

Issues Confronting Family Forest Owners In the 21st Century

Background Assessment by American Forest Foundation

Demographic Challenge

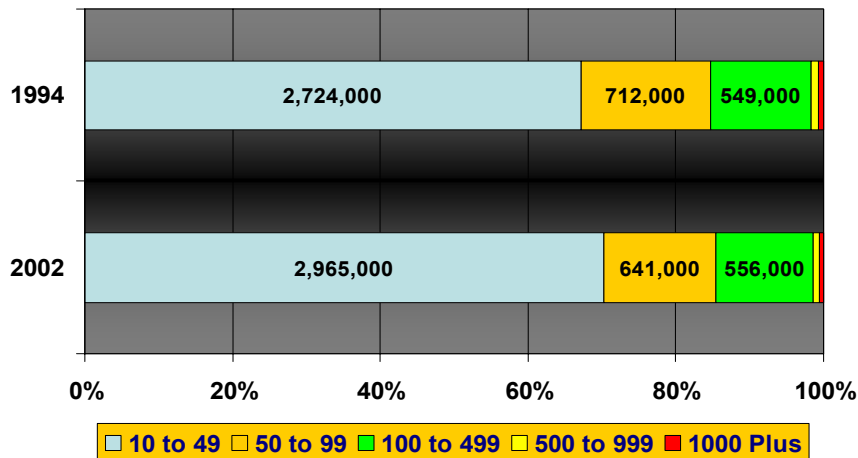
Current ownership patterns suggest median age for family forests owners of 60+. This portends major challenges for their heirs, and for others who care about sustaining family forests.

Increasing number of owners.

The number of family forestland owners is exploding. Between 1978 and 2002, the total number of owners grew from about 7 million to between 10 and 10.5 million.¹

Many Small Owners, Few Large: Number of Owners by Size of Property

Owners of More than 10 Acres



This chart looks at the 4 million families and individuals who own more than 10 acres. Eighty percent of them own less than 100 acres. Those who own more than 500 acres total only about 60,000.

Shrinking Tract Size

Parcelization and fragmentation of family forest tracts poses substantial risk to watershed health and wildlife habitat. Consider that 88 percent of precipitation falls on

¹ All data drawn from National Woodland Owners Survey, US Forest Service, 2002, www.fs.fed.us/woodlandowners/index.htm.

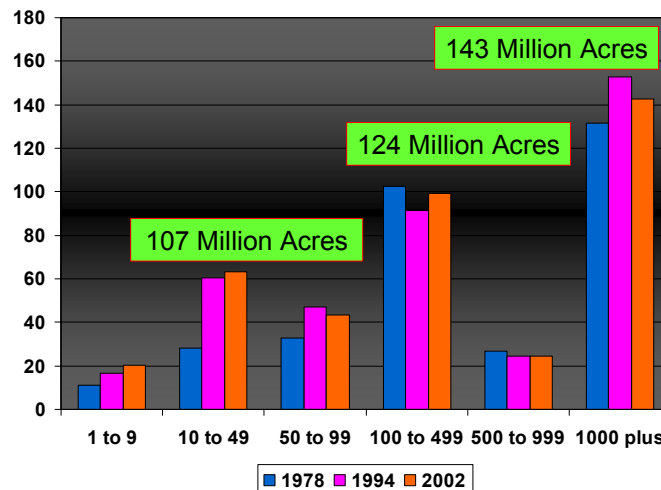
private land, and that 95 percent of endangered species find at least some of their habitat on private forestland.

Between 1978 and 1994, we saw dramatic fragmentation in the size of family ownerships. The fastest growing segment of ownership was the 10 to 49 acre class. In general, woodlots smaller than one hundred acres proliferated. The number with sizes between 100 to 1000 acres shrank.

This trend continued through 2002, albeit with some moderation and slippage.

Private Ownerships Continuing to Fragment

Acreage in Millions



Still, today we face a private forest land base where roughly 127 million acres is in the 1 to 99 acre size class, about 124 million acres in the 100 to 1000 acre category, and just 143 million acres in the over 1000 class.

Our “target” market is increasingly being sliced into smaller and smaller pieces, and while the data haven’t been thoroughly parsed, you can imagine where these smaller plots are proliferating – in hotspots where sprawl and conversion are blooming.

The consequences of these demographic shifts not only threaten watershed health, and wildlife habitat. They complicate the already difficult issues inherent in landscape-level resource planning.

The Conversion Conundrum

In an average year, roughly 4 million acres of forest burn in wildfires. As a nation, we spend billions annually to prevent and suppress these fires, and protect human life and property. Few would argue that fighting wildfires is a legitimate national priority.

In that same “average” year, though, our nation loses more than 1 million acres of forest land year to development – most of it family- or individually-owned. The pace of conversion is increasing.²

After forest fires, new forests grow. After development, forests are lost forever. But Federal and state resources available to sustain these family-owned forests are insubstantial and appear to be shrinking.

- Of the \$17 billion in conservation funding authorized in the 2002 Farm Bill, 99.4 percent was devoted primarily to farmers; .6 percent primarily to family forest owners. Family forest owners control about the same amount of rural land as farmers – even more in the East.
- The only remaining family forest cost-share program, the Forest Land Enhancement Program, enacted in the 2002 Farm Bill was zeroed out by the Bush Administration. For the first time in half-a-century there exists no Federal cost-share program primarily for family forest owners.

Cash, Conservation and the Future of Family Forests

Markets for wood are internationalizing; in the US, they’re declining – putting family forest owners in a tight cash squeeze – especially those who depend on timber sales for the income to reinvest in their forests.

Even those who aren’t in the “business” of growing timber [the vast majority of owners] need cash to sustain their land. About 9 in 10 owners list aesthetics, wildlife, recreation and “being outdoors” as primary goals for their forest land. But they still pay taxes; they need insurance; and many still seek some cash to underwrite forest improvements.

Taxes and the cost of compliance with both public and private regulation [e.g. certification] exacerbate the problem. Owners don’t begrudge this kind of expense; almost all sincerely want to leave the land better than they found it. But without cash, there can’t be investment in conservation – no matter how willing an owner might be.

Family Forest Owners are Volunteers

Particularly in the East, family forest owners choose not to sell land for development. As land values increase, and taxes with them, that choice becomes harder and harder to make. We need to make that choice easier.

² Data drawn primarily from the National Resource Inventory, Natural Resources Conservation Service, USDA.

To meet that challenge, we must:

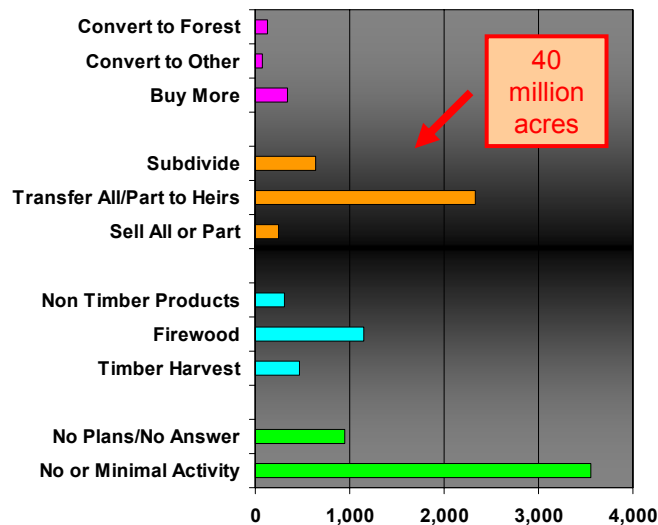
- Find ways to “monetize” the conservation and environmental value of family forests. We need to develop public and private markets for the environmental services provided by these owners.
- Modify the tax system so that it works for, not against, multi-generational stewardship of family-owned forests.
- Create and fund Federal incentive programs commensurate with the scale of family forest ownership and the magnitude of the environmental services they provide. These programs, like those for farmers, should receive steady support so that family owners can remain confident about future income streams.
- Use regulation as a last resort. Psychological burden can be as troublesome as economic. According to one prominent family forest owner: “Cost is one thing, but when I have to jump through hoops, when it stops being fun, I’m out.”

Finally, as the chart above suggests, one of our most profound challenges is educational.

Future Plans for Family Forestland

Owners with 10 to 5,000 Acres

[Thousands of Owners]



Most family owners simply don't think purposefully about the future of their forestlands. Half live off the land, and many younger owners are disconnected from traditional networks of rural communication. Fifty years ago, we could find new forest owners at the Grange Hall. Now they're at Starbucks.

Even so, what happens to their forests will depend on how much they learn about their choices, and whether they feel comfortable making them. We need to reassess our models for outreach and education, and invest in strategies tuned to modern audiences.