SEC Form 4

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person[*] **BRANNON TIMOTHY H**	2. Issuer Name **and** Ticker or Trading Symbol **RAYONIER INC** [**RYN**]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) (First) (Middle) **50 N. LAURA STREET** **SUITE 1900**	3. Date of Earliest Transaction (Month/Day/Year) 07/20/2009	Director 10% Owner X Officer (give title below) Other (specify below) **SR VP, FOR RESRCS**
(Street) **JACKSONVILLE FL** 32202 (City) (State) (Zip)	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	07/20/2009		M		5,693	A	$17.23	205,716	D	
Common Shares	07/20/2009		M		307	A	$18.59	206,023	D	
Common Shares	07/20/2009		S[(1)]		6,000	D	$36.44	200,023	D	
Common Shares								17,003.4809	I	In Trust[(2)]

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option	$18.59	07/20/2009		M			307	01/02/2005	01/04/2012	Common Shares	307	$0	0	D	
Employee Stock Option	$17.23[(3)]	07/20/2009		M			5,693[(3)]	01/02/2006	01/04/2013	Common Shares	5,693	$0	47,722	D	

Explanation of Responses:

1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on February 26, 2009.

2. Shares are held in the Rayonier Investment and Savings Plan, a 401(k) plan, for this person's account.

3. This option was previously reported as covering 20,000 shares at an exercise price of $46.00 per share, but was adjusted to reflect the stock split on 6/12/2003, the special dividend paid 12/19/2003 and the stock split on 10/17/2005.

Remarks:

W. Edwin Frazier, III, Attorney-in-Fact	07/21/2009
** Signature of Reporting Person	Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, *see* Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.