings from nearby brush. The sprouting brush is generally more aggressive due to the presence of a root mass that can supply nutrients through feeder roots. Herbicide use can be beneficial once there is enough leaf area to absorb the herbicide and carry it to the live roots. Don't apply when there is not adequate leaf area as you risk getting too little herbicide to the roots. Most herbicides are best used during the active growing season. Be sure to read the label and follow the rules by contacting your county Ag department.

## Contributors

*Continued from page 4*

Peter Hanelt  
Gard Hellenthal  
Tim Holliday  
George & Cindy Hollister  
John Hughes  
Brian Hurt  
Jerry Jensen  
Walter Johansen  
Tom Jopson  
Heide Kingsbury  
Ken Kirtley  
Denise Levine  
John & Claudia Lima  
Tom & Jan Linville  
Daniel & Marian Lucero  
Leon Manich  
Elizabeth Marshall Maybee  
Robert Menzies  
Leona McCoach  
John & Cynthia Miles  
Eric Millette  
Stephanie Mills  
Lynne Mowry & Ed Lowecey  
Fred Nelson  
Phillip Noia  
David Olson  
Val & Kati Parik  
Pete Pulis  
Stephanie Rico  
Steve & Liz Schlafer  
Francis Schutz  
Rose Smith  
Ed & Judy Stewart  
Todd Swickard  
Frank Teiche  
Jeff & Patti Tienken  
Gay Toroni  
Larry Tunzi  
Steven VanderHorst  
Scott & Nora Vermilyea  
Susan Walsh  
Kay White  
John & Laura Williams  
John & Linda Wilson  
Richard Wortley

## Friends (Up to \$99)

Benton Cavin  
Stephen Grether  
Zachary Jones  
Dustin & Danielle Lindler  
Kelli Mathia

## Casualty Losses

*Continued from page 7*

## Resources

- [www.irs.gov](http://www.irs.gov) – use to search for forms, publications and other documents. Use *publ* for publications. I recommend **IRS Publication 547 titled Casualties, Disasters, & Thefts and Form 4684 (Casualties & Thefts)** and the instructions for this form.
- [www.timbertax.org](http://www.timbertax.org) – a good non-government site sponsored by USFS, University of Georgia, and the American Tree Farm System. Note that not all case law, Revenue Rulings and other IRS materials are listed in the professional research tab, but this site is better than most others as a point of departure.
- Agricultural Handbook 731 **Forest Landowners' Guide to the Federal Income Tax** (February 2013). Although outdated, this has good information regarding casualty losses and provides a point of beginning. An electronic version is available at [www.timbertax.org](http://www.timbertax.org). The section on casualty losses is outdated with respect to personal and investment property because of the changes in the 2017 tax bill. However, it still provides a primer on how to calculate a casualty loss.
- [www.fs.fed.us/spf/coop](http://www.fs.fed.us/spf/coop) – USDA Forest Service tax publications
- Cooperative Extension Services

## Recommendations If a Casualty Loss Is Claimed and the Return Is Examined

1. When corresponding with the IRS, keep copies of all documentation including emails. Summarize all telephone conversations in a short contemporaneous memo to a file including date and time. Request a name, badge ID number, and telephone number of the person you spoke with. Consider emailing the agent a copy of any memos prepared as a result of telephone conversations and ask for concurrence as to the contents to prevent future misunderstandings.
2. If asked for documents, request that the IRS agent send you the document request in an IDR (Information Document Request) format.
3. Provide as much information as possible to support your position. Incomplete answers will often lead to more questions and potential delays as your case is not the only one being examined by a revenue agent.
4. Meet mutually agreed upon deadlines and contact the agent early if complications arise and establish a revised date.
5. Provide a release to permit the agent to talk with your experts, other than your CPA, enrolled agent, or attorney, if necessary as this may speed up resolution of the examination.

## Onsite SLASH GRINDING BRUSH REMOVAL



## Fast! Cal Fire Exemption Operations CLEAN UP PRE-COMMERCIAL THINNING Homesite DEFENSIBLE SPACE

Using mobile tracked 240hp  
horizontal grinder, fed by excavator

MaxMix LLC  
maxmixcompost@gmail.com  
Ethan Luckens and Claire McAdams, Co-Owners  
295 McAdams Road, McKinleyville, CA 95519

707.832.3181  
707.559.8250  
Serving All of Northern California



## Casualty Losses

Continued from page 8

6. If conflicts arise, consider requesting a conference with agent's manager. Any meeting should be about the issues and procedures not personalities. **Keep the meeting professional.**
7. Consider requesting involvement of an IRS forester (generically referred to as an Engineer from the Large Business and International (LB&I) division of the IRS. This request can be done on a consultation basis between the forester and revenue agent.
8. Request a copy of the agent's report and appraisal and other documentation, if appropriate, if the claim is proposed for partial or complete disallowance. The report should identify the issue, the facts, the applicable statutes, regulations, rulings and court cases applicable to your tax return. Identify the time frame to prepare a rebuttal if there are substantial errors in the agent's report.
9. Consider contacting the Taxpayer Advocate's office if other efforts at resolution are unsuccessful.
10. Consider requesting forwarding of your case to the Appeals office of the IRS if resolution cannot be achieved at the audit level. At this point, you may want to review your position and facts to reassess your probability of success.

**Personal observation:** Much of the audit portion of the IRS is understaffed and overloaded with work, and lack the knowledge to deal with forest fire casualty losses; however, most employees want to do the right thing. As a result, remember that a "Please" and "Thank-you" will probably buy more cooperation and faster resolution of the issue than bluster and bombast.

**Caveat:** While the statements and examples cited in the publications/links above are considered to be correct based on regulations and court cases, the IRS is not bound by the analysis, conclusions or recommendations from the last four sources during an audit. Its authority stems from the applicable statutes and regulations. **Proceed with caution** if you take an aggressive position relative to the interpretation of the regulations and statutes.

**Note:** On August 23, the Governor asked the President to declare the California major fire damaged areas as federal disaster areas. We will update members by email and post on the website.

**Disclaimer:** *The purpose of this document is educational and is general in nature. It is NOT intended to provide legal or accounting advice, since the facts and circumstances of each taxpayer's individual situation need to be taken into consideration for an appropriate application of the tax law and associated regulations related to the preparation or filing of a completed tax return. Questions should be discussed with your accounting, legal and other appropriate professional advisors.*

## Request for Submissions About Inter-Generational Planning

FLC would like to regularly include stories about landowners and their inter-generational planning in each newsletter. The article should be approximately 350 words in length. Please include two or three photos of your forest property, and we hope you will consider including family members.

Alternatively, if you have another story about your property that you believe would be of interest to others, please send along.

You can submit your article to Deidre Bryant by email at [deidreb@forestlandowners.org](mailto:deidreb@forestlandowners.org).

## Help Spread the Word

The FLC Membership Committee has been working on ideas to help promote the benefits of being a member of Forest Landowners of California (FLC). One of their efforts is promotional flyers that could be used to market FLC to neighboring forest landowners or to post on the bulletin boards of local community centers or grocery stores.

There are two versions available. You may click on the links below to view each flyer. If you would like some color flyers sent to you, contact Deidre Bryant at the FLC office, (877) 326-3778 or [deidreb@forestlandowners.org](mailto:deidreb@forestlandowners.org).

Got Forest Flyer #1:

<http://bit.ly/FLC-Got-Forest-1>

Got Forest Flyer #2:

<http://bit.ly/FLC-Got-Forest-2>



# My Herbicide Treatment Experience

By Val Parik

This year during Forest Landowners of California's (FLC) Annual Meeting, participants learned about current practices using prescribed fire as a tool to manage our forest landscape. Alternatives to prescribed fire include mechanical treatment and herbicide treatment, which can also possibly serve in preparation for prescribed burning. My recent experience has been mechanical treatment followed by herbicide treatment under a cost share agreement with National Resources Conservation Service (NRCS).

Many of our FLC members have watched my virtual Field Day video identifying stewardship activities on my land in Mendocino County. Currently available on FLC's webpage, the video shows shaded fuel break and timber stand improvement activities on approximately 30 of 144 acres. It also shows how quickly regrowth returned with sprouting shrubs following mechanical mastication in 2018 and 2020.



*Pre-herbicide treatment illustration*

The thought of whether this endeavor was worth the effort certainly crossed my mind. Thankfully, herbicide treatment was incorporated in the forest treatment plan. Insignificant non-hardwood brush, small diameter hardwoods and ladder fuels need to be managed for wildfire protection and health of the remaining timber stand.

I could make an argument for the benefits in sparing so-called insignificant species, e.g., Ceanothus and Huckleberry. Such species have their place for wildlife as well as other purposes. They remain untouched in areas beyond boundaries of the treatment plan for the time being. Also, California forest practice rules include a provision for a watercourse and lake protection zone (WLPZ), which includes areas left untreated for the benefits of wildlife and erosion control. Regarding other purposes for Ceanothus, I have cut firewood-sized stock for barbecue, smoker, and sauna fuel as another example for its usefulness. Regarding Huckleberry, I have been blessed with an abundance of seasonal berries, useful as a forest snack, dessert recipes and, of course, my popular Huckleberry Liqueur (hooch). Hardwood species such as Madrone and Manzanita were selectively chosen within treatment areas to be protected, allowing for varietal species landscape and aesthetics. Occasionally, some hardwood varieties are not saved within a treatment area while determining forest management priorities.

The species identified to get herbicide treatment within my plan included Tan Oak, Laurel, Ceanothus, Coyote Brush, Huckleberry, Poison Oak, Pampas Grass, and selective Douglas Fir, Madrone and Manzanita. Tan Oak and Huckleberry are the dominant understory species on my property. 2021 was the first year for herbicide treatment other than spot treatment of poison oak. Initially, we treated 12 acres following mastication in 2018. Regrowth was allowed to about waist-height for prescribed chemical application effectiveness. A licensed Pest Control Advisor (PCA)

*Continued on page 11*



## My Herbicide Treatment Experience

*Continued from page 10*

examined the treatment area and provided a written prescription. Glyphosate, Garlon-3A and Methylated Seed Oil were used on non-hardwoods. Polaris-SP (imazapyr) and Methylated Seed Oil were used on hardwoods. A qualified crew performed the application of the chemicals. A report was recorded for the county.

My Registered Professional Forester (RPF) recommended a Licensed Pest Control Advisor (PCA) who was also an RPF. She was pleased with the outcome from mechanical treatment and appreciated the mix of intentionally spared species (Madrone and Manzanita). Following examination of the project scope, we decided to postpone chemical treatment for an additional year primarily because Tan Oak had not reached desired growth height. Huckleberry was ready in terms of size, but I was concerned about the expense of a returned visit to herbicide the same area for other species. I learned later that the specific chemical used for non-hardwood treatment was different and would be applied separately. Vasquez Reforestation from Fort Bragg provided the chemical applicator crew. Their supervisor arrived a day earlier to examine the work area. On the day scheduled for application, the morning was clear with winds less than five (5) mph. The experienced crew suited into their protective clothing, including Tyvek coveralls, respirator, rubber gloves, safety glasses and forestry traction boots. They used Stihl brand backpack sprayers. Their vehicles were prepped with 300-gallon water tanks. Chemicals were mixed on-site. I was happy to see that they were using blue dye mix which made it easy to see where spray coverage was applied. PCA written prescription and United States Department of Agriculture (USDA) procedures were followed as planned. I was on-site to verify area boundaries and confirm protected areas.

It was pleasing to see that the crew was experienced. They were adequately spaced and worked well together. I was prepared to be an observer with my own respirator and coveralls. I observed from a safe distance and periodically used my ATV to patrol the area of operation. The smell of the chemical was like a latex paint aroma but strong enough to recommend respirator use. Vapors dissipated by the hour and practically no smell was sensed the next day. The herbicide application was completed in approximately six (6) hours. The crew worked hard climbing hills but were pleased when I brought them refreshments at the end of the day. My cost for herbicide application was \$280 per acre.

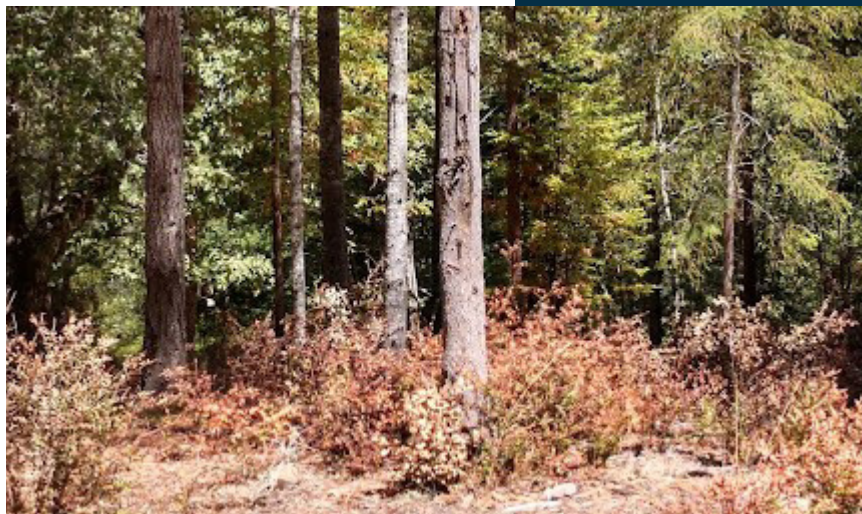
One month later, I returned to the property to assess the change in landscape. The before and after affect was evident, as the brush was now browner in color. No regrets that was the intent. I have always struggled with how the dominant Tan Oak resprouted vigorously after cutting. To find a successful method of control is relieving. The dominant Huckleberry still showed some stem greenery at the base. Hopefully it will continue to deteriorate as treated. Time will tell.

The area treated with herbicide is generally more exposed to sunlight than future planned herbicide treatment areas. The next area will amount to more acres but with less foliage for treatment. Until then, I will continue to monitor deterioration in treated areas annually during seasonal dry and wet conditions. Following tree pruning, mastication and herbicide treatment, prescribed burning can be a viable option; however, it may not be necessary. One of my prescribed burn concerns is the germination of Ceanothus seeds. I have seen this aggressive regrowth in areas of burn piles in the past that I continue to monitor and treat mechanically.

It feels good accomplishing another phase of my forest stewardship plan.



*Same location as previous illustration, post herbicide treatment*



*Post herbicide treatment illustration*



## Our Story About NTMP Partnerships

This is intended to be the first in a series of articles on how Forest Landowner of California (FLC) tree farmers have partnered on joint NTMPs and how well the partnership has worked. This article reviews the process that Tom and Jan Linville and Mike and Belinda Small have followed with their forester, Jim Ostrowski, to complete a joint NTMP for their two adjoining forests near Gazelle in central Siskiyou County.



*Mt. Shasta from the Small forest*

Following retirement, the Linvilles purchased their ranch in 2008 about five miles west of Gazelle, which included 160 acres and a modular home. About half was forested with beautiful conifers and the remainder in brush and hardwoods with elevations ranging from 3,500' to about 5,000'. We soon joined FLC and began learning how to manage forests and all about California's regulatory process for harvesting trees. Throughout the years, we added another 160 acres of smaller nearby parcels, and conducted two NRCS thinning grants and one CalFire grant. In 2016 our forester, Jim Ostrowski, prepared a California Cooperative Forest Management Plan. We eventually determined that our forest was simply too small, with a current inventory of about one million bf, to prepare an NTMP, which was estimated to cost up to about \$40,000. We would have been harvesting our trees simply to pay for the preparation of the NTMP. At this point we were thoroughly dispirited and concluded that our forest scale was simply too small to effectively comply with California's expensive forest harvest regulations.

The situation changed when our best friend and neighbor who owned the adjacent 318 acre forest passed away, and our friends, the Smalls, inherited the property. The Smalls were excited about learning about forest management and were open to the concept of joint forest management with the Linvilles. Now the joint forest could possibly include 640 acres and more than three million bf of timber. Perhaps big enough to support the NTMP process.



*Mike Small with an old hand fallen stump*

In 2016, Mike and Belinda Small inherited the forest property from Mike's aunt. His aunt and uncle purchased the property in 1965, and in the early 1990s part of the property was logged. Mike's aunt loved her forest and personally attempted to manage the forest for mistletoe and pine bark beetle. This was an overwhelming task. In 1977 Mike visited the property for the first time and built a perimeter fence completely around the property. Since 1977 he and his family have frequently visited the property and have many enjoyable memories of their time there. Their goal is to pass it onto their children, so they can keep creating memories. Through sustainable forest management they can maintain a healthy forest that will help ensure that their children can enjoy it in the years to come. Mike and Belinda retained Jim Ostrowski as their forester (Jim was also forester for the deceased aunt.). Jim prepared a California Cooperative Forest Management plan for the Smalls.

Through extensive outreach with both parties, Jim Ostrowski was able to explain the benefits of the NTMP process for long-term forest management and the benefits of a partnered NTMP in the form of reduced plan preparation costs, and significant benefits during timber harvest through larger log sales, shared move in costs and coordinated forester management of the harvest process. Jim noted that California Forest Practice Rules allow for multiple landowners to be the landowners of record on an NTMP. This was in recognition of the many smaller ownerships that may find that joint operations and management of many smaller parcels would provide the economy of scale needed to have a productive tree farm. When he evaluated the request by the Linvilles and Smalls to prepare a joint NTMP he felt that there needed to be a few questions answered for the preparation of a successful project.

1. Do the landowners already have a good working relationship and are their management goals for their forests lands similar?
2. Would it be advantageous to conduct harvests, road maintenance and other management

*Continued on page 14*



## Fire Damage Perspective

Do you know how many acres are in a square mile? How big are some of the large fires we have experienced in the last few years? To make these numbers a bit more understandable let's relate this to driving the length of the state of California on Interstate 5. According to Cal Trans data, it is just less than 800 (796) miles from the Oregon border to the Mexican border.

Under the Public Land Survey procedures, a section contained 640 acres and was a square mile in area. Assuming an auto traverses a mile in a straight line through the middle of a section, the driver could look on either side of a road for 0.5 mile to see the edge of a square mile or the equivalent of 640 acres.

Since many agency and news reports describe fire size in thousands of acres, what is the distance the driver travels to cover 1,000 acres. Keeping the math simple, a thousand acres is approximately equivalent to 1.5 miles on the road in a North/South direction. Again, the burned area extends for 0.5 mile on both sides of the road.

### Major Forest Fires 2020

Fire Name	Acres
August Complex	1,032,600
CZU (Santa Cruz)	86,500
Glass Fire	67,500
LNU Lightning	363,200
Sheep	29,600
North Complex	318,900
Slater	157,300
Zogg	56,300
Red Salmon Six Rivers	143,300
Creek, Shaver Lake	374,500
Sequoia Forest Complex	169,700
<b>Total Major Forest Fires 2020</b>	<b>2,799,400</b>

Distance equivalent 4,199 miles or nearly 5.25 trips between California's northern and southern border

### As of August 23, 2021

Fire Name	Acres
Lava	26,365
Dixie-Jarbo	731,310
Antelope	64,827
Salt, Shasta Lake	12,700
Tamarack	68,637
Monument	152,125
McFarland	118,624
Caldor	117,704
River Complex, Etna	87,782
<b>Total August 23, 2021</b>	<b>1,380,074</b>

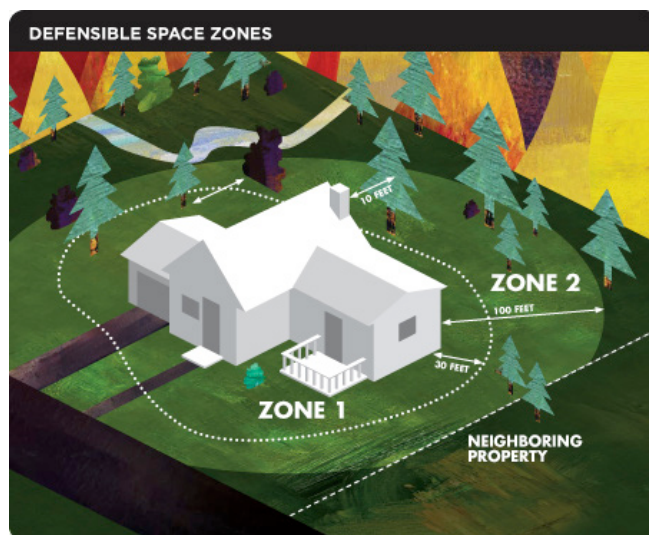
Distance equivalent to 2,070 miles in 2021 or more than 2.5 trips this year. This is likely to increase in the coming months until we receive meaningful rainfall.

## Excerpts from the Fall 2015 Newsletter

### Defensible Space and Preparing Your Forest for the Possibility of Wildfire

We know that spring is a time when many landowners are in their forests assessing defensible space, for those landowners whose property is located in wildfire regions.

In the fall 2015 edition of the Forest Family News, the newsletter featured two articles on defensible space and preparing your forest for the possibility of wildfire. These articles serve as a resource, and we have compiled them into a document that is posted on the FLC website. It is titled "Defensible Space and the Possibility of Wildfire." You can find it here: <http://bit.ly/2DSWP21>





## Our Story About NTMP Partnerships

*Continued from page 12*



*Masticator thinning the  
Linville Forest*

and yield estimates in the NTMP documentation were kept separate by each ownership to allow each owner to act independently if desired.

projects together to save costs, negotiate with contractors and meet similar management objectives?

3. Can timber harvest and other costs and revenues be kept separate in case only one party wants to act at any given time to harvest or conduct management projects?

Having prepared a California Cooperative Forest Management Plan for each owner allowed Jim to have the information to answer these questions and make reasonable estimates of potential growth and yield for each property and how the timing of harvests projects may coincide. The result was a NTMP that allows for harvests when needed with reduced delays from typical THP timelines. The review team agencies recognized the long-term benefits of this NTMP on wildlife, fuel treatment and the local economy and provided workable solutions for NSO and botany surveys that can be done in a timely manner. Growth



*Linville forest  
in winter*

In conclusion, Jim completed the joint Linville and Small NTMP in 2020, and we have received full regulatory approval and signoff (# 2-20NTMP-00004-SIS). We now have a joint NTMP that ended up costing each of us less than half of the original estimate. We are already planning our first joint harvest that will primarily focus on cleaning up significant infestations of dwarf mistletoe in our forests. We are hopeful that our larger scale of harvest will result in reduced move in and site preparation costs, and result in more interest from the loggers and mills and better prices. Finally, we are now able to effectively manage our joint forests for the long term, through succeeding generations, of Smalls and Linvilles in a sustainable manner under the auspices of the joint NTMP, with the assistance of future generations of Ostrowski foresters.

Questions regarding this partnered NTMP can be directed to Jim Ostrowski Forestry, at 1517 Davis Place Road, Mt. Shasta, CA, 96097, or by email to [jimostrowski@gmail.com](mailto:jimostrowski@gmail.com). The Linvilles can be reached at [tjlinville2@gmail.com](mailto:tjlinville2@gmail.com), and the Smalls at [small3711@yahoo.com](mailto:small3711@yahoo.com)

*Continued on page 15*

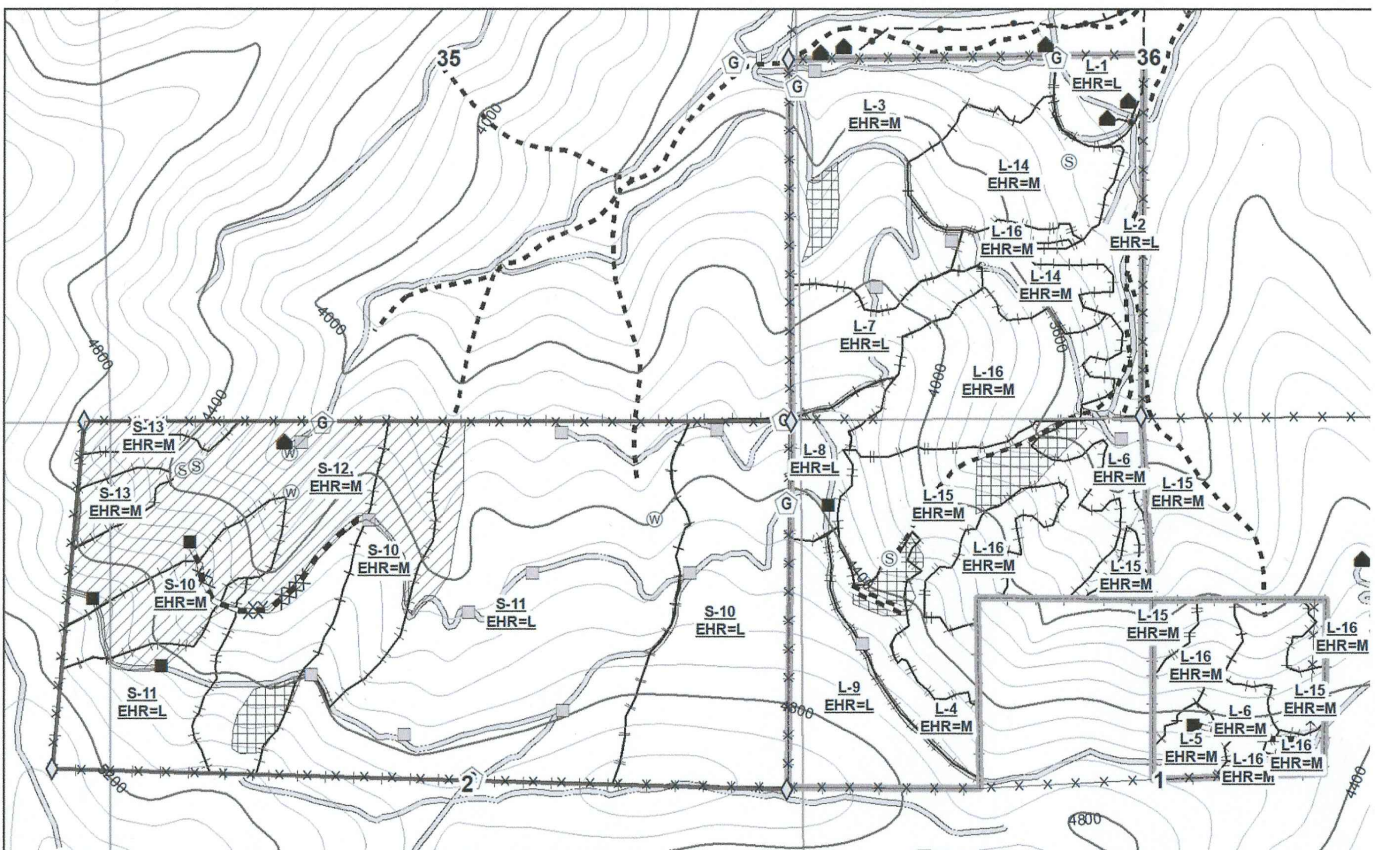


## Postscript...

As this newsletter was being readied for printing, the Linvilles were in escrow to purchase two additional 40 acre parcels of adjoining forest property. The parcels had poor access, were quite steep, and their primary usage would most likely be for either forestry or growing cannabis. The parcels have modest stands of mature timber and are being incorporated into our joint NTMP. Jim considered that it would be straightforward to amend the NTMP and that will be completed in a few months. Also, the projected value of the standing timber could cover a significant portion of the property purchase price. With these new parcels in the joint NTMP forest management, including timber harvests, will be more efficient. This acquisition shows the fundamental power of the joint NTMP. Without it, the small forest parcels had no forestry value and could not be efficiently managed in compliance with forestry regulations. But, with the larger scope of the joint NTMP, the forests can be efficiently managed. The joint NTMP is the magic key that can unlock the harvest potential of a forest.

### Linville and Small NTMP Operations

T.42N & 43N, R.7W MDBM



LinvilleSmall NTMP Sec 2.docx

## NSO Forum III (held February 25, 2021): The Summary

*Editor's Note: This article was referenced in the President's message published in the spring issue but was inadvertently omitted. While we updated the electronic version of the spring newsletter, we are including it in print as it should have appeared in the spring issue. Our apologies for any inconvenience.*

For myself and for other small private forest landowners who steward NSOs, I was hoping, and advocated, that this Forum, in its third year, would serve as the “Big Reveal,” with the agencies finally unveiling their long-awaited joint Federal/CalFire/California Department of Fish and Wildlife (CDFW) decision about a new policy mechanism to protect Northern Spotted Owls (NSOs). We have long needed, and lacked, certainty of rules, rules based on the best science, a way for landowners to directly speak with the agency with authority (US Fish and Wildlife Service), and a way for abandoned/no longer current NSO activity centers to be removed from the CalFire NSO database. Since at least 2013, when The Buckeye hosted its Buckeye Forest Project workshop with grant funding by the California Tree Farm System, private landowners who steward NSOs have been making urgent pleas to find a better NSO presence measure than the 2-year, 6 surveys per year NSO protocol, and yet it remains. Because two years of NSO survey data must be provided in order to obtain a THP or operate with a NTMP, forest landowners have been unable to sync their harvests with ‘better’ timber markets—that is, to market time. Without this ability, timber harvests can bring loss, not profit, to the forest landowners.

As you will recall from past FLC annual meeting speakers, the CDFW held a years-long stakeholder process to improve NSO regulation, but kept it largely in-house, not open to FLC or other ‘outside’ groups’ or individual landowners’ input. The NSO Forum became the de facto venue for public and regulated public input, as our sense of urgency and need for an interagency (Federal/State) solution to NSO regulation built. During this time, NSO decline became precipitous, due largely to Barred Owl incursion into NSO habitat.

Even now, with landowners desperately waiting for a policy announcement, the NSO Forum III remained largely research-oriented. What has the research shown?

One striking takeaway from the NSO Forum II (held in 2019) was that we humans would ‘play God,’ to try to protect the NSO from demise due to Barred Owl incursion into NSO territory, by eradication of the Barred Owl. The feasibility, less so the ethics, of this was discussed. Pilot eradication projects went on. The Barred Owl continued its aggressive incursion, and NSO populations continued to plummet.

This year, in NSO Forum III, we heard researchers share a new wrinkle in the NSO-Barred Owl saga: Hybrid NSO/Barred Owls. A hardy hybrid bird is emerging, and is numerous, even as we struggle with NSO protection mechanisms. The hybrids are capable of reproducing, and are. Evolution is at work in nature. In FLC’s Forum III presentation, I asked what this means for our Federal and State efforts to protect the NSO? Does hybridization change our understanding of whether the NSO is endangered? Does the Federal Endangered Species Act speak to species that are successfully hybridizing? Does CESA?

The good news from NSO Forum III was that the Federal and State agencies are finally working together to craft a proposed Safe Harbor Agreement (SHA) for use by landowners statewide, who steward NSOs.

We hope that it can put an end to the onerous 2-year 12-survey protocol, and give a lesser cost and predictable mechanism for landowners to both steward their NSOs and access their most productive timber for harvest. However, the USFWS resisted opening the SHA drafting process to stakeholder input, stating we could see it when it was complete and published in the Federal Register. FLC requested at the Forum, and since then directly to the USFWS regional office, that public input be part of the agencies’ process of SHA policy drafting. We who will be impacted financially, as well as the general public, should have a way to state our needs as the proposed SHA is developed, so that it reflects our ‘ground truths’ and the most timely research knowledge. We remain hopeful that the USFWS will allow that.

If you would like to experience the entire NSO Forum III for yourself, it was recorded. The website address is <https://wildlife.ca.gov/Conservation/Timber/NSO-Forum#536642809-2021>.

*Continued on page 17*



### NSO Forum III

Continued from page 16

For your future use: The points below might be useful to you in writing public input letters concerning the small/non-industrial perspective on the NSO issue, but also other issues, so I share these points in Italics, below:

*Forest landowners offer, through our [NSO] stewardship, multiple ecosystem services to public for free.*

*Small/non-industrial forest landowners do light touch forestry and our careful management practices help deliver water downstream to millions. We are not recognized or compensated.*

*Landowners need and deserve incentives [to steward NSO]s, to encourage multi-generational forest stewardship. This helps to keep forests intact and working to protect multi-benefits to the public.*

*Forest policies should help small forest landowners remain economically viable because we do the active forest management that will best protect the public from catastrophic wildfire. [Help small forest landowners remain economically viable so we can best steward the NSO, even as it continues to decline.]*

*Small/non-industrial forest landowners need regulations and written standards that have clarity so that variable interpretation is kept to a minimum. Rules need as few measuring requirements as possible to keep active management affordable and quick action possible.*

*For the future, refine [NSO] regulations to dovetail with statewide forest fuel reduction needs. [As Barred Owls dominate, NSOs seek out degraded habitat, such as the very overgrown vegetation that is most liable to burn in the hotter more frequent fires we can now expect.]*

*And with today's catastrophic wildfire prevalence, we must recognize a new factor in our efforts to [save the NSOs]: the urgent need for forest fuel reduction in California forests, for wildfire mitigation.*

*Landowners' [NSO] stewardship money today would be better spent on performing forest fuel reduction to lessen wildfire that destroys forest [NSO] habitat more surely than any human activity.*

*NSO survival and public safety via catastrophic forest fire mitigation are linked: wildfire reduces NSO food sources. A burnt forest "takes" all habitat.*

*To continue to hold forestland and steward [NSOs], we must be able to recoup costs of stewardship and have hope of profit. Only this can prevent forced sale/conversion of timberland into other land uses, including cannabis, subdivision, and vineyard—which lessens forested acreage just as the planet needs them to be expanded.*

## FLC Member Signs for Your Property

The Membership Committee continues to look at ways to promote FLC. In May, the committee identified something new – FLC member signs for your property. The signs are 26" wide by 22" tall, and they are made of corrugated sustainable plastic. Posting this sign on your property provides greater awareness to the public of the forest stewardship practiced by FLC members. The cost per sign is \$15; and if you purchase six or more, there is a discount. To purchase signs, contact Deidre Bryant at the FLC office, [deidreb@forestlandowners.org](mailto:deidreb@forestlandowners.org), or (877) 326-3778.



# Southern Redwood Region Log Market Trends

By John W. Williams, RPF 1677

When will log prices return to normal? Well, that is a very difficult question to answer. In the 45 years I have been active as a professional forester in the California redwood region there has never been a stable, "normal" market for sawlogs. Timber is a commodity product whose value is strongly influenced by the state of the economy, the demand for lumber products, local supply vs. mill capacity and other factors.

Since 1978 the California Department of Tax and Fee Administration (CDTFA), formerly the State Board of Equalization, develops and publishes Immediate Harvest Values for all commercial timber species sold in California twice each year for use in calculating the Timber Yield Tax. Immediate

harvest value is essentially the same as stumpage value, e.g., the value of logs delivered to the mill less the cost of harvest permit, logging and hauling. It is the net value (before taxes) that could be received by an owner of standing timber if the trees were cut and delivered to a purchaser's point of sale. These values are regionally adjusted and represent an average stumpage value for timber sold in the region. They are not generally appropriate for use in establishing the fair market value of the timber on a specific property, but they are very useful in identifying trends in stumpage values. The tables 1 and 2 show the 43-year and 10-year immediate harvest values for redwood and Douglas-fir.

In January 2007 redwood log immediate harvest values were approximately \$796 per MBF, and remained stable through the first half of 2008. The mortgage crisis and ensuing collapse of the U.S. housing market started to affect redwood and Douglas-fir log prices in the second half of 2008. Redwood log prices dropped to a ten-year low of \$389 by July 2012, 50% of its pre-recession value. In the eight years since, redwood prices increased to \$998 per MBF in July 2018 a 30% increase over the pre-recession value, but prices have since dipped down closer to pre-recession values. Douglas-fir recovered from its historic low in 2009 to a high of \$303 in July 2018 but has since slipped in response to adverse market and environmental pressures.

Two major events influencing the most recent drop in log values are the Covid-19 recession of 2020 and the recent annual recurrence of catastrophic wildfires starting with the Tubbs fire in 2017 and continuing through 2020 with the Glass and the LNU Lightning Complex fires. The effect of the wildfires has been especially severe on the Douglas-fir market. Burned Douglas-fir logs will remain merchantable for about one year before wood boring insects render the logs worthless as

saw timber. Timber landowners, both large and small, rushed to salvage log their burned timber and deliver it to the mills while it still had value. The quantity of logs offered for sale exceeded the production capacity of the local sawmills creating a buyer's market with its downward pressure on log prices. Some of the local Douglas-fir mills also owned fee timber that was burned in the fire and they naturally gave priority to salvaging their own logs over purchase of outside logs putting additional downward pressure on log prices.

*Continued on page 19*

Table 1

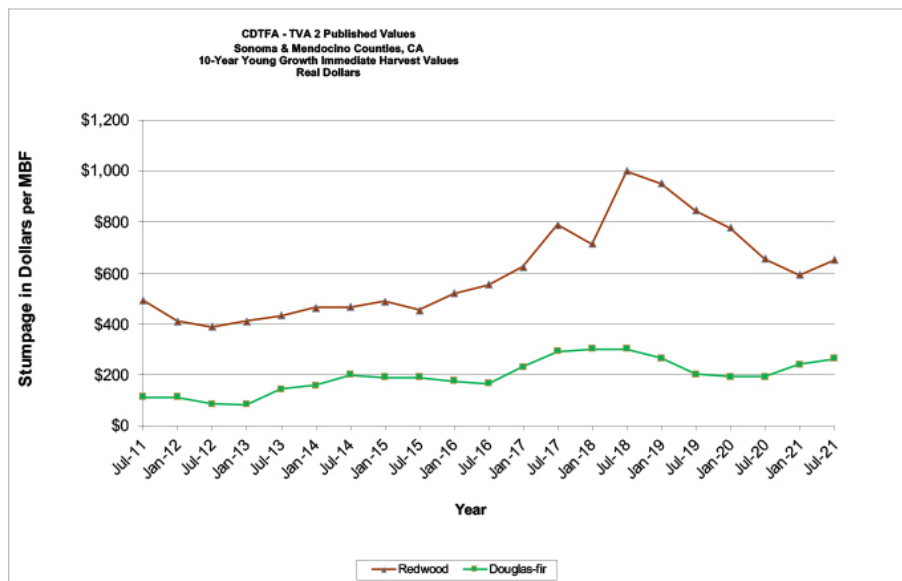
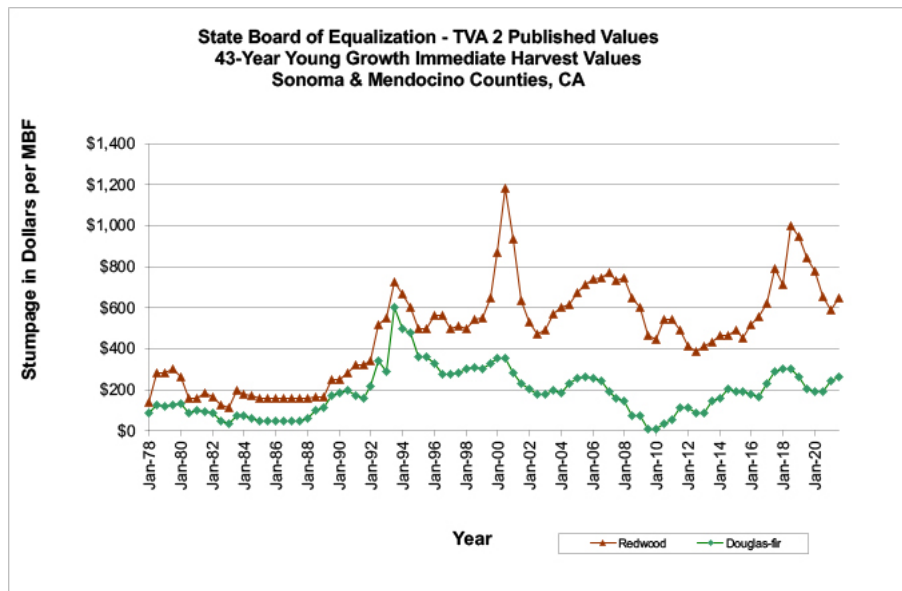


Table 2



### Current Log Prices and Trends

Log buyers for local Sonoma/Mendocino County sawmills agree that, assuming we do not have another big fire this fall, (a big “if”), both redwood and Douglas-fir log prices should be strong in 2022. Mendocino Forest Products (Ukiah) discontinued purchase of salvage Douglas-fir logs effective the end of July and are now purchasing limited quantities of green logs only. Most other mills in the region’s working circle are at capacity for the year and do not anticipate buying any more Douglas-fir logs in 2021. Green Douglas-fir log prices are expected to strengthen as we move into the fall. 2020 Douglas-fir delivered log prices are projected at between \$500 to \$550 per net MBF, some spot prices may be higher.

Redwood has not been nearly as affected by fire loss than has Douglas-fir. Two factors come in to play to explain the difference: 1) The majority of the recent fires have been outside of the redwood belt and typically affected Douglas-fir and pine stands, the Walbridge fire being a notable exception; and 2) Redwood is the only commercial conifer that sprouts and as such is far more resilient to fire damage. Owners of burned redwood trees are more reluctant to immediately salvage their burned trees in the hope/belief that the trees will recover. One log buyer expressed frustration with this reluctance, observing that fire-induced rot in young redwood trees may substantially degrade the merchantability of the tree in future harvests.

Redwood log prices have recovered and are trending upward. Log buyers I consulted expect 2022 camp run redwood delivered log prices to be in the range of \$1,000 to \$1,100+ per net MBF. Actual camp run<sup>1</sup> delivered log prices during the past five (5) years are shown on Table 3.

To date, even though we are again experiencing a catastrophic year of wildfires, so far none of these major fires have substantially affected redwood or Douglas-fir stands. The Dixie fire burning in northeastern California, which has now become the second largest wildfire in state history, is in pine and true fir stands. The other major fires this year have similarly been confined to pine and true fir stands with minimal impact on Douglas-fir or redwood. But until the fall rains come, the possibility of a major fire in the Douglas-fir and redwood region remains a real possibility.

A word of caution when comparing redwood camp run log prices. Unlike Douglas-fir, where camp run prices are the norm, redwood log purchasers typically prefer to purchase logs on a small end diameter size sort in which the larger the log diameter, the higher the value. For example, representative offered log prices based on recent 2021 log sales were: 6” - 16” \$900; 17” - 23” \$1,000; and 24”+ \$1,345 with a camp run value of \$1,050. But a different seller, with a different average tree size, using these same log size values, would receive a different camp run price. A timber owner conducting a stand improvement thinning of smaller diameter trees (e.g., thinning from below) might receive a camp run price closer to \$950 whereas a timber owner selling large mature trees might receive a camp run price of \$1,200 or more. Making matters more complicated, redwood log buyers in the southern redwood region each use different log diameter size sorts, some to a 6” minimum top, others to an 8” top, making direct comparison of price offerings by different buyers impossible. To get best value selling redwood logs in this market, the landowner should make certain the forester evaluating and comparing bids from the various mills has the software and the ability to model estimated harvest log volumes by each of the various log diameter sorts offered.

*Editor’s Note: General information and log price data presented in this article are derived from personal communication by the author with log buyers and information from the files of Environmental Resource Solutions, Inc. (ERS). All charts are courtesy of ERS.*

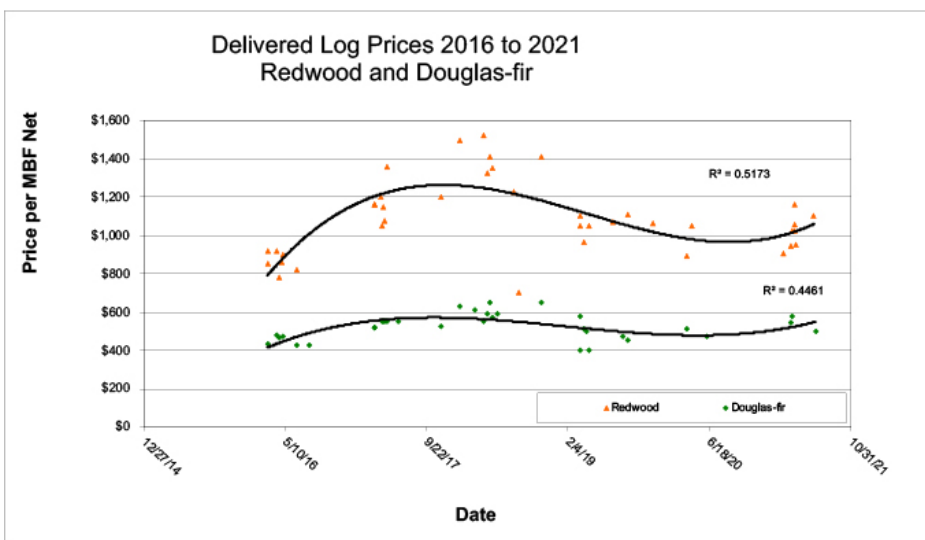


Table 3

<sup>1</sup> Camp run refers to a single price for all logs of a given species regardless of size or grade.

## Maven's Notebook

Sometimes resources can be found in unexpected places. "Maven's Notebook," is a free blog site that provides a great deal of information on current events affecting California water six (6) days a week. Because of the important relationship between our forests and water quality, the site frequently includes forestry issues such as wildfires, forest recovery following fire, watershed water quality issues, and forestry research issues. The blog articles are typically derived from state actions and reports, relevant newspaper articles, and forest research topics such as tree mortality. To access the site, simply Google search "Maven's Notebook." If you are already a subscriber, you will receive news alerts through email, based on your selections. If you are not a subscriber, find subscriber to the right of "Donate," and create your email subscription. There are several options for daily or weekly digests. Make your selections and click subscriber. You will need to verify your email address. You can also search the site by typing "forest" or "forestry" and related articles will appear. Enjoy!



**UNIVERSITY OF CALIFORNIA**  
Agriculture and Natural Resources

■ UC Cooperative Extension

## Register Now for a California Forest Stewardship Workshop

Online beginning October 12, 2021 -  
November 16, 2021

In-person Saturday, October 23 and Sunday,  
October 24  
Siskiyou County, CA

Join the workshop to better understand and protect your forests by developing a Forest Management Plan. Topics include:

- Forest management objectives and planning
- Forest health, insects and disease
- Forest and fire ecology, wildlife, watersheds
- Fuels reduction and forest resource marketing
- Mapping, inventory and silviculture
- Project development & permitting
- Getting professional help and cost-share opportunities

Participants will utilize online resources on their own time to complete learning modules and short activities. Zoom meetings with all participants and presenters will take place once a week on Tuesdays, 6:00pm – 7:30pm. The in-person field day will cover silviculture, forest inventory and mapping activities. Participants who complete the workshop will be eligible for a free site visit with a California Registered Professional Forester.

Registration for all Forest Stewardship workshops is available at: <http://ucanr.edu/forestryworkshops/>  
Registration fee all workshops is \$60. For questions, contact Kim Ingram, [kcingram@ucanr.edu](mailto:kcingram@ucanr.edu).



*Forest Landowners of California  
is a proud sponsor of the  
California Tree Farm Committee.*