

Financial Benefits

For more than 45 years, SuperTree Seedlings has produced genetically superior seedlings for the Southeast. The ever-growing industrial need for wood, fiber and energy makes forestry a profitable long-term investment for all types of landowners. By investing in SuperTree Seedlings, you ensure quality trees with strong, commercially favorable traits, such as straightness and improved disease resistance, wood quality, and volume. Greater volume gain, increased profits and a lush plantation are great reasons to choose reforestation with SuperTree Seedlings.

Financial Advantages Growth and Economic Model of SuperTree Seedlings

Seedling Type	Height % Gain	Volume % Gain	Site Index	% Pollen Contamination	Sawtimber Potential	Cost per 1,000 Seedlings	NPV/ Acre
2.0 Gen	8.1	18.5	75.7	20	44%	\$52	\$11.60
2.0 Select	9.5	24.7	76.6	20	44%	\$53	\$32.83
2.5 Gen	11.4	29.7	80.4	20	44%	\$60	\$116.81
3rd Cycle	12.1	34.6	82.1	20	44%	\$63	\$162.22
Elite	14.0	38.3	83.4	20	44%	\$70	\$191.90
MCP	15.7	40.0	84.0	0	60%	\$140	\$241.01

Comparison of growth and yield benefits over unimproved seedlings.

*NPV (Net Present Value) is all expenses and revenues discounted back to today's money from the time of their occurrence.

Several basic assumptions have been made to generalize the results. A stand with a site index of 70 at age 25 years was 'grown' using a standard computer growth model, thinned once and then harvested at 25/26 years. The increased growth rate of each successive generation yields a greater portion of higher value products (sawlogs).

The average costs in this model of site preparation and forest management is \$285.00. The extra \$1 to \$4 per acre of SuperTree Seedling cost increases establishment costs by only a very small percentage. Spending just a little more for seedlings on a per acre basis is more than offset by the added value of the SuperTree Seedlings.

Other assumptions in this model:

The Net Present Value (all expenses and revenues brought back to today's money from time of their occurrence) includes a harvest cut at age 25/26. No other revenues such as straw raking, vine collection, hunting lease, etc. or costs such as taxes were considered in this model.

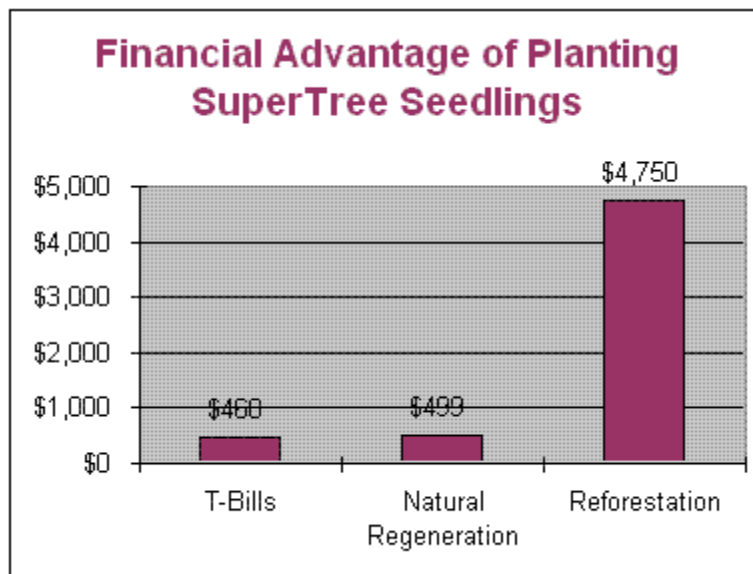
The cost of site preparation and forest management by activity was:

Site Prep	\$155
Planting	\$45
Fertilize 1 year after thinning	\$85
Total - \$285/acre	

*** A discount rate of 7% was assumed for this model.

Product values at harvest:

pine pulpwood	\$6.50/ton
pine CNS	\$22.00/ton
pine sawlog	\$40.00/ton



For conservative investors, reliable savings tools, such as United States Treasury Bills, can increase the comfort level, but can be very disappointing when it comes to a decent rate of return. Research shows that landowners who reforest can enjoy a safe investment tool, while increasing their original investment by 50 percent each year. As a landowner, if you invest \$200 in six-month U.S. Treasury Bills for 25 years, the real return would be about \$460 in 1995 dollars. If, on the other hand, you had invested that \$200 in reforestation activities (site preparation, planting with SuperTree Seedlings and weed control), your expected return from one acre of forestland would be \$4750. What if you had simply let the harvested land grow back through natural regeneration? In that case, you could expect only \$499 per acre as a rate of real return.