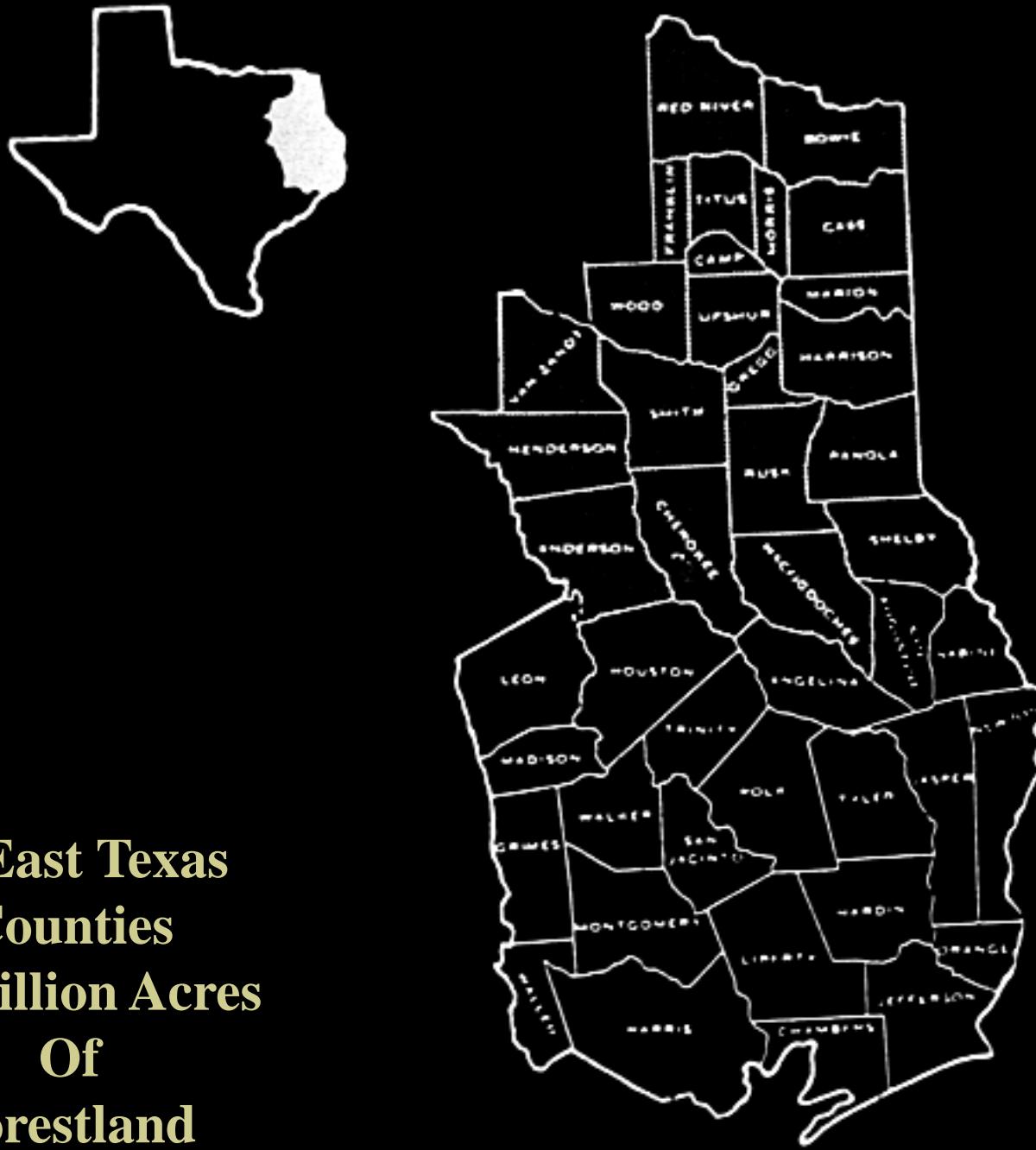


James Houser
Consulting Foresters, L.L.C.

Jacksonville, Texas

www.jameshouser.org

**44 East Texas
Counties
14 Million Acres
Of
Forestland**



Basis for Timberland As a Good Investment

- Relatively low risk.
- Investment asset diversification.
- Appreciating asset, incremental timber growth and increasing real estate values.
- Hedge against inflation.
- Potential for excellent rate return.
- Favorable tax treatment, both income and property tax incentives available.
- Recreational benefits and amenities.

Basis for Timber Land As a Good Investment (cont'd.)

- Land values are expected to remain steady or increase.
- Growth rate for pine plantations (properly managed,) average 10-15% per average over a 35 year period.
- Hunting lease income will offset property taxes.

A Typical Harvest and Income Schedule for an Average Loblolly Pine Plantation

<u>OPERATION</u>	<u>AGE</u>	<u>EST. INCOME/ACRE</u>
Thinning	15	\$ 100.00
Thinning	20	\$ 250.00
Thinning	25	\$ 750.00
Thinning	30	\$1,000.00
FINAL HARVEST	35	\$2,000.00

TOTAL PER ACRE INCOME (35 YRS.)
\$4,100.00

A Large Part of What a Consultant Does is Educate the NIPF as to Forest Management

**Always Take Advantage of Opportunities to Speak
At Forest Related Meetings**

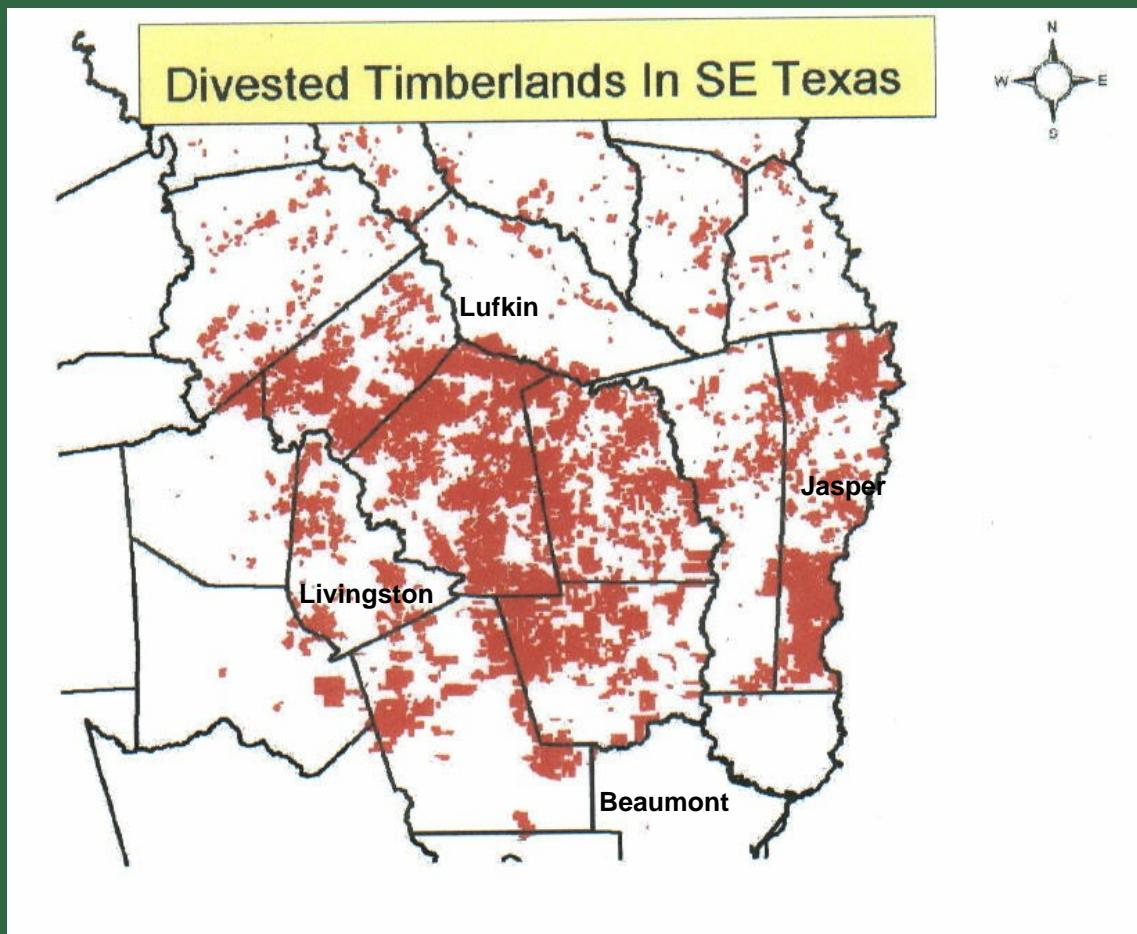
**Forest Landowner Associations
City Service Clubs
(Kiwanis, Key, Jaycees, Chamber of Commerce, etc.)**

RISKS AND CONCERNS OF FORESTLAND OWNERSHIP



T.I.M.O. Timberland Acres

Timberland Investment Management Organization



- 3.5 million acres
- Most in SE Texas
- Campbell
- Molpus
- Forestry Investment Associates
- The Forestland Group
- RMS
- Hancock buys TimberStar
- Prudential Timber
- Plum Creek
- Individual Investors

PROFESSIONAL LOGGERS AND CONTRACTORS!?





CAREER:

An occupation undertaken for a significant period of a person's life and with opportunities for progress.

Association Of Consulting Foresters



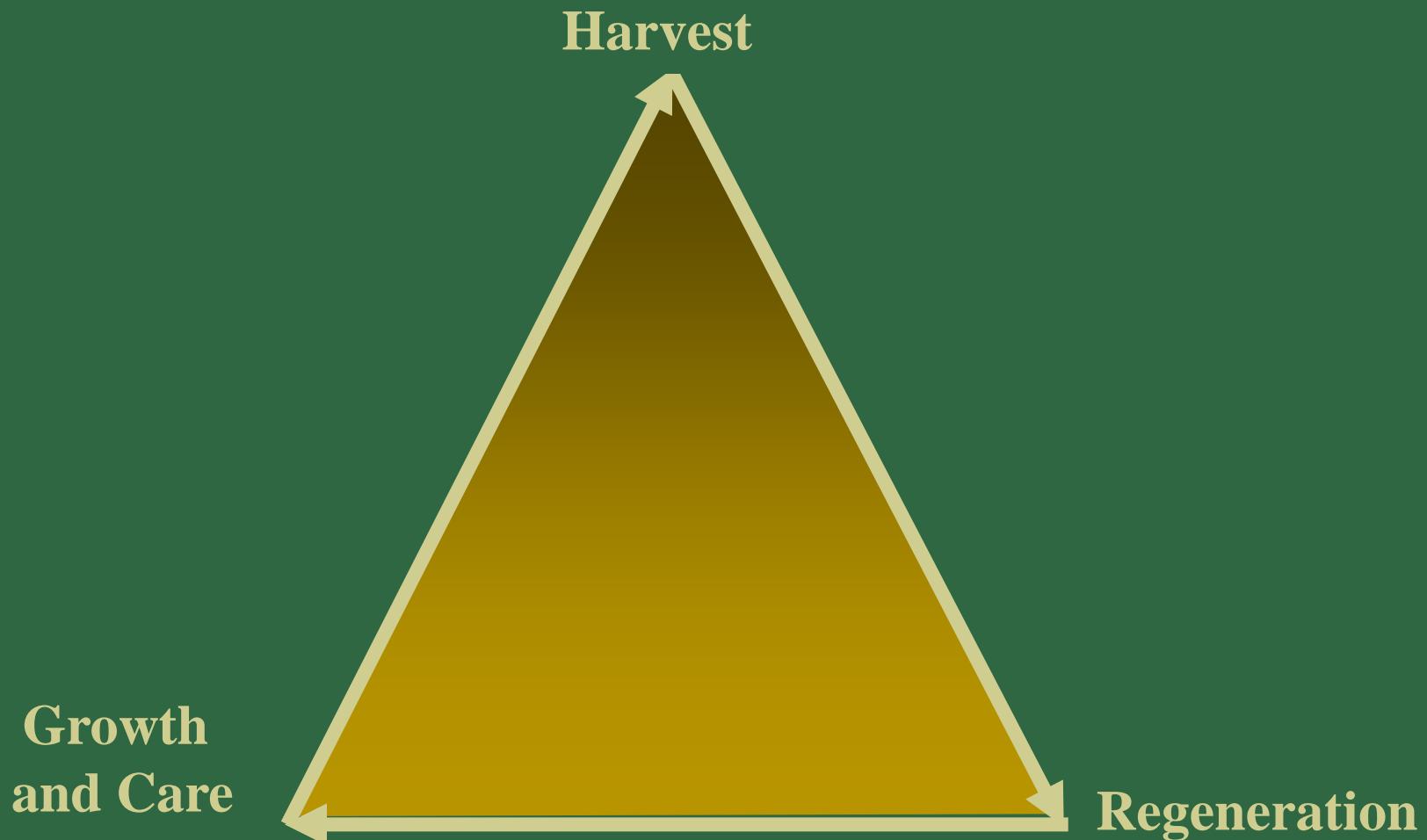
Society Of American Foresters



On Site Meeting with Landowner



Management Cycle of a Forest Stand





**Eliminate Diameter Cutting As Management
These Trees are the Same age - 32 years**



Reforestation Cost From \$250-\$600 Per Acre

Reforestation Without Heavy Site Prep





When to Thin
Age 15-Should Have Thinned At Age 11



Measure Response to Thinning

3/10/93

Forest Certification

-American Tree Farm System (ATFS)

American Forest Foundation

-Sustainable Forests System (SFI)

-Forest Stewardship Council (FSC)



Certified Tree Farm Inspector



15 Year-Old Stand After First
Thinning



**25 Year-Old Stand After
Third Thinning**

Oriented Strand Board (OSB or Waffer Board)

Long-Lived Carbon
Containing Products



High Quality Plywood





Biomass and Pellet Production

Reducing The Amount of Long-Lived Carbon Products?

BIOMASS & MULCHING CHIPPING OPERATIONS









Become a Part of The Forest
Community

Become Active in Forest
Industry Organizations

Tours and Demonstrations





Five Year-old Plantation





Age Diversification

Three Year-Old Plantation



Multi-use





**Don't Miss Opportunities
to Find the Big Bucks**