



Taking Root

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Can Sustainable Forestry Be Profitable?

We're frequently asked if you can make enough money practicing sustainable forestry (taking the worst first, leaving the best) to make it worthwhile?

First, let's review our definition of Sustainable Forestry: the practice of forestry that results in a perpetually productive and balanced system. To accomplish this, it has to be ecologically sustainable, economically sound, and socially responsible.

While most folks will say they want to uphold the ecological and social aspects of sustainable forestry, few can afford to if the forest can't make it economically possible.

What we've seen, and what other Sustainable Forestry practitioners have experienced, is that the best way to make more money is to maintain ownership of the wood products and add value.

Maintaining ownership means you don't sell any timber, green or dried lumber, until it's worth as much as possible.

That means selling veneer quality logs outright while sawing the rest into lumber; you'd sell high-grade lumber (green or dry) for the highest price, and convert lower grade lumber (to page 2)

Getting Professional Help!

The last time you needed medical assistance, who did you turn to?

When you had to go to court, buy land, or make a will, who represented you?

When you drove over a bridge on the Interstate how did you know it wasn't going to collapse?

The answer to all these revolves around professionals. Medical doctors are qualified to heal sickness and injuries. Lawyers help with legal issues, and engineers design and supervise structures affecting public safety.

Yet 80% of the landowners who sell timber do it without the benefit of professional assistance! Would you be surprised to learn most of them didn't make near the money they could have? ...lots more than they'd have paid a professional for assistance?

Let's take a critical look at this claim. If you want to sell timber, or if someone comes knocking on your door and offers you so many thousands of dollars for your trees, should you believe they were going to give you one dollar more than they had to?

In all but rare cases **they** know what the timber is worth much better than you will!

So if you hire an objective intermediary who will evaluate your wood

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SEE THE ANNOUNCEMENT ABOUT FUNDING TO ORGANIZE A BLUE RIDGE FOREST LANDOWNER COOPERATIVE ON PAGE 4!

Resources:

- ◆ Visit NGW's NEW website:
www.nextgenwoods.com
With links to sites about sustainable forestry and Cooperatives, Current Pricing, Pictures, and more!
- ◆ Find out about Professional Forestry Services at:
www.foresters-inc.com



Can Sustainable Forestry Be Profitable?—from p. 1

into finished products (like flooring, trim, paneling, or millwork.)

For a private landowner to do this by themselves, requires a lot of investment in equipment and a lot of hard work. A landowner *can* find individuals or companies to do this work on a contract basis (portable bandsaw mills, custom kiln drying, and custom millwork.) However each contractor has invested in the equipment and education to provide their particular special service and will have to charge accordingly.

By far, the best way for an individual forest landowner to maximize their income (with minimum hassle) is to pool their resources with other like minded landowners. Forest Landowner Cooperatives have proven to be a very successful way to do that for thousands of forest landowners.

For more information on forming Forest Landowner Cooperatives, how they work, who's done it, or who's a resource you can call on for help, the most comprehensive information is at the Community Forest Resource Center's web page at www.forestrycenter.org.

Currently there's quite a lot of Coop formation activity in the Appalachian Forest Bio-region, including PA, VA, WV, NC (that we know of.)

If you want to manage your forest land for income but keep your forest intact, and make enough money to invest in improvements to your forest, a Co-op may be what you're looking for.

If you'd rather, you may be able to find local contractors to do it for you. Contact your State Department of Forestry or local Consulting Foresters. They frequently keep lists of folks who do contract work.



Getting Professional Help! ...cont'd

lot, make recommendations on what to keep, what to sell, what areas need special protection, etc.; then advertise the sale to a number of competitors...why shouldn't you get more for your timber?

If you talk to a professional forester, you'll find they can show you examples of bids (for the same tract of timber) which varied by more than 100%. That means if you accept a "knock on the door" offer, you could easily be getting half (or less) of what your trees are worth!

Realize, too, this only looks at the economic side of the picture. A professional forester can advise you how to meet all your objectives, including tax implications, wildlife management strategies, protection of rare and endangered species habitat, and what your future forest will look like.

"...if you take a "knock on the door" offer, you could easily be getting less than half of what your trees are worth!"

They'll also supervise the harvest. This means they'll make sure best management practices (BMPs) are followed, only the trees for sale are removed, and any damage is repaired or paid for.

Seek out a professional forester even if you aren't planning on harvesting. Get a Management Plan written—one you can use so your forest remains or becomes what you want.

The key to all this is management. Your forest is a long-term investment and, as such, it needs to be managed to achieve your goals.

It's true whether you want income, aesthetics, wildlife, non-timber forest products, habitat improvement, or a mixture of these objectives. Just as you would with your health or legal matters—get professional help!



Consider Forest Activism An Editorial

There has been a lot of discussion about what's the most appropriate way to manage forest-land. There are even four competing certification schemes now, each outlining the "right" way to practice sustainable forestry.

In deciding what's best for your woodland, forest landowners face choices that are extremely complex. Educating yourself, or better yet, getting professional advice or counsel will help do a better job. As noted earlier, few landowners take those steps.

For those of us who care about forests, we have an obligation to make decisions and act. This may be to preserve the forest and let Nature take it's course. Or it may be to liquidate it for as much

cash as possible and let it re-grow on its own.

In this country we have the right to choose either of those extremes, or anything in between, but what our forests need are activists who'll take a considered look at the future. Consider the human need for wood products. Consider all the things—from mammals and trees to the microscopic level—that live in the woods and how *they* can prosper. Consider the pleasure we get from just being in our woods. Consider the intertwined relationships of the woodland ecology and all living things. Consider our children, and their children, and what kind of forest they'll have.

Our forests need activists: forest landowners who'll take action—in a considered way.



“What are Forest Landowner Co-ops all about?”

Cooperatives have been around for hundreds of years. Simply put, it's a group of folks with common interests joining together to achieve economic, social, and/or education benefits they probably couldn't achieve by themselves.

Legally it's very much like a Corporation; there's a Board of Directors with Officers. There are stockholders and dividends, with a staff and managers for day to day tasks.

The basic difference of a Cooperative is that the "shareholders" are called members, each with one share and one vote .

Members have a vested interest in the Co-op because it's providing a service to them. Usually they're pooling a common resource to allow them to achieve something they couldn't do on their own.

Ocean Spray, "the Cranberry people," is a Cooperative. They pool the cranberry harvests from all their member producers. Over the years they've increased their economic return to their members by adding value to cranberries. Remember when the only thing made from cranberries was a seasonal item know as cranberry jelly? Then came cranberry juice, cranberry juice mixes, year round marketing for fresh cranberries, and most recently, Craisins.

Forest Landowner Cooperatives have been form-

ing at an accelerating rate over the last decade. They take various forms, but provide some combination of these benefits:

- ◆ Assisting members with forest management and certification;
- ◆ Low impact harvesting with trained logging crews, small scale loaner equipment, and even work parties.;
- ◆ Centralized and portable saw milling;
- ◆ Kilns to dry the lumber;
- ◆ Centralized marketing of timber, lumber, and/or finished products; and
- ◆ Educating members and the public about sustainable forestry: its benefits, its profitability, and its impact on the forests of our children and their children.

Co-ops make sense because, for a few hundred dollars investment in membership, an individual forest landowner can make sales normally available only to much larger operations.

Sure there will be costs associated with adding value to the member's timber, but wouldn't you rather accept the higher costs of production (while keeping your forest intact) and get 60% of value-added sales worth \$100,000 than 100% of a \$30,000 clearcut?



“Co-ops pool members’ resources, allowing them to achieve much more than they could on their own.”



Planting the seeds of sustainable forestry



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*Ecologically Responsible Wood
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Grant for Forest Landowner's Cooperative Awarded

October 25, 2001

Funds were awarded to Next Generation Woods, Inc. for the organization of a Forest Landowner Cooperative today.

The Appalachian Forest Regional Center (AFRC) announced the award as part of its mission to support sustainable natural resource development.

The funds will be used to educate forest landowners about:

- ◆ Forest Stewardship Council management, practices, and certification; and
- ◆ Organizing a Forest Landowner Cooperative in the Central Blue Ridge.

This initiative models successful Forest Landowner Cooperatives in New England and the Upper Midwest. These FSC certified, for-profit Cooperatives add value to their member's timber resources, making sustainable

(restorative) forestry pay. Value addition includes:

- ☒ Pooling timber resources,
- ☒ Sawing timber into lumber,
- ☒ Kiln drying lumber,
- ☒ Converting low grade lumber into millwork,
- ☒ Centralized Marketing of all products—including collaboration with other Cooperatives.

The Coop's Forest Landowners keep their forests intact and, instead of selling timber into a commodity market, maintain ownership of their wood products until it has reached its highest value, before being sold.

If you and your forest would like to profit from Sustainable Forestry and the Blue Ridge Coop, call or write NGW or Foresters Inc. (contact info in the left column).

