



# Family Forest Stewardship: Sustaining Our Commitment, Advancing the Agenda

## September 12-13, 2007

Saint John's University, Collegeville, MN

A Conference of the Blandin Foundation's *Vital Forests/Vital Communities Initiative*

### Pre-Conference Backgrounder

#### Introduction

Family forestlands contribute almost half of Minnesota's annual wood harvest. They provide crucial wildlife habitat, recreational opportunities, water quality protection, and scenic vistas. To support the continued vitality of Minnesota's family forests, it is increasingly important to pursue opportunities to enhance productivity and sustainability on these lands. This issue has become a top national and regional priority.

Blandin Foundation's Vital Forests/Vital Communities Initiative (VF/VC) has convened open working meetings as a forum for dialog regarding family forests, beginning at Saint John's University in May, 2006, with an event called *Family Forest Stewardship: Getting to the Next Million Acres*.

The outcomes of that first event included the endorsement of a strategic vision to increase sustainable management on family forestland and the goal of **increasing the area of family forestland under active, sustainable management in Minnesota from 1.3 million to 2.3 million acres by 2015**. Four recommended areas of focus and action support this "Million Acre Goal"

- Establish a dedicated, self-sustaining Family Forest Initiative with stable revenues
- Revise the Sustainable Forestry Incentive Act (SFIA)
- Revamp the ad valorem property tax system
- Explore Social Marketing Considerations

#### 2007 Conference Sponsors

*A large and diverse group of organizations have already signed-on and endorsed the Million Acre Goal.*

- Ainsworth
- American Tree Farm System
- Boise
- Campaign for Conservation
- Dovetail Partners, Inc.
- Forest Capital Partners
- Minnesota Association of Consulting Foresters
- Minnesota Association of County Land Commissioners
- Minnesota Association of Soil & Water Conservation Districts
- Minnesota Deer Hunters Association
- Minnesota Department of Natural Resources
- Minnesota Forest Industries
- Minnesota Forest Resources Council
- Minnesota Forest Resources Partnership
- Minnesota Forestry Association
- Minnesota Logger Education Program
- Potlatch
- Ruffed Grouse Society
- Sappi
- MN Society of American Foresters
- StoraEnso
- The Conservation Fund
- The Nature Conservancy
- The University of Minnesota Extension
- U.S. Forest Service
- University of Minnesota Duluth Natural Resources Research Institute
- University of Minnesota's Department of Forest Resources
- UPM
- Woodland Advisors

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Over the past year, significant action has been taken to address the needs identified last May. Minnesota now has more than 40 certified loggers, a new group of certified landowners in Aitkin County, and a new website to serve landowners, including a discussion board with well over 3,000 hits and more than 30 topics being discussed. The 2007 legislative session included efforts to modify the Sustainable Forestry Incentives Act (SFIA) and the *ad valorem* property tax system. And more than 25 organizations in Minnesota have signed-on and endorsed the Million Acre Goal!

It is time to rekindle the dialog and see what comes next. In September 2007, Blandin Foundation is hosting a conference that will report on progress made, provide the latest information about trends and data that impact the overall goal and again ask participants to contribute to developing and implementing an updated action agenda.

### **Summary of the 2006 Conference**

On May 25, 2006, over 70 family forest owners, forestry professionals, policy makers, and forest advocates gathered at Saint John's University to discuss efforts to foster and encourage sustainable forestry practices among family forest owners. Conference participants achieved consensus on a strategic vision and action plan to increase the number of acres of family forest land with Forest Stewardship Management Plans from 1.3 million in 2006 to 2.3 million by 2015.

### **2006 Recommended Action Plan**

The Million Acre Goal of increasing the number of acres of family forestland under sustainable management in Minnesota from 1.3 million to 2.3 million by 2015 is supported by a four-point action plan.

- Establish a dedicated, self-sustaining Family Forest Initiative with stable revenues
- Revise the Sustainable Forestry Incentive Act (SFIA)
- Revamp the ad valorem property tax system
- Explore Social Marketing Considerations

For complete 2006 Conference Proceedings, visit [www.blandinfoundation.org](http://www.blandinfoundation.org) and follow the Public Policy and Engagement link to Vital Forests/Vital Communities conferences.

### **Accomplishments To-Date**

Since May 2006, measurable progress has been made supporting the overall goal and each of the four recommendations within the action plan.

## Summary of Overall Efforts and Accomplishments

- In September 2006, the Minnesota Forest Resources Council (MFRC) unanimously endorsed the million acre goal. The MFRC communicated their support in a letter to Governor Pawlenty in which board chair Alfred Sullivan stated that reaching this goal “will nearly double the impact and benefits that can be derived by the State, its citizens and family forest owners.”
- As of July 2007, forty-three (43) Master Loggers have been certified in Minnesota. In 2006, the Minnesota Logger Education Program established the Minnesota Master Logger Certification Program with support from the Legislative Citizen Commission on Minnesota Resources (LCCMR), Blandin Foundation, the University of Minnesota, and others.
- The University of Minnesota Extension has created [www.MyMinnesotaWoods.org](http://www.MyMinnesotaWoods.org) as a portal for landowners interested in forest stewardship. As of mid-July, the site averages about 200 page views per day. Threads on the discussion board average over 100 views each.
- The Aitkin County Soil and Water Conservation District achieved Forest Stewardship Council (FSC) certification for their group certification program. This program gives small landowners in the county a simple, cost-effective way to have their forest third-party certified. The program was developed with support from the LCCMR, U of M, NRCS and other partners. The group currently includes 12 landowners representing 1,527 acres.
- In July 2007, Extension mailed certification information to approximately 12,000 family forest owners in Minnesota. This mailing was supported by featured content on [www.MyMinnesotaWoods.org](http://www.MyMinnesotaWoods.org) and LCCMR funding.
- Fifteen members of the Minnesota Forestry Association (MFA) are participating this summer in the Woodland Leadership Institute sponsored by The University of Wisconsin Stevens Point in cooperation with University of Wisconsin Extension, the Wisconsin Department of Natural Resources, Blandin Foundation and woodland owner organizations.
- The Minnesota Forest Resources Partnership has named family forest stewardship as a top goal as a result of a statewide productivity conference and formed a Family Forests Action Team to identify key strategies that will “improve management and maintain family forestlands.”
- The Governor’s Task Force on the Competitiveness of Minnesota’s Primary Forestry Products Industry has identified the increased management of family forestland as an important area of action.
- During the 2007 legislative session, the final 2007 Omnibus Tax bill (HF 2268) included provisions to create a new property tax classification for certain unplatted rural lands, including undeveloped forests. This language was lost when the Omnibus Tax Bill was vetoed. Efforts are underway to build formal support for renewing the proposal in advance of the 2008 session.

**Efforts to establish a dedicated, self-sustaining Family Forest Initiative with stable annual revenues:**

- The final report from the Governor's Task Force on the Competitiveness of Minnesota's Primary Forestry Products Industry proposed that \$3 million be appropriated in the next and future bienniums for private forest landowner assistance and information programs administered by the Division of Forestry and that these funds should be used both to encourage management actions and for cost share expenditures.
- The Minnesota Department of Natural Resources received a \$1 million appropriation from the legislature to support the expansion of the Forest Stewardship Program and third-party certification for non-industrial private forest landowners who are actively managing their forestlands.

**Efforts to revise the Sustainable Forestry Incentive Act (SFIA):**

- The report, *Findings and Recommendations from Sustainable Forest Incentive Act (SFIA) Work Group*,<sup>1</sup> was completed in January 2006. The Work Group determined that the SFIA must be changed and improved in order to ensure that the Act's policy objectives are met, and recommended additional study to determine optimal incentive structures to maximize enrollment in the Act. The report's findings and recommendations were presented to the legislature, the Department of Natural Resources and other agencies.
- The University of Minnesota completed a study sponsored by the Blandin Foundation to investigate optimal SFIA incentive payment structures and to address other tools for behavior change.
- The final report of the *Governor's Task Force on the Competitiveness of Minnesota's Primary Forestry Products Industry* proposed amendments to the SFIA to encourage enrollment and to foster forest productivity and timber harvesting.
- The Minnesota Forestry Association's *2007 Legislative Briefing Paper*<sup>2</sup> included support for the findings of the University of Minnesota study regarding the SFIA.

**Efforts to revamp the ad valorem property tax system's inherent bias to overtax undeveloped land in comparison to developed land with respect to the public services provided to their owners:**

- During the 2007 legislative session, the final 2007 Omnibus Tax bill (HF 2268) included provisions to create a new property tax classification for certain unplanted rural lands, including undeveloped forests. Properties under this classification would have been taxed at a reduced net class rate from 1.0 to .65 percent if they met certain conditions. Under the

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<sup>1</sup> The complete report is available at:  
[http://blandinfoundation.org/html/documents/SFIA\\_Revisions\\_FINAL\\_032706.pdf](http://blandinfoundation.org/html/documents/SFIA_Revisions_FINAL_032706.pdf)

<sup>2</sup> The MFA 2007 Legislative Briefing Paper is available at:  
<http://www.mnforest.com/legislate.htm>

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proposed changes, the subjective requirement that undeveloped lands be taxed at their “highest and best use” was removed. Unfortunately, this language was lost when the Omnibus Tax Bill was vetoed by Governor Pawlenty on May 30, 2007. However, the passage of this language in both the House and Senate portends well for the proposal’s future. Looking to the 2008 session, supporters will have an opportunity to build on this agreement as well as to push for additional improvements. Efforts are currently underway to build formal support for renewing the proposal in advance of the 2008 session.

- Forestry and conservation leaders met on October 10, 2006 to discuss how to advance the strategic vision and recommendations from the May conference<sup>3</sup>. The meeting focused on property tax solutions and the recommendations included in the Minnesota Department of Revenue’s 2006 report *Assessment and Classification Practices Report – Rural Woodlands*<sup>4</sup>. Recommendations from this report included the creation of a new property tax classification called “Rural Vacant Lands” (to include 2b timber land), along with a lower rate for this new class than for developed lands.
- In February 2007, the Minnesota Department of Revenue presented to the legislature the *Assessment and Classification Practices Report - Residential use properties including seasonal residential recreational and residential homestead and nonhomestead property* and the *Assessment and Classification Practices Report – Lands enrolled in state or federal conservation programs* that provide a summary of classification practices within the State of Minnesota, as well as recommendations to improve the uniformity of assessment and classifications for these types of properties. These reports reinforced the recommendations included in the 2006 Rural Woodlands report.
- The Minnesota Forestry Association’s *2007 Legislative Briefing Paper* included support for the recommendations of the MN Department of Revenue’s 2006 Rural Woodlands report.

### **Efforts to develop a Social Marketing framework and to investigate barriers to family forest owners completing forest stewardship plans and the behaviors that support forest stewardship:**

- Completion of research at the University of Minnesota that shed light on landowner interests in forest management and certification and applications of social marketing techniques.

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<sup>3</sup> Meeting summary available at:  
[http://www.blandinfoundation.org/html/documents/VFVC\\_Family\\_Forest\\_06/October%2010%20Property%20Tax%20Meeting%20FINAL.pdf](http://www.blandinfoundation.org/html/documents/VFVC_Family_Forest_06/October%2010%20Property%20Tax%20Meeting%20FINAL.pdf)

<sup>4</sup> ASSESSMENT AND CLASSIFICATION PRACTICES REPORT: RURAL WOODLANDS. Minn. Dept. of Revenue. February 28, 2006. HJ2338 .R87 2006. Minn. Publication 06-0199. Mandated Report. [http://www.taxes.state.mn.us/taxes/property/other\\_supporting\\_content/final\\_timber-woodlands\\_report.pdf](http://www.taxes.state.mn.us/taxes/property/other_supporting_content/final_timber-woodlands_report.pdf)

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- Release of social marketing report completed with support from the Blandin Foundation, *An Introduction to Social Marketing: Potential Applications for Forestry*<sup>5</sup>, Dovetail Partners, September 26, 2006.
- Content on [www.MyMinnesotaWoods.org](http://www.MyMinnesotaWoods.org) is designed to encourage active management of family forestlands and to contribute to the development of social norms supporting active, sustainable management.

### Context for the 2007 Conference

A number of factors and trends impact the management of family forestlands, drive the need to increase the number of acres that are under sustainable management and create the context for the conference: They include:

- Complex ownership patterns, diverse owner interests, and parcel sizes from a few to 1,000s of acres
- Reduced harvest levels on federal forests, resulting in increased pressure for harvesting on other acres
- Demographic trends accelerating changing patterns of forest ownership
- Forest fragmentation and parcelization and increasing demands on forest resources

In addition, achieving this ambitious one million acre goal will require successful collaboration in four key arenas:

- **Funding:** additional funds will be needed to add a million acres of managed forestland in Minnesota and to retain the more than one million acres of family forests already engaged.
- **Educational and technical assistance:** public and private programs and services will need to be tailored and expanded to meet diverse family forest owner needs.
- **Incentives:** benefits and services resulting from sustainable forest management will need to be enhanced and marketed to increase landowner participation.
- **Accountability:** tools for tracking progress and monitoring sustainable forestry impacts will need to be developed and implemented.

### Goals for 2007 Conference

The goal for the 2007 Conference is to gain participant input regarding where this effort needs to go next and how to focus its energy to realize maximum progress toward the million-acre goal. The event will report on the work to-date as well as new information about the most challenging trends related to family forest stewardship.

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<sup>5</sup> Complete report available at:  
<http://www.dovetailinc.org/DovetailSocialMktg0906.html>

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The Blandin Foundation and the more than 25 conference sponsors who support this goal are excited to announce that this year's conference will include national leaders from the Forest Service and the Pinchot Institute for Conservation. Brett Butler and Catherine Mater will present their latest insights into trends and challenges facing the future of family forest stewardship. Changing demographics are expected to have significant impacts on land ownership and forest management in the coming years as baby boomers and others plan for transition. Recent investigations indicate that new approaches will be needed in order to encourage long-term commitment to forest retention and management among current and new landowners.

Following updates on accomplishments to date and keynote presentations, participants will be asked to identify key points of leverage, offer suggestions for how the effort may increase its success, and help develop a 2008-2009 action plan.

Please think about the challenges facing family forests in Minnesota, the solutions you think need to be prioritized and the contributions you can make personally to help reach our shared Million Acre Goal.

***Bring your ideas to the conference in September and anticipate another lively and productive discussion!***

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To learn more about the upcoming conference, visit [www.blandinfoundation.org](http://www.blandinfoundation.org) or contact Mary Magnuson at (218) 327-8738 or [vfc@blandinfoundation.org](mailto:vfc@blandinfoundation.org).