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Private Land Section

Ground Hemlock

A Land Owner's Guide to Selling *Taxus canadensis*

Selling standing timber (stumpage) to a local contractor or mill is a fairly common event for many Island woodlot owners. In most cases, the deal is straight forward with the land owner and contractor agreeing on the price, harvest area and method, and several other factors.

However, in recent years many land owners have come to realize that their woodland may offer more than timber, pulpwood, and fuel. Many people also believe that non-timber forest products can generate income in a way which is not as disruptive as more traditional timber harvests seem to be.

One non-timber forest product which has generated a lot of interest in recent years is Ground Hemlock (*Taxus canadensis*).



(*Taxus canadensis*)

This evergreen shrub is a member of the Yew family and can be found in varying quantities on many Island woodlots. Several companies harvest Ground Hemlock twigs and foliage and sell it to processors who extract special compounds (*Taxanes*) which have pharmaceutical value for the treatment of several cancers.

Woodland Notes: Volume 4 explores this new product and how it is collected, and examines the land owner's options for dealing with buyers to ensure fair returns for the raw product without damaging the resource or the surrounding forest. It outlines several important factors land owners should consider when planning to sell Ground Hemlock harvest rights, and provides some food for thought about the future of your land.

How do I know if I have Ground Hemlock growing on my Land?

Individual Ground Hemlock plants can be found in many Island woodlots. Often it occurs in sizes ranging from small patches covering a few square metres to large blocks covering several hectares.

Ground Hemlock is a slow-growing, shade-loving shrub with flat, short, needle-like foliage. It has low, spreading branches which are usually between 50 - 100 cm long but may reach 200 cm or more in length.



Taxus height and size

Ground Hemlock is commonly found in rich, moist woodlands with a mixture of hardwood and softwoods. However, it can also be found in hardwood stands and areas along streams and ponds.

Explore these areas in your woodlot to see if you have any large patches of mature Ground Hemlock which could have economic potential. If you do, you may wish to mark the area and then contact several buyers to see if they are interested in purchasing your product.



Open grown plants

How do buyers determine if there is enough Ground Hemlock to collect?

There are no hard and fast rules about whether or not a Ground Hemlock patch has commercial value. Most buyers use several factors to determine if the site is worthwhile, but basically they look for sites which will keep one or more workers busy for a couple of days.

The most common assessment factors used are:

- the size and plant density of the potential harvest area;
- size and health of the plants;
- harvest history of the plants;
- the working conditions and terrain; and,
- the proximity of the harvest site to access roads where

trucks can collect several tons of material for shipment to market.

How is Ground Hemlock collected?

Ground Hemlock buyers are interested in the plant's twigs and foliage; particularly, the last few years' growth. The green branches, extending back about 15 cm (6") from the tip, contain the highest concentration of active ingredients. The harvester is paid by the pound, but only for the valuable parts of the plant.

These workers clip off the twig tips and collect them in large bags.



Clipping Ground Hemlock twig tips

Once the bag is full, they drop it off at predetermined points along a trail or road for collection. Then they get a new bag and go back to collect more. These bags are usually picked up by someone on a motorized vehicle such as an ATV and then delivered to roadside where a truck will take the clippings to the final buyer or processor.

Preliminary research indicates that if the harvesters take care and only collect the new growth without damaging the rest of the shrub, the plant can usually recover enough to allow another commercial harvest in four or five years time. However, where the

plant has had more than the last five years of growth clipped off, recovery is often poor.

As a rule, the plant will have its highest concentration of *Taxanes* during the August - April period. Snow loads will force the branches onto the ground making winter collection all but impossible.

More detailed information on sustainable harvest guidelines are available in the publication, "*Ground Hemlock Harvesting Guidelines*" which is available at all Forestry Division offices or online at www.gov.pe.ca/go/taxus1/.

How are land owners usually paid?

It is the responsibility of land owners to negotiate their own deal with the buyer but there are a few rules of thumb to follow. For instance, you could negotiate a price per pound or it may be possible to negotiate a flat rate for the sale of all of the available material. As well, you may ask for all of the payment upfront before work begins, or allow for partial payment now and full payment when the harvest has been completed.

In most cases the return to the land owner is not large; often several hundred dollars per harvest. Still, you can negotiate the best deal possible if you take your time to understand this product and the harvest industry.

As noted earlier, sites which have been harvested in accordance with sustainability guidelines may be ready again in as little as four or five years. By requiring the buyer to adhere to these guidelines, you may also be able to

negotiate a longer term agreement covering several future harvests. This could allow you and the buyer to develop a long term business relationship which can provide many benefits to both parties.

Regardless of the payment method, it is always best to get a quote from more than one buyer. This will allow you to compare prices and options before you decide on which one is best for you and your woodlands.



Taxus spread close up

What other factors should I consider when selling Ground Hemlock?

In addition to considerations about receiving fair payment, many land owners have expressed concern about the impact of the Ground Hemlock harvest on other areas of their forest, and on the birds and animals which live there.

For instance, most ground nesting birds need undisturbed conditions from mid-May to mid-July. You could restrict the harvest during this period to provide these birds with a measure of protection during their critical nesting period.

Access into the site can also be an important factor. The buyer and

workers must be able to get into and out of the site with their equipment and the harvested product, or attend to an injured worker. Mark the route of Entrance and Exit trails with bright visible paint and be sure to avoid young trees, sensitive sites, wet lands, dead or dying trees, and other areas where human traffic is not desirable.

When you determine which factors are important to you, be sure to specify them in a written contract with the buyer. A contract is your insurance that the things which are important are recognized and recorded before the harvest occurs.

A forest management plan can also help you to determine critical factors for your woodland. Many Island land owners have used the Department's Forest Enhancement Program to help them develop a plan for their forest. This plan contains information on tree and shrub species, forest health, and the recreation, wildlife and other potential of their woodland. It also recommends specific forest management treatments and ideas to help you manage your forest and meet your goals.

What are the financial implications from selling Ground Hemlock?

Income from selling Ground Hemlock is just that - income; therefore, there may be taxes due. However, it may also be possible to write off some of your costs against this income. Before you sign a contract and receive payment, consult with your financial planner to determine the best financial approach for you,

your pocketbook, and your woodlot.

Which buyer should I select?

Often land owners do not consider selling Ground Hemlock until a buyer comes knocking at the door. It is important to understand that while they approached you, you are under no obligation to select that company or to sell your Ground Hemlock to anyone at all.

It is best to take the time to consider your options and get some more information by asking:

- **Are the contractor and crew trained in sustainable Ground Hemlock harvest practices?**
- **Do they carry liability insurance and workers' compensation coverage?**
- **How do they intend to pay you?** Many contractors provide at least partial payment up front, while others may pay in one lump sum.
- **Will the payment be made by the pound or by the area?** Most Island contractors buy Ground Hemlock by the pound, so before any harvest activity occurs, get the buyer to state, in writing, the minimum weight they expect to collect and include it in your contract. This would indicate the minimum amount you will be paid by the buyer. You could also include penalties for failure to harvest the resource according to the guidelines, damage to the surrounding forest, or damages to roads and bridges.

- **What types of vehicles will they use to move the bags of clipping to roadside?** In most cases, they use an ATV and wagon. While these are small, light weight vehicles, they can do a great deal of damage on the wrong sites or if used improperly. Care should be taken to avoid unnecessary routes by restricting travel to only those areas where roads and trails are essential. Lay them out in advance and ensure that the workers know where they are and agree to stay on the predesignated roads and trails.
- **If they need to cross a farm field, ensure it is after the crop is harvested.**



Taxus close-up

- **Will the buyer be on-site or is the work supervised by a crew chief or foreman?** If it is someone else, be sure to meet this person before the harvest begins. Workers should also carry some visible identification to ensure that the people in your woodland are supposed to be there.
- **Are the property boundaries marked?** In order to avoid trespass problems with your neighbours, you should have your property boundaries clearly identified and ensure that the buyer and crew know

where they are and that they respect them.

- **Who is responsible for repairing damage to roads, fields, bridges or other structures?** It is usually too late to complain after they are finished about the condition of your roads or bridges, so be sure to put this in your contract.
- **Are they willing to enter into a contract and include the points you agreed to?** A contract is your insurance that the terms you agreed upon are met.
- **Are there other buyers working your area?** Contact several others and ask the same questions. It may also help to get several quotes first to see if the prices offered are reasonable and fair. A buyers' list is available from all forest district offices.
- **And finally, ask for a list of woodlot owners who have used their services over the past few months or years.** Contact a few of them to see if they were satisfied with the work, payment and adherence to the contract.

The Harvest.

When you are satisfied with the information you have obtained, make your decision based on what is best for you and your woodlot. As well, for your protection, be sure to insist on a signed contract which includes all of the points you consider to be important to you.

Where can I get more information?

If you would like help determining your forest management and harvest options, the Department of Agriculture, Fisheries, Aquaculture and Forestry's, **Forest Enhancement Program** offers sound advice and incentive programs for Island woodlot owners. Contact the Forest District office nearest you for more information or visit www.gov.pe.ca/go/fep

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