

The Economic Reality of Small Woodlots

The following article was adapted from remarks given by John Sullivan, Northern Adirondack Chapter NYFOA and 2005 NYS Tree Farmer of the Year, at a panel on New York's Forests and the Upstate Economy held during Forestry Awareness Day, March 19, 2007, in Albany.

We in New York boast about our numbers, which are pretty impressive. We have more than 15 million acres of forest land, and a forest-based economy that generates billions of dollars and tens of thousands of jobs. And the amazing truth is that 13 million acres of the state's woodlands are private non-industrial forests, that is -- they are owned by people like us. No wonder we hear people say things like, "The future of the forest economy lies in the hands of all those private non-industrial forest owners."

But we are not so well off as the numbers seem to indicate. Here are some other numbers:

- About 1.3 million acres of that 13 million acre private, non-industrial forest is actively managed. That's only 10 per cent.
- There are 500,000 landowners, but only 2,000 members of the Tree Farm system.
- There is an even smaller number of private woodlots in the state that enjoy FSC or AFS certification.
- And NYFOA has just about 2,000 members.

So I see a helluva disconnect between what we say about the future and what do to make it come true, and it all comes down to the simple fact that we need government policies and private actions that do a better job of encouraging people to manage their woodlots. It is that simple, and that difficult.

Let's talk first about government. We have an administration in Albany that has said it wants to breathe life into the upstate economy.

One of the first things it can do is pass legislation that will reduce the tax burden for forest owners and encourage woodlot management, in other words, link property tax relief to a management plan. But it has to do it in a way that people want to take part. The present tax law (Section 480-A) does that, but with so many restrictions that most potential participants don't want any part of it.

But if you don't participate, you are stuck in a system that not only does not encourage sustainable management, but that may force a sale and subdivision of the property, leading to fragmentation. Pressures on local government have led to what's called a "Tree Tax" in some places -- a tax that rewards people if they clear-cut their land and eliminate the trees. In other places, like the Adirondacks, we have instead what I call the Subdivision Tax, which means woodlots are assessed not as forest land, but as subdivisions waiting to happen. It is outrageous, but not unusual, for forest lands to be assessed at \$1,000 and \$2,000 per acre and sometimes more. Forestlands -- not camps, not or lakefront. The taxes are equally outrageous, and beyond the reach of many families who have lived in the countryside for years. So they subdivide and sell.

The resulting fragmentation is a reality today. That 13 million acres is owned by 500,000 people.

That's an average of 26 acre per woodlot. And the average is decreasing daily. Local government, by the way, can do its part by developing land use plans and enacting sensible zoning regulations.

Next, government must restore at least some of the technical help it used to offer to woodland owners. Thirty 30 years ago I could expect ready assistance from the Cornell Cooperative Extension, from one of three local DEC foresters and two industry-sponsored Landowner Assistance Programs. I could get cash from federal programs to do planning and conduct improvement work.

This year, I am told, there are Cooperative Extension offices with a forestry component in just 18 out of 52 counties. In Warrensburg, one extension forestry specialist covers three counties. Likewise, one local DEC forester covers three counties. There are no Landowner Assistance Programs. And the current federal Farm Bill would reduce, redirect or eliminate nearly all funds to help forest land owners.

If this is the future of the forest economy, God help us.

The forest products industry and we landowners can also step up to the plate. For instance, they can bring the personal touch back to providing help to forest owners, especially those who are new to the game. I know from my own experience that few things are more helpful than face-to-face contact with experienced people who can share their knowledge, spontaneously suggest action, or subtly shame you into doing what you need to do. With service foresters stretched thin, there isn't much time for that. So why don't the Tree Farm System, NYFOA and the Master Forest Owners get together, sharpen their grant-writing pencils and expand MFO activities in New York. MFOs aren't trained foresters, but they are knowledgeable and can be very helpful, especially in getting people started on the right track.

Industry can also help by remembering the small landowner in its planning. Renewable energy is a hot item these days, and growing and mowing willow fiber is a great idea. But so is gathering and chipping low-grade tree stems on some of those 500,000 woodlots and turning them into pellets or bio fuels. There are some real logistical issues to be handled, but they are worth handling.

We need marketing help. Small local sawmills seem to have disappeared, and portable mills don't really fill the gap. Where can we sell a half-load of logs? We need a way to aggregate the products from smaller woodlots, to attract more distant buyers and better prices.

Finally, let's not forget the big picture. We have a place in the economy, but also in society as a whole. I have never met a stranger who hasn't expressed envy at what I do because, they usually say, "you can go out and walk in the woods any time you want." That's true. Even city folks think a walk in the woods is good for you. And it is wonderful that they think it is something to be envied.

We owe it to those people to keep it up, to make sure that land owners receive the help and encouragement they need to become something more important – land stewards.