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State Forest Timber Sold For Below Market Prices, New Report Finds

State forest timber harvests increased dramatically since 2005. And new report finds that over these past 14 years, sale prices of state forest timber have been, on average, 43% lower than the prices fetched for average quality timber sold from private land.

Another finding: the costs associated with state-run timber production are far from transparent--with no accounting for the staff time, road-building and other costs associated with the program.

Concealed Costs of State Forest Timber Sales, a new report researched and produced by the Indiana Forest Alliance (IFA), examines these and other key questions about timber harvests in Indiana state forests.

“The Indiana Division of Forestry (DOF) has increased timber harvests from our state forests during a period when timber market prices declined,” said report co-author Morton Marcus, director emeritus from the Kelley School of Business at Indiana University. “This is an attempt to make a quick buck rather than providing Hoosier taxpayers with a good return on their investment.”

As the report details, the exact costs of the state-run timbering program are impossible to deduce. “If externalized costs such as damage to county roads and bridges from logging trucks were included in the equation, the return on investment in our state forests would be even more bleak,” said Rae Schnapp, Ph.D., IFA conservation director.

Added Marcus: “Why are we emphasizing timber sales in our state forests? We don’t have state cornfields. The state is treating our state forests like their most important value is as a crop.”

The report concludes with five recommendations ([see page 27](#)) related to timber harvesting in state forests:

- better cost tracking systems
- altered sale procedures that would garner better prices for state forest timber
- reduced timber harvest levels and more emphasis on the value of state forests for purposes other than timber production
- an alternate formula for compensating county governments for timber extracted from their counties
- Increased public input and transparency

“We hope the revealing data in this report will be useful to lawmakers as state forest-related legislation is proposed in the 2019 Indiana General Assembly,” said IFA Executive Director Jeff Stant.

Sen. Eric Bassler (R-Bedford), Sen. John Ruckelshaus (R-Indianapolis) and Sen. Mark Stoops (D-Bloomington) are all planning to file bills pertaining to the state’s logging program on state forests.

“State forests are not that valuable to Indiana's timber industry given that they comprise only 3% of Indiana's forested lands,” said Stant. “When the Division of Forestry logs these state forests, they are destroying the forests’ greatest value to Hoosiers: wilderness.”

Concealed Costs of State Forest Timber Sales is the first report in a series called *Concealed Costs and Hidden Values* about the evolving roles of Indiana’s state forests. These reports are designed to inform thoughtful discussions about our state forests. This first report is available online in both summary and full-length versions at www.indianaforestalliance.org/concealed-costs. Additional reports will be posted this spring.

Communities wishing to hold public dialogues about state forest issues may invite the report’s authors to lead discussions or make presentations. Contact IFA at 317-602-3692.

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About the Indiana Forest Alliance

IFA is a non-profit, statewide organization founded in 1996 and dedicated to preserving and restoring Indiana’s native hardwood forest ecosystem for the enjoyment of all. By leading a coalition of citizens, organizations and decision makers, IFA establishes, protects, and restores forests for future generations.