BALANCING ECOLOGY and ECONOMICS

Revised and Updated Second Edition



A Start-up Guide for Forest Owner Cooperation

Cooperative Development Services
University of Wisconsin Center for Cooperatives
Community Forestry Resource Center
Cooperative Development Institute

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A Start-up Guide for Forest Owner Cooperation

Revised Second Edition

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"Balancing Ecology and Economics:
A Start-up Guide for Forest Owner Cooperation"

Foreword

The land area of private, non-industrial forestland in the United States is truly vast.

Nationwide, nearly 10 million private landowners hold approximately 380 million acres of forestland. These small woodland owners face a variety of challenges in managing their forests: forestland is shifting into smaller parcels as more people want to own woodland; the composition of our forests is changing with age and disturbance patterns; the demands placed on forests for recreation and biological reserves are growing; and land values and property taxes are skyrocketing.

The purpose of this manual is to assist these diverse small woodland owners to manage their forests in a sustainable manner. Even in Wisconsin, in which state foresters serve nearly 10,000 landowners a year through a relatively robust private forestry assistance program, at least 60% of non-industrial private forest acreage has not benefited from professional forest management. The difficulties are even greater in some northeastern states that do not have the forestry infrastructure or steadfast economic and political support enjoyed here.

To push beyond barriers and broaden sustainable forestry, innovators throughout the U.S. and Canada are promoting new initiatives based on *landowner cooperation*. Some have formed non-profit landowner associations or forest management and marketing cooperatives while others have ventured into value-added processing. Each model has its strengths, depending upon the needs and interests of the landowners it serves. Some of these ventures have experienced growing pains while others have flourished. I am pleased that this new edition of *Balancing Ecology and Economics*, first published for a Wisconsin conference in October 2000, will help all of us benefit from the lessons learned from these early ventures in landowner cooperation.

The concept of landowner cooperation holds tremendous promise. People working together creates a synergy – landowners sharing solutions, pooling resources, hiring

expertise, developing markets, and accomplishing work that might be impossible alone. Private cooperative efforts can offer alternative land management systems that may provide a better fit for an individual's interests than can be found in the general marketplace for forestry services. Landowner cooperation can more easily leverage resources available from public funding and can organize volunteers with a deep ethical commitment to sustainable land use to assist with one-time projects. Cooperation also helps landowners to look beyond their own boundaries and consider larger regional and landscape-scale issues. Private landowner cooperation may also appeal to many people who are reluctant to become involved in traditional governmental programs.

Making people our strength is what forest owner cooperation is all about. It requires a degree of courage as independent groups are given the freedom to address sustainable management in their own ways and for their own communities. They may offer interpretations, emphases, or expressive styles that differ from one another. Therein, however, is the source of originality that can help us reach beyond the past constraints of traditional private forestry assistance programs.

The Wisconsin Department of Natural Resources is pleased to join our northeastern partners in sponsoring this manual and the 2002 Forest Owner Cooperation Conference. Empowering landowners to face the challenges of resource management together is even more essential now that we as a state and a nation have finally come to recognize the immense value of private forests to our well being.

Gene Francisco

Chief State Forester
Wisconsin Department of Natural Resources — Division of Forestry

Balancing Ecology and Economics:

A Start-up Guide for Forest Owner Cooperation

Introduction

The purpose of the second edition of this manual is to show how private landowners can work together to improve the ecological and economic value of their woodlands and, at the same time, benefit the communities in which their forestland is located.

Whom is the manual for?

Of the 10 million private, non-industrial woodland owners in the United States, 4.2 million hold title to 10 or more wooded acres. These forest owners with 10 or more wooded acres own over 360 million acres. They are the primary audience for this manual. The guide is also addressed to public and private forestry professionals, and cooperative and community development professionals who work with these forest owners.

Landowners with smaller parcels and a keen interest in the many forest benefits their woodlots offer will also find the manual useful. In addition, the guide should be helpful to managers of forests owned by counties and other local public entities, by managers of Native American forest

holdings, and by non-profit organizations that own forestland, including The Nature Conservancy, forestry foundations, and local land trusts.



Why a second edition of the manual?

The forest owner cooperation movement in the United States has grown steadily since the first edition of this manual was published in December 2000. Although the number of forest owner organizations is still relatively small (perhaps 25 in mid-2002), the collective experience of these groups has grown dramatically in that time. We have learned many new lessons about what works and what doesn't work in the formation and operation of these organizations. Since the first edition of the manual,

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we have also learned a great deal from the experiences of forest owner groups in Europe and Canada. As a result, more than half of that edition has been significantly revised to help landowners, foresters, conservation organizations, and cooperative development professionals benefit from the successes and avoid the mistakes of these pioneering groups.

[Because of fragmentation and smaller parcels] "forestry will become less and less relevant to more and more people"... We will lose vital forests that can produce both environmental and economic benefits. We need new approaches and technologies designed for small parcels."

Lester DeCoster — Journal of Forestry

What is forest owner cooperation?

In this manual, the word "cooperation" refers to a variety of formal and informal ways in which landowners can learn and work together for mutual benefit. The purpose of these joint efforts is to take better care of forests and to increase the economic, recreational, social, ecological, and aesthetic benefits that landowners receive from their woodlands.

Despite their limited role in the United States during the past three decades, forest owner co-ops and associations are not a new phenomenon. They date back almost 100 years in the United States and have been a prominent form of forestry organiza-

tion in Finland, Sweden, Norway, other European countries for over half a century, and in Canada for over a quarter of a century. In the United States, the Western Upper Peninsula Forest Improvement District (WUPFID) was organized in Michigan in 1985. It includes both private landowners and small, publicly owned forests, with a total of about 190,000 wooded acres. WUPFID and the Canadian and European organizations clearly show that forest owner cooperation can provide long-term benefits to their members. Different approaches to cooperation are described in Part I, Chapter 2: Forest Owner Cooperation — Part of the Solution.

Why is cooperation important?

Although private non-industrial landowners own almost half of all the woodlands in the United States, only about 10% of these landowners actively manage their forests. Private ownership is so significant that any movement toward sustainable forestry must address how to motivate and assist private woodland owners to do their part. It is essential that sound forest management be viewed as relevant by private woodland owners.

Landowner cooperation may be one of the most effective ways to achieve that goal. This neighbor-to-neighbor approach can provide trustworthy information, low-cost

and high-quality management services, and the social benefits of people working together toward common goals.

Why is forest management planning important?

Sustainable forestry management provides a wide range of ecological, economic, and social benefits for both forest owners and the general public, and preserves these benefits for future generations:

- Protection of watersheds and water supplies
- ▶ Habitat for wildlife
- Protection of soil from erosion
- Wood for construction, paper, furniture and hundreds of other uses, supporting a \$209 billion per year wood products industry in the United States ¹

- Non-timber forest products, including medicinal products, mushrooms, nuts, and maple syrup
- Recreational opportunities such as hunting, hiking, camping, climbing, skiing, and horseback riding
- ▶ Absorption of carbon dioxide, buffering the effects of global warming

Forest management planning helps forest owners evaluate the current state of their property, develop their vision for the future, and identify the tools and resources needed to realize that vision. Simply put, forest owners have the opportunity to step back and ask the questions: "What do I value about my forest? What do I want it to look like in 5 years, 10 years, 20 years or more?" Answering these "what" questions is the first step in forest management. The



The Cates Family Farm in northern lowa County, Wisconsin. Members of Sustainable Woods Cooperative, Dick and Kim Cates, together with their children, raise and market natural Angus beef.

Introduction

next step is to answer the "how" questions: "How do I develop and implement a plan that achieves my goals for my forest?"

Forest owners who don't pose and act on these questions are foregoing the opportunity to be good stewards of their land.

Such inaction may result in a reduced economic return from the land as well as a reduction of its value as a recreational and environmental resource.

What is "good" forest management?

Following are a few general principles often associated with "sustainable" forestry. It is principles like these that guide the development of a sustainable forest management plan.

- Address the goals that each landowner has for his or her forest.
- Conserve the ecological integrity of the forest ecosystem in perpetuity.
- Maintain or improve the short- and long-term economic well-being of forest owners and others who work in the forest industry.

Maintain or improve the quality of community life.

A more detailed discussion of forest management is presented in Part III: Chapter 4: Forest Management.

The three primary objectives of Balancing Ecology and Economics: A Start-up Guide for Forest Owner Cooperation are:

- 1. To explain the benefits of cooperation among non-industrial private forest owners;
- **2.** To provide a step-by-step guide for developing successful forest owner co-ops and associations: and
- **3.** To provide an overview of the key issues involved in successful approaches to forest owner cooperation and forest management.

Parts I, II, and III of this manual correspond to these three objectives. The appendices include bibliographical and website references; a list of forestry cooperatives and associations; and a list of resource people and organizations.

part



Introduction to Forest Owner Cooperation

The ChallengesFacing Forest Resources

Porests are among the largest and most widespread of the earth's ecosystems. In the continental United States, forests cover 33% of the total land area. In the geographical eastern half of the country, 600 species of trees and shrubs produce a diverse forest that covers 40% of the land, from the boreal forests in northern Minnesota to the subtropical forests of Florida.

As noted in the Introduction, private forest owners face a variety of challenges in attempting to manage their forests responsibly. One of the biggest challenges is the complex pattern of woodland ownership. Across the United States, about 46% of forested land is in the hands of non-industrial private owners, about 42% is publicly owned, about 10% is owned by industrial wood product companies, and 2% is in Native American reservation holdings.² These figures make clear that sustainable forestry is not a goal to be pursued exclusively by government agencies and industry.

Rather, it is critical that private landowners, who own more forested land than any other group, take a leading role.

A second challenge is the fragmentation of forestland into smaller and smaller parcels. In 1978, there were 11 million acres of forestland in parcels with fewer than 10 acres. By 1994, this number had jumped to 17 million.³ Forest management—especially landscape level management—becomes more difficult as the number of small parcels increases.

A third challenge is the accelerating conversion of productive forest to other land uses, due in part to a growing population. From 1992 to 1997, an average of 2.3 million acres of forestland was converted each year to housing and other uses.⁴ With the ever-increasing spread of urban and suburban areas, these conversion rates are expected to increase.

Coupled with these challenges is the increasing level of consumption of forest products worldwide, and the continuing pressure to meet that demand.

The *Deerfield Alliance* is a chapter of the Wisconsin Family Forests (See the description of WFF on Page 33). The Alliance is an association of neighboring landowners in Deerfield Township, Waushara County. It was formed with two goals in mind: 1) to encourage planned, sustainable management of woodlots in the township, and 2) to help absentee landowners with their woodlot management. "We're a small local group that's trying to get people involved in their woodlands so they won't be so quick to subdivide them. We're helping them manage their woods a little better and maybe get a little more return out of it," says Martin Pionke, a local dairy farmer and chairman of the Deerfield Alliance.

What is particularly sad about this situation is that trees and other forest products are renewable resources. We already know how to extract wood and other products without degrading forests; and we already know how to manage forests so as to increase the volume of large, healthy trees and provide a rich habitat for a variety of plant and animal species. There are pockets around the world where forests have been and are being successfully managed for sustainable growth, and where the protection of habitat and biodiversity is combined with good management for economic benefits. (As an example of one of these "pockets," see the description of Menominee Tribal Enterprises on Page 20.) But this delicate management balance is by far the exception rather than the rule.



Duane (left) and Martin Pionke on their dairy farm in Waushara County. Martin is the President of Wisconsin Family Forests' Deerfield Alliance.

Multiple benefits of forest management.

The rewards of ecological stewardship are many: a healthy forest, improved plant and animal habitats, increased recreational opportunities, and a legacy for future generations. In the absence of sustainable management and landowner cooperation, forest fragmentation on private lands will continue to accelerate, and a host of associated economic and ecological problems are likely to deepen.

Balancing economics and ecology in the forest has never been more critical. And the complexity of forestry issues, as outlined above, requires creative approaches to finding that balance.

One very promising approach involves the development of *organized cooperative efforts* among woodland owners. These efforts vary quite a bit – from legally incorporated cooperatives and other forest owner businesses to non-profit member associations, to informal groups of landowners.

The following chapter introduces several ways in which landowners, working together, can organize and empower themselves to improve the management of their forests.

- 2 Ibid
- 3 Ibid
- 4 Sampson, Neil and Lester DeCoster. 2000. "Forest Fragmentation: Implications for Sustainable Private Forests." Journal of Forestry. Vol. 98 No.3 March 2000.

The Adirondacks Park Sustainable Forestry Project began in 1999 and now has 11 members with over 6,000 acres of certified forestland. The Project has four primary goals:

- 1) To work with landowners to develop forest management plans, and to bring their forestry management practices into compliance with those plans, in order to become certified through *SmartWood*, an FSC-approved certifying organization.
- **2)** To achieve Resource Manager Certification status with *SmartWood* so that the Project can assist landowners to maintain their certification on an ongoing basis.
- **3)** To spread the word to other landowners about good forestry practices through public outreach, and to recruit more members to the Project over time.
- **4)** To develop a landowner organization that will, through the sale of certified wood products, both promote good forestry practices and bring revenue back to the landowners.

The Project has successfully met its first two goals: it now has 6,000 FSC-certified landowner acres; and in the summer of 2002 it was certified as a Resource Management Organization by *SmartWood*.

National Research Council. 1998. Forested Landscapes in Perspective. National Academy Press.



Friends, neighbors, and fellow members join forces for a controlled burn on a member landowner's oak woods in Richland County, Wisconsin.



Part One: INTRODUCTION TO FOREST OWNER COOPERATION

Introduction to Forest Owner Cooperation

Chapter 2

Forest Owner Cooperation — Part of the Solution

The previous chapter identified a number of major problems with the current condition of forestland in the United States. This chapter describes how forest owner *cooperation* and, especially, community-based forest owner *organizations* can be an important part of the solution to these problems.

Why should private woodland owners go to the trouble of working with others – let alone organizing with others – in order to take care of their forests?

♦ Education and information-sharing.

Most forest owners care a great deal about their land and want to "do the right thing." An organization of forest owners can provide its members with the information they need to develop a vision for their lands and identify knowledgeable professionals to help them achieve their goals. Most importantly, these organizations provide a forum – whether formal or informal - for forest owners to share information, helping each other with both their success stories and their mistakes.

♦ Coordinated planning with other landowners. Furthermore, landowners working together can have a beneficial impact on the environment at the "landscape level"—in other words, as far as the

"Organized group efforts, which express both social responsibility and public-private economic cooperation, create and sustain much of the infrastructure and institutions we recognize as central to modern society."

Mark Lorenzo — *Across the Fences*

eye can see rather than only as far as the property goes. There are numerous ways that neighbors can coordinate the management of their lands for the benefit of wildlife or to improve recreational opportunities in their area. In fact, working together, landowners can raise the local standard of management for forestland in their area.

♦ Management plans tailored to landowners' goals. Many forest owner organizations assist their members to develop forest management plans. A plan is most successful when it incorporates the landowner's values as well as outlines a strategy for economic and ecological sustainability of the forest. There are now many professional foresters, ecologists, and loggers who can be trusted to work with the landowner to develop and implement a plan that reflects the owner's vision.

Some landowners, however, prefer a "hands-off" approach to forest management, or may be apprehensive about cutting trees on their property given the damage they have seen done to other woodlands by

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irresponsible harvesting. Sustainable forest management involves the use of both active management strategies (sound silviculture) and passive management techniques when appropriate. Neither active nor passive tools are in themselves "sustainable"; the issue is how the tools are applied and how well the situation is monitored to assure that the desired results are achieved. Sustainable management asks landowners not to default to passive management because they are afraid to do anything. The whole idea is to apply a balance of management tools in order to keep the economic and ecological systems running in harmony.

part III, chapter 4 has detailed information about the elements of a forest management plan.

Forest owners have found that by working together, they can gain a number of benefits that would not be available to them individually, including:

- Landowners can more effectively reap the economic rewards of forest ownership;
- Landowners and community residents can participate in a wide range of educational opportunities;
- Local communities can experience the long-term aesthetic and recreational benefits of healthy forest ecosystems;
- © Communities can enjoy the economic rewards of forest products businesses and non-profit associations that are homegrown and locally controlled;
- Loggers, foresters, and manufacturers can partner with landowners to help ensure a dependable, sustainable resource base.

"By including people who are in the woods logging, those who are sawing, and the landowners, it creates a team that can achieve more by working together than by separating the parts. For me, (this) makes sense because being on our own at the farm, we don't have the ability to do all these things by ourselves."

—Karen Stettler

Hiawatha Sustainable Woods Cooperative

Forest Owner Organization

Forest owners can organize themselves in a variety of ways to receive economic, recreational, and ecological benefits from their forests. This manual promotes all three kinds of forest owner organization: informal cooperation, non-profit associations, and cooperatives (and other forest owner businesses).

The different forms of forest owner cooperation are discussed below. A chart is presented on Page 13 that shows the most likely activities for each type of organization.

Informal Cooperation. Groups of landowners get together as friends and neighbors to learn more about woodland management or to help each other with clearing brush, adding recreational trails, or other work-party activities.

Non-profit Associations. Landowners form a member-controlled, non-profit corporation for the purpose of coordinating

educational, service, and volunteer activities. For example, a forest owner association may organize workshops, "walks in the woods", and other educational events for its members. It may also establish a formal system for referring association members to forestry professionals and for bringing members together for joint work and social activities.

Some non-profit organizations obtain 501(c)(3) tax-exempt status from the Internal Revenue Service that allows them to receive public and foundation grants and tax-deductible donations. This can be a big help in providing affordable educational and other services to members and other woodland owners.

Non-profits may also engage in "business" activities such as helping their members purchase goods and services, providing resource management services, and marketing members' forest products. Engaging in these business activities, however, can pose problems because, by law, profits generated by non-profits can't flow through the organization to the members. Any profits generated must be retained by the organization, granted to another non-profit, or turned over to a government entity. Thus, if a non-profit forest owner organization is moving in the direction of providing business services, it should consider setting up a "sister" cooperative to carry out these activities.



Landowners clear and burn red cedar on a prairie restoration project.

Cooperatives. A forest owner cooperative is an incorporated business that is owned and democratically controlled by the people who use its services – the woodland owners themselves. Its primary purpose is to provide services and benefits to its members, including but not limited to economic benefits.

Forest owner cooperatives can be further characterized by the **kinds** of services and business activities they engage in:

- > Educational activities
- Resource management preparation of management plans, assistance with implementing management plans (timber stand improvement, tree planting, marking of trees to be harvested, and harvesting of trees) or contracting for these services on behalf of members with other providers
- ➤ Sale and rental of forestry-related supplies and equipment to members and others for example, chain saws, chaps, seedlings, skidders, etc.

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- Timber aggregation and sales;
- Wood processing and marketing sawing, kiln drying, manufacture of flooring, paneling, and other wood products; or contracting for these services on behalf of co-op members
- ➤ Non-timber (specialty) forest product processing and marketing

Although a cooperative may provide the same kinds of educational and coordinating services as a non-profit organization, it is more difficult for a co-op to access public and private grants for these activities. On the other hand, as mentioned above, a coop is better designed than a non-profit to carry out "business" activities on behalf of its members, such as joint purchasing of

equipment and professional services, wood processing, and marketing. Unlike a nonprofit, a co-op can divide up the profits generated from these activities among the members, based on the amount of business each member does with the co-op.

Other Forest Owner Businesses. These include Limited Liability Companies (LLC) and Limited Liability Partnerships (LLP). Both of these are incorporated businesses that can function much like a cooperative if the forest owners choose to structure them that way. In this manual, the term "cooperatives" includes these businesses that are owned and controlled by forest owners.



Sustainable Woods Cooperative plays host to the Baraboo Range Preservation Association outside SWC's solar kiln facility in Lone Rock, WI.

The word "liability," used in the chart on the preceding page, requires some explanation. The key point in the chart is that incorporated entities (non-profits, co-ops, LLCs, etc.) enjoy limited liability protection by the very fact of being incorporated. In general, this means that officers, directors, members, and owners of these entities are not held personally responsible for "damages, settlements, fees, fines, penalties, or other monetary liabilities of the organization." Examples of exceptions to this general rule are an individual's willful misconduct or a violation of criminal law. Informal groups of landowners, sole proprietors, and partners do not have this protection.

Forest owner associations and cooperatives can work as "sister" organizations at the local level. For example, the Massachusetts Woodlands Institute and the Massachusetts Woodlands Cooperative work together to provide educational and business services to landowners in western Massachusetts. In northern Wisconsin, the non-profit association Partners in Forestry is considering the formation of a sister co-op in 2003 to provide timber marketing services for its members. (See Page 33 for more on these partnerships.)

One of the special features of all three categories of cooperation discussed above is that the individual member chooses the extent to which he or she wishes to be involved in joint activities. Although coop-

eration is not for every landowner, working together is often more effective and enjoyable than trying to go it alone. Knowledge, economic strength, and community-building increase exponentially when woodland owners work together.

The adage, "There's strength in numbers," is certainly true of co-ops and associations. In most cases, the individual landowner does not have the volume of wood, the equipment, the marketing expertise, or the time to process and sell his or her own wood or other forest products. Pooling efforts and resources, however, makes for a different equation. Consulting foresters and low-impact loggers may give priority to coop or association members because, as a group, they represent a large volume of business. Members may be able to get discounts on the purchase of chain saws, logging chaps, and other equipment by purchasing in quantity.

Co-ops can provide wood processing and marketing services, allowing members to receive a good return on their wood without the high costs and hassles involved in going it alone. Informal groups, associations, and co-ops provide opportunities for community and social events—training sessions, field days, work parties, picnics, etc.—that can be fun, energizing, and educational. Through co-ops and associations, individual landowners can have a positive impact on the forested landscape in which their

The Western Upper Peninsula Forest Improvement District (WUPFID) began as a project funded by the state of Michigan in 1985. A few years earlier the Michigan Legislature had commissioned a study by a Finnish consulting firm to determine what could be done to improve the condition of Michigan's forests, over half of which are privately owned. The firm recommended the establishment of Forest Improvement Districts patterned after those in Northern Europe that have had a long and successful history of assisting small landowners to improve the management of their woodlots.

WUPFID is governed by a board of directors elected from seven sub-districts. By the end of 2000, **WUPFID** had over 900 members with a total acreage of 170,000. Since 1995, the District has been self-supporting.

WUPFID has three major areas of operation: forest management services; marketing of forest products harvested from members lands; and developing industrial sites to utilize members' forest products.

District staff supervise harvests to ensure they are carried out in a manner consistent with each member's management plan. During the last 15 years, **WUPFID** has marketed nearly 300,000 cords of pulpwood and 28 million board feet of sawtimber and veneer. Staff estimate that members receive a net return approximately 15% higher than they would get if they sold standing timber to buyers.

In an independent review, **WUPFID** received high marks for improving the quality of forest management practices and for the careful administration of wood sales.



Dick Bolen, Chairman of WUPFID, describes how a recent timber sale was conducted on a member's property to participants in a National Network of Forestry Practitioners conference held in the Upper Peninsula.

properties are located, effectively undoing earlier damage. As more and more co-ops and associations develop, sustainable forestry practices will have a cumulative impact at the regional and even national levels. This impact will affect not only the forest resource; it will also strengthen communities through locally based forest businesses and jobs.

Working together can provide a variety of economic and non-economic benefits to forest owners and, at the same time, improve the quality of the environment and the quality of community life.

Forest Owner Cooperation in the South

The Forest Management Trust is a non profit organization promoting forest conservation through the sustainable use of forest resources. Since 1997, the Trust has coordinated the development of forest management standards for the Southeast region based on the principles and criteria of the Forest Stewardship Council (FSC). It is also working to establish 'model forests' that demonstrate Sustainable Forest Management. The Trust has also provided some educational support for the development of forest owner co-ops and associations in the region.

The Mississippi Association of Cooperatives' mission is "to use cooperative development as a strategy to enhance the quality of life and economic opportunities of rural Mississippi residents." Its primary work has been to help farmers grow and find markets for produce. However, because many of the farmers that the Association works with have forested land, staff and volunteers have also been educating these landowners about forest conservation and federal and state programs that provide incentives for good forestry practices. MAC is considering the future development of a forestry co-op or association.

The National Demonstration Program in Community-Based Forestry is an initiative of The Ford Foundation assisted by the Community Strategies Group of the Aspen Institute, the Community Forestry Program of the Pinchot Institute for Conservation, and the Institute for Policy Research and Evaluation of the Pennsylvania State University. Two of its 12 demonstration projects involve groups of landowners in the South.

- The Mandingo Legacy Forestry Program of the Federation of Southern Cooperatives in Epes, Alabama is strengthening local economies by promoting the retention and management of privately owned forestlands and the development of forest-related industries and non-timber enterprises by African-American landowners in a ten-county area of Alabama and Mississippi.
- The Penn Center on St. Helena Island, South Carolina is empowering African-American families to research opportunities for collecting non-timber forest products, develop enterprises, and establish flexible manufacturing networks as long-term revitalization strategies. These increased economic benefits should better equip landowners to retain their land and combat development pressure.

Winrock International's Arkansas Rural Enterprise Center has been involved in a number of forest-related projects over the past decade. Two of them relate directly to forest owner cooperation.

- Ozark Landowners Association. The Center worked closely with the Ozark Resource and Conservation Development District in the mid-90s to help form the Ozark Landowners Association. The Association educates small and medium-sized landowners about the value of their forests and helps them to get good prices when selling timber.
- Carbon Offset Project. The goal of the project is to convert about 350 acres of marginal cropland owned by private landowners in the Mississippi River Delta to bottomland hardwood forest in order to offset carbon dioxide emissions. This experimental project is intended to set the stage for future forest-based, carbon sequestration projects on private lands in the United States. This project will become especially important when formal markets are developed for the exchange of carbon credits.



A Silvopasture Fencing Training workshop held at the Federation of Southern Cooperatives (FSC) Rural Training and Research Center (RTRC) on August 8 and 9 of 2002. From left: Ralph Noble (Tuskegee University), Khalil Shahyd (Youth Development Director, FSC RTC), and Eugene Hall (Training Participant)





On the left, a low-lying field belonging to a private landowner in Arkansas. It will be planted with mixed bottomland hardwood species this winter and then managed for 80 years to maximize carbon offsets. The photo on the right was taken close to this project site and shows what the forest will look like at maturity. (Winrock's Carbon Offset Project)

Forest technician marking a water course to protect it during a thinning operation, winter 2002. (Société sylvicole des Laurentides)



Headquarters of the Athol Forestry Co-op in Nova Scotia. The carving of the logger was done to commemorate Athol's 25th year of operation.

Forest Owner Cooperation in Canada

There is a long history of forest owner cooperation in Canada, particularly in Quebec and the Maritime Provinces where there is a high percentage of privately owned forestland. Following are a few examples.

Athol Forestry Co-operative recently celebrated its 25th anniversary. The Co-op is one of 6 group ventures in the Province of Nova Scotia providing woodlot management and marketing services to private woodlot owners. It has 215 members and manages 365 woodlots covering 49,000 acres.

RESAM (a French acronym for **Federation of Forest Management Associations**) has 44 member associations with more than 21,000 woodlot-owner members who own over 2.6 million forest acres. Some of RESAM's member associations have been in operation for over a quarter of a century. For further information, see RESAM's French language website: http://www.resam.org/

Société sylvicole des Laurentides is a good example of a RESAM member. The forestry association has over 400 landowner-members who own about 50,000 forested acres. The association provides these forest owners with a wide array of services, including: tree planting, thinning, selective cutting, salvage cutting, construction and improvement of forest roads, construction of wildlife shelters, and timber marketing. In conjunction with RESAM, the association is in the process of becoming an umbrella organization for Forest Stewardship Council Certification.

Woodlot Stewardship Co-operative is a newly formed organization in the Province of New Brunswick. Its mission is "to provide assistance to landowners in a) developing sustainable forest management strategies that maintain the long-term social, ecological, and economic benefits from our forests, and b) applying for third party certification by the Forest Stewardship Council."

Part One: INTRODUCTION TO FOREST OWNER COOPERATION

Menominee Tribal Enterprises

"It is said of the Menominee that the sacredness of the land is their very body, the values of the culture their very soul, the water their very blood. It follows, then, that the forest and its living creatures are food for their existence."

Marshall Pecore, MTE Forest Manager

The Menominee Forest in north central Wisconsin encompasses 220,000 acres of land, with 9,000 timber stands and over 16 different hard and softwood species. The Menominee Indian Tribe's traditional land once covered millions of acres in Northeast Wisconsin, but in 1854 the U.S. Congress confined the Tribe to the current reservation. Although the forest resource has always been utilized by the Menominee, it has been an especially important foundation of the Tribe's economy since a timber sawing operation started there in 1908.

According to inventory estimates by **Menominee Tribal Enterprises** (**MTE**), the Menominee Forest has about 30% more standing sawtimber volume today than it did when the first inventory was taken in 1854. More than 2.25 billion board feet have been harvested from the forest during that period. These figures demonstrate a strong commitment to sustainable forestry on the part of MTE and the Tribe which governs the operation. The forest has been certified as "well managed" by *SmartWood*.

The Menominee Forest is managed by MTE, an independent corporation governed by a 12-member board elected from tribal members at large. MTE employs about 300 people, about half of whom work in the sawmill. Their goal is to manage the forest for long-term quality and quantity sawtimber production while maintaining a forest that is healthy, productive, and diverse. Their land ethic and forest management philosophy, which they call "sustained yield management", has evolved and been passed down over many generations. Their commitment to this philosophy enables the Tribe to maintain a forest that is ecologically viable, economically feasible, and socially desirable.

part

Introduction to Forest Owner Cooperation

Realizing a New Land Ethic through Forest Owner Cooperation

Sustainable forestry cooperatives and associations have the potential to play a major role in protecting and improving forest ecosystems in the United States during the 21st century. Working together, non-industrial private landowners may very well lead the way in a dramatic shift in forest management toward an ecologically and economically sustainable future.

As more landowners become involved with sustainable forestry organizations, the kind of commitment to the land that Aldo Leopold envisioned more than 50 years ago is again brought into focus. In *Sand County Almanac* Leopold wrote:

"A thing is right when it tends to preserve the integrity, stability, and beauty of the biotic community. It is wrong when it tends otherwise. It of course goes without saying that economic feasibility limits the tether of what can or cannot be done for land... [but] an innumerable host of actions and attitudes, comprising perhaps the bulk of all land relations, is determined by the land-users' tastes and predilections, rather than by his purse. The bulk of all land relations hinges on investments of time, forethought, skill, and faith, rather than on investments of cash."

Through sustainable forestry cooperatives and associations, landowners are beginning to build a relationship to the land that is both ethical and economically rewarding. The success of these locally-based organizations will not only set a precedent for the formation of others like them; it may someday have an impact on the way all of us as citizens, consumers, industry officials, and governmental agencies view our relationship to and use of the land.



Forming a Forest Owner Organization

s Part One of this manual shows, there is great potential for forest owner coopera-Lives and associations to benefit non-industrial private woodland owners in a variety of ways. Part Two provides a step-by-step guide to forming a forest owner cooperative or association.

As discussed in Part I, Chapter Two: Forest Owner Cooperation—Part of the Solution, there are three broad categories of services that a sustainable forestry organization can provide its members: education, woodland management, and processing and marketing. Most of these services can be provided by both associations and cooperatives; however, co-ops are best suited to carry out processing, marketing, and other activities that generate economic returns to members.

Remember that cooperatives are businesses that are owned and democratically controlled by the people who use their services and, as such, can distribute profits directly to their members. Non-profit associations, on the other hand, are required by law to either reinvest any profits they make into their own operations or donate them to other non-profits or government agencies

forest owner organization benefits & services

There are ten main steps in the formation of a forestry association or cooperative. Note that these steps are not a "recipe." Every group charts its own path from the idea stage to an operating organization. Also keep in mind that these steps do not have to be carried out in the order they are presented; and that work can be done on more than one step at a time.

Ten Steps

in Forming Forest Owner Cooperatives and Associations

- Step 1 Establishing the Steering Committee and Developing a Vision
- Step 2 Assessing Landowner and Community Interest
- Step 3 Becoming a Legal Entity
- Step 4 Recruiting Members
- Step 5 Making an Informed Decision on Whether and How to Proceed
- Step 6 Preparing the Business Plan
- Step 7 Holding a General Membership Meeting and Electing a Board of Directors
- Step 8 Securing Financing
- Step 9 Recruiting Personnel
- Step 10 Beginning Operations

forest owner organization benefits & services



Provide reliable *information* about sustainable woodland management, management personnel, and financial assistance programs.



Forming a Forest Owner Organization

$_{\mathrm{Step}}$ 1 Establishing the Steering Committee & Developing a Vision

Think of the steering committee as a group of five to ten people who are enthusiastic about an idea and are committed to meeting regularly to pursue a common vision.

There are two ways to establish a steering committee. A small group of people might come together to explore the idea of forming a forest owner organization and then establish themselves as a steering committee in order to pursue the idea further. Or, an initial organizing group might convene one or more meetings of potential co-op or association members to test out the level of interest in the idea, with the steering committee being drawn from this large group of meeting participants.

However the steering committee is formed, it is important for its members to be representative of local landowners—both those in attendance as well as those who might be attracted to the endeavor in the foreseeable future.

Even though the steering committee does not start out as a formal board of directors,

it makes sense for it to operate in a somewhat formal manner by designating:

- a **chair** (or rotating chair) to facilitate the meetings and set the agendas (Establishing an agenda helps provide structure to a meeting so that it runs efficiently);
- a **secretary** to record the minutes of meetings and keep track of other actions taken by the group;
- a **treasurer** to handle finances. (At this stage, one person may be able to handle the roles of secretary *and* treasurer.)

Important considerations for the steering committee early on may include:

- Developing a vision for the forest owner association or cooperative, including the kinds of services to be provided (see Creating a Vision on Page 26);
- Determining the level of interest of area landowners in the organization;
- Identifying potential obstacles to earlystage development of the organization;
- Developing an inventory of skills of potential members and community resources.

The most important role of the steering committee is to provide leadership as the organization proceeds through its formative stages.

forest owner organization benefits & services



Develop environmentally responsible woodland **management plans**. Creating a vision for the organization is one of the first and most important of the steering committee's tasks. A clear vision helps to focus the efforts of everyone involved in getting the organization started. Julie Zuehlke, Ph.D., a board member of Hiawatha Sustainable Woods Cooperative, outlines four basic components of strategic planning or "visioning".

Creating a Vision The Mission Statement should state, in few words, the over-arching purpose of the organization: what it does, why, and for whom. It should not change dramatically over a long period of time; however, it must be re-visited regularly, perhaps at the annual meeting, board retreat, or other appropriate time. The mission statement is not the place for long, rambling sentences about philosophy, rationale, beliefs, and specific procedures. An example of a concise mission statement would be: "To provide assistance to area landowners in developing ecologically and economically sustainable woodland management strategies."

Goals are also short statements, a little more detailed than the overall purpose, that commit the co-op to *activities* that support the mission. Goals are "long-term" and should not change frequently. One of the goals the Living Forest Cooperative lists in its brochure is "to provide a responsible, member-owned and controlled means for forest owners to manage, harvest, process, and market their timber."

Objectives support particular goals and become "task statements" that form the basis—the "how to"—for getting the work done. Objectives must: 1) be *specific*, 2) be *measurable*, and 3) *contain a time frame*. Objectives change over time, depending on how they work out and how well they support a particular goal.

An example of an objective for a sustainable forestry cooperative might be: "To hold three informational meetings in the next six months for area woodland owners and the public. The major topic of these meetings will be sustainable management, and guest speakers will include resource managers and representatives from other sustainable woods cooperatives." This is specific ("hold three informational meetings"), measurable (did the three meetings take place?) and contains a time frame ("over the next six months").

Outcomes work both to clarify the objective as it is being composed (predictive outcomes) and to evaluate the objective "after the fact" (evaluative outcomes). They answer the question, "How will we know that this objective: a) has been achieved, and b) was a worthwhile objective for us to pursue?" (Think of tangible outcomes: what will you see as a result? what will have *changed*? etc.) If, for example, the three meetings are held within the six months, as per the objective, but do not produce the desired results, then perhaps the objective needs to be reconsidered. These outcomes provide information for future planning, possibly setting new goals, or restructuring objectives to be more achievable.

An Example of Early Stage Development in Massachusetts

The Massachusetts Woodlands Cooperative serves forest landowners in western Massachusetts. In 1999, a group of landowners and other interested parties met several times to discuss the possibility of starting a forest owner cooperative. A Steering Committee was formed as a result of the positive response at these meetings. The Steering Committee established a three-fold task:

• To explore the idea of a forest owner cooperative in greater depth;

- To determine the extent of interest among landowners in western MA; and
- To develop an initial set of guidelines for the cooperative.

The initial guidelines (or vision) developed by the steering committee were later expanded into a comprehensive set of "values and beliefs." A document such as this helps to communicate the co-op's purpose to current and prospective members.



Arthur Eve, chair of Massachusetts Woodlands Cooperative, has a stream on his tree farm and several of his grandchildren in the stream. From left, Julianna Eve, Leah Eve-Cowles, and Kira Eve.



Step 2

The success of a locally based forest owner organization depends on the interest and involvement of the forest owners in that area. At this very early stage it is vitally important for the steering committee to assess the level of interest in the community and to seek input from potential members when deciding the direction in which the organization should go.

An effective way to do both these things is to hold one or more informational meetings. These meetings serve to explain to the community any work that has been done by the steering committee, and to provide a forum for public discussion of the idea of forming the organization. It may be helpful to invite a board member from an established sustainable forestry organization or other resource person to share his or her experiences.

In advance of the meeting, be sure to identify and invite any key landowners whose presence at the meeting will make a difference—not necessarily those who own the most acreage, rather those to whom other landowners and members of the

Assessing Landowner and Community Interest

public are likely to pay attention. Also, be sure to publicize the meeting in multiple and appropriate ways. A poster at a popular local diner may generate as much or more interest as a notice in a local newspaper.

It is often useful to prepare in advance of the meeting(s) a *survey* that can be handed out to everyone in attendance. The survey can help to answer several key questions relating to the particular needs and interests of the members, as well as to gather more detailed information about their woodlands.

See Appendix A-1 for a sample membership survey.

Raising money from potential members is an important step at this stage. Many co-ops have established a basic membership fee or stock purchase of \$100. Non-profit associations often set lower fees, e.g. \$25 per year. In addition to demonstrating people's commitment to the development of the organization—thereby sending a strong signal to other prospective members—this "first stage fundraising" can cover initial costs for mailings, phone calls, travel expenses, legal fees, feasibility research,

forest owner organization benefits **Q**, services



Provide access to Forest
Stewardship Council
certification through
independent third-party
certifiers such as SmartWood
and Scientific Certification
Systems, Inc. (See Part III,
Chapter 4, page 76)

and other administrative tasks. These funds can also serve as "matching funds" for grants from foundations and government programs.

Note: Charter membership fees should be raised with a disclaimer stating that their purpose is to determine the feasibility of forming a coop and that charter members will not necessarily receive any direct benefits from their membership fees.

Phil Guillery of the Community Forestry Resource Center at a workshop sponsored by the Residents' Committee to Protect the Adirondacks



An Example of Early Stage Development in New York

The Adirondacks Park Sustainable Forestry Project began in 1999 with four primary goals:

- 1. To work with landowners to develop forest management plans; and to bring the Project's forestry management practices into compliance with those plans in order to become certified through **SmartWood**, an *FSC-approved* certifying organization.
- 2. To achieve Resource Manager Certification status with **SmartWood** so that the Project can help landowners to maintain their certification on an ongoing basis.
- 3. By means of public outreach, to spread the

word to other landowners about good forestry practices and to recruit more members to the Project.

4. To develop a landowner organization that, through the sale of certified wood products, will promote good forestry practices and bring revenue back to the landowners.

As of this writing the Project has 11 members—representing over 6,000 acres of *FSC-certified* forestland—and has successfully met its first two goals by helping a core group of landowners to receive *FSC-certification* for their woodlands and by having been certified as a Resource Management Organization by **SmartWood**.



Step 3

Becoming a Legal Entity

In order to conduct business, both cooperatives and non-profit organizations have to be incorporated under appropriate state statutes. Incorporation is the process by which an organization is recognized by the state as a legal entity.

Most states have separate statutes for cooperatives and non-profit organizations. Others have more general corporate statutes. For information pertaining to a specific state, contact the secretary of state's office or the county register of deeds in that state.

The articles of incorporation describe the kind and scope of the association's or cooperative's activities, and must be filed with the secretary of state. There is a small fee for filing—usually less than \$100.

Although articles of incorporation are easy to fill out, it is a good idea to ask an attorney to review them before they are filed.

You may be able to find an attorney who is willing to review the articles for free (probono) or for a minimal charge (\$100 or so). Once the secretary of state approves the articles, the organization becomes a legal

entity and the steering committee becomes an interim board of directors.

Examples of bylaws and articles of incorporation can be found on the website of the Community Forestry Resource Center, at www.forestrycenter.org/legal documents. Also, please refer to Appendix A-2 for descriptions of the necessary legal documents.

The *bylaws* are an internal document that describes the basic governance and operation of the organization: who can be members; how the board of directors and officers are elected; how decisions are made by the board and members, etc. The interim board of directors does not have to prepare bylaws right away. Both associations and co-ops can develop basic bylaws and refine them at a later date. It is a good idea to have detailed bylaws drafted in time for the first general meeting of the organization (see Step 7). As with articles of incorporation, an attorney should review the draft bylaws.

As noted in the Introduction to Part II, these steps don't have to occur in the order in which they are presented here. For example, some steering committees may decide to wait until they have a better idea of their purpose and direction before they incorporate.

In general, the steering committee's decision to incorporate should be based on several considerations:

♦ Are there grants and loans for which the steering committee may apply that require the organization to be incorporated?

- ♦ Would some steering committee members' concerns about legal liability issues be lessened if the organization were incorporated?
- ◆ Is the organization planning to collect funds from potential members prior to completion of the business plan? (Members and other investors will feel more secure if their money is going into a corporate—rather than a personal—bank account.)

If one or more of these situations apply, the organization should incorporate before the business plan is completed. If none of these apply, incorporation may be deferred.

forest owner organization benefits & services



Provide *consultation and field training* in habitat restoration and protection of biodiversity.

Examples of Three Different Organizational Structures

There are several options for structuring forest owner organizations. Here are three examples to consider:

1. Wisconsin Family Forests (WFF) is a non-profit, statewide organization made up of local community forest owner groups called alliances. An alliance is an informal, non-threatening "association" of neighbors who are interested in working together to improve the management of their forests. By participating in meetings or field days organized by their alliance, neighbors can share work and information without a lot of external structure.

Each alliance is locally controlled and self-governing but not separately incorporated. Part of the membership fee in each local alliance goes to WFF to pay staff and operating expenses. (WFF has a part-time executive director.) The purpose of the statewide organization is to coordinate activities among the existing alliances and to foster the development of additional alliances around the state. This "bottom up" rather than "top down" approach also serves to build community among forest owners.

2. Organizers in Massachusetts formed both a cooperative and a non-profit as two separate entities. **Massachusetts Woodlands Institute** was organized as a tax-exempt, non-profit orga-

nization to carry out educational and other service activities for woodland owners in western Massachusetts. Massachusetts Woodlands Cooperative (MWC) was formed to operate as a business that adds value to members' timber and markets those value-added products on behalf of the members. Any profits generated by the cooperative's business operations will be returned to the members in proportion to their use of the co-op. MWC currently has over 20 members with aggregate holdings of more than 2,000 acres of forestland. The co-op's goal during the next three years is to grow to 150 members and more than 20,000 acres.

3. Partners in Forestry, a group located in northeastern Wisconsin, is now in the process of forming a tax-exempt non-profit organization for the purpose of providing educational and forestry management services to it members. The steering committee decided to incorporate as a non-profit in order to qualify for grant funding. However, the organization also wants to market its members' timber, so they are considering forming a cooperative "sister organization" in 2003. This sister cooperative will be able to engage in profit-making business operations and distribute those profits to its members.

Part Two: FORMING A FOREST OWNER ORGANIZATION



Step 4

Recruiting Members

embership recruitment is an ongoing process. Laying the groundwork for the association's or co-op's membership base begins at the time the steering committee first meets. Many forest owner associations and co-ops in the process of being formed:

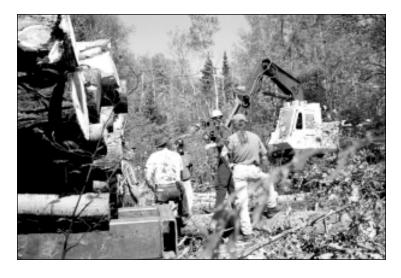
- hold informational meetings for potential members:
- sponsor forestry events such as selective harvesting demonstrations and "walks in the woods";
- ← conduct membership surveys;
- ← mail organizing updates; and
- ← collect membership fees.

All of these activities provide a good indication of the level of interest in the organization and keep people informed

about the development process. Thus, when the time comes to make a long-term commitment, members will be ready to act without a lot of last-minute promotion and education.

Membership outreach and recruitment contribute to the development of the business plan in several ways:

- ➡ The information gathered from the members helps determine the direction of the business plan;
- The collected membership fees help pay for the writing of the business plan; and
- These fees indicate to potential members, grantors, and lenders that there is a core commitment to the organization by an established membership.



Members get together for work and fellowship at a recent Cook County Sustainable Forestry Cooperative field day.

Member Recruitment in Southwestern Wisconsin and Northeastern Minnesota

Kickapoo Woods Cooperative (KWC), located in the Kickapoo Valley of southwestern Wisconsin, has a diverse membership made up of farmers, retirees, others who reside on their land, and absentee owners. The co-op acts as a land management organization providing forestry, marketing, and educational services to member landowners.

In the last year or so, membership recruitment has been a major focus of the cooperative. KWC's main strategy has been to invite the general public to attend workshops on various forestry-related subjects. The workshops are relatively low-cost because presenters usually contribute their time or are supported with grant funds. A short presentation on the purpose and goals of the co-op is included in every workshop. The co-op generally adds a few new members as a result of each workshop. In addition, the co-op enters workshop

attendees' names in a database and later mails brochures and newsletters to them. These follow-up mailings have also proven to be an effective method of gaining new members. The co-op has conducted 10 workshops in the last year, and has successfully expanded its membership from about 25 to 50 members. KWC's next recruitment efforts include conducting an ad campaign in local newspapers and asking every current member to recruit one new member.

The Cook County Forestry Co-op has also used educational services as a recruitment strategy. Although the Co-op currently has only about 10 members, it recently held a field day that attracted over 30 participants. One of the Co-op's steering committee members recommends asking people to sign up right at the workshop: waiting to recruit until a few days after the event is a mistake.

forest owner organization benefits **Q** services



Provide *timber stand improvement* and tree planting services.



Step 5 Making an Informed Decision on Whether and How to Proceed

Both cooperatives and non-profit organizations need to pause at this point in the development process and determine whether there are any insurmountable obstacles to the development and success of the organization. If insurmountable obstacles are discovered, the development of the organization should be abandoned or shelved before too much time or money has been invested.

Some organizations may choose to conduct a formal feasibility study at this point in order to answer the questions posed below, but a formal study is not always necessary. It's up to the steering committee to decide on whether a formal approach or an informal, "check list" approach to addressing these questions is more appropriate in determining whether or not to proceed.

The critical "make or break" questions for both associations and cooperatives include:

☑ Are there enough potential members to make the formation of the organization worthwhile? As discussed in Steps 2 and 4 above, the success of the organization is dependent on the involvement of

enough interested landowners who are willing to make a financial commitment. Some groups have set a goal of 25 charter members as a measure of adequate interest. Other indicators might be the number of wooded acres owned by potential members, attendance and participation at meetings, and the level of interest expressed in survey results.

☐ Does it look like the organization has a realistic potential to provide the services members and potential members want? Can it provide these services in a cost-effective manner? There needs to be consistency between the goals established by the steering committee and the desired services identified by members and potential members via surveys, meetings, and other means. There needs to be a "service gap" that the organization has the potential to fill. That is, there has to be a clear need in the local area for the educational services, forest management services, and/or forest product processing and marketing services that the organization intends to provide. Finally, the organization must have good potential to cover its costs or to make a profit on these services.

☑ Does the group have the leadership necessary to carry the organization forward? Is the steering committee or interim board committed to investing the time and energy needed to launch the

forest owner organization benefits & services



Provide *continuing education* opportunities for members and staff.

association or co-op? Does the group have strong, capable officers? Are there advisors who are knowledgeable about the various issues that the organization will face?

☑ Can the organization realistically expect to raise sufficient funds to become operational? The amount of start-up funds will vary dramatically depending on the kinds of services to be provided by the organization. An educationally oriented non-profit will cost far less to begin operation than will a co-op planning to process and market paneling and flooring. Sources of funding include member fees and loans (and, in the case of co-ops, member stock purchases), public and private grant programs, and public and private loan programs.

It's helpful to contact other established sustainable forestry organizations to learn about their experiences in addressing these critical questions. In some cases, non-profit development organizations, federal, state or local government programs, or foundations may provide financial or technical assistance to help an organization carry out a feasibility study. Initial payments by charter members may also be used to help cover the cost of a study.

If the feasibility study or informal feasibility review identifies no insurmountable obstacles, the steering committee may proceed with confidence to the preparation of the organization's business plan.

Examples of Getting Unstuck

It's not uncommon for a forest owner organization to find itself at this critical juncture in its development: the initial excitement of starting the organization has dissipated; the steering committee is burning out from having to do all the work; and forest owner interest seems to be lagging. Here are two examples of how organizations in this position got themselves back on track:

Kickapoo Woods Cooperative (KWC) originally started in 1999. However, due to the initial organizers' no longer being able to invest enough time in the project, the co-op began to lose steam after the first year of development. In 2001, Cooperative Development Services used funds from a USDA Rural Business Enterprise Grant (RBEG) to pay for a coordinator for KWC. With the help of this savvy, energetic coordinator, the group has made significant progress: membership has grown to 50 members with about 7,000 acres of land owned. The organization has incorporated and drawn up bylaws, conducted its first general membership meeting, elected a board of directors, and prepared a business plan. In this case, hiring a competent, paid coordinator was the key.

The Cook County Forestry Co-op in Minnesota started out with a small number of leaders who had a good vision for the co-op, but lacked the time to implement the vision. This group of landowners, after meeting for over a year, realized that they needed a paid coordinator with appropriate skills to move the co-op forward. Cooperative Development Services used RBEG funds to hire a part-time coordinator, in this case a forester with the University of Minnesota Extension. Assisted by the coordinator, the group began to grow, both in terms of its membership base and in terms of the day-to-day activities that make an organization function effectively: meeting agendas, minutes, mission statement, preparation of legal documents, etc. The RBEG grant has now run out, and, for the time being, interim board members are providing coordination services on a volunteer basis. However, the co-op is now on a much more stable footing and expects to have follow-up grant support in the fall in order to make the transition to a self-supporting organization.



Step 6

Preparing the Business Plan

If the feasibility study results are favorable, the next step for the cooperative or association steering committee is to carry out (or commission) a detailed business plan. The business plan serves two primary purposes:

- **A)** to provide a blueprint for the development and initial operation of the organization; and
- **B**) to provide supporting documentation for potential members, financial institutions, and other investors.

In general, non-profit organizations don't refer to their development planning documents as "business plans." For the sake of simplicity, however, this chapter employs this term for both co-ops and non-profits.

It is important to keep in mind that each forest owner group has its own unique resource base, organizational structures, member needs, and other circumstances to which the business plan must be tailormade. "Business planning" is never complete; it is continuous with the operation and growth of the organization, and should evolve over time to fit its changing needs.

Note: Strategic planning — as described in "Creating a Vision" on Page 26 — is not the same as a business plan. Strategic planning is a more general activity that can be applied in a wide variety of settings. It involves the identification of missions, goals, objectives, an action plan, and a procedure for measuring results. Business plans incorporate strategic planning components, but they contain many other elements as well, as described below.

A typical business plan includes:

- An executive summary that provides a brief synopsis of the major points of the business plan.
- A description of the organization: its location, its goals, and the activities it proposes to carry out.
- ➡ A resource analysis that provides detailed information about the resource base of the organization (e.g., the potential members—including the acreage and the characteristics of the woodlands they own).
- A market analysis that identifies and quantifies the organization's market potential and its products and services. (Note

that the term "market" as used here applies to non-profits as well as co-ops. For example, if a local association is planning to carry out educational activities, what will be the topics and delivery system? Who are the projected participants? In other words, to whom will the organization be marketing these educational events? What are the educational needs of these participants?

- Research and development related to the organization's products and services, including educational services, forest management services, and other services for which members may or may not be required to pay.
- A marketing and sales plan that describes how the organization will go about marketing its products and services.
- ➡ A description of the organizational structure and key personnel, including resumés of key personnel.
- ➡ A financial analysis that provides detailed information on how the start-up of the organization will be financed and the expected costs and revenues to be generated by the organization after it is in operation. The financial analysis section of a business plan often includes projections over the first three years of operations.

Sustainable forestry organizations can engage in educational and other service activities, in purchasing, processing and marketing activities, or a combination of these, depending on the needs and interests of the members. The capital investment required by the organization will vary, depending on which of these activities it undertakes. (Please refer to the analysis of different kinds of locally-based forest

organizations presented in Part I, Pages 10 - 12.)

Most groups find it useful to seek outside expertise for writing all or parts of the business plan. For example, the market survey, cash flow analysis, and three-year financial projections are all specialized areas of knowledge that may require professional assistance. The cooperative development organizations listed in Appendix C provide business planning assistance, as do the Small Business Development Centers located in each county, local SCORE (Service Corps of Retired Executives) programs, and various other non-profit and governmental organizations.

One Non-Profit Organization's Business Planning Process

Wisconsin Family Forests, a non-profit organization, held a development planning session in March of 2001, attended by the organizers, key members, and several advisors. A number of outcomes resulted from that session, including a vision and values statement and a plan for hiring staff to do the work that the steering committee could not do on its own. In addition, the group agreed to develop a website and a magazine, and adopted goals for the number of new alliances they wanted to develop by the end of the year. The organization is evolving quickly. The organizers plan to hold another development planning session in 2003 to update **WFF**'s organizational goals. Although WFF does not refer to the results of this planning session as a "business plan," it contains many of the elements of a business plan described in this chapter.

Business Planning Advice for "Value-Added" Co-ops

Chuck Ouimette, a forestry business consultant with over 30 years of experience in the industry, has helped several "value-added" forest owner cooperatives develop their business plans. He has developed a financial model that projects all aspects of a value-added co-op's operation. Its interactive design allows a co-op to use the model to periodically update its business plan. As the business grows and new information and resources become available, the co-op can modify the financial projections to reflect these new conditions, giving it revised expectations for profitability, etc.

In Chuck's experience, three "lessons learned" jump out from the business plans of new value-added cooperatives:

- 1. Marketing, not processing, should be the primary focus of a value-added cooperative. All other services can be contracted out, at least for the first few years, but the co-op must market its own products.
- 2. Of the three primary functions that a value-added cooperative could engage in—sawing, drying, and milling—milling is the least capital intensive and has the highest margin.
- **3.** Start out by concentrating on marketing, then slowly add other aspects of operations like sawing, drying, or milling as the business is capable of handling them. As you make these decisions, revise your financial projections to reflect the new operation.

Kickapoo Woods Cooperative has developed a business plan with an initial focus on forestry education, resource management, and timber marketing. The co-op has been providing workshops and other educational services for more than two years. Beginning in the latter half of 2002, the co-op manager began to coordinate timberstand improvements, management planning, marking of trees for harvests, harvesting, and timber sales for members. The co-op receives fees for these services. The plan calls for the co-op to reach a break-even point on these services sometime in 2003. In the future, KWC will decide whether to have its own timberstand improvement and logging crews or to continue to contract out for these services; and it will decide whether to engage in value-added wood processing.

forest owner organization benefits & services



Provide *educational services and programs* on a wide range of topics.

part

Forming a Forest Owner Organization

Step 7 Holding a General Membership Meeting and Electing a Board of Directors

The first general membership meeting is convened when the steering committee decides that enough members have joined the organization *and* when the business planning process is far enough along so that a clear direction for the organization has been established.

The first general membership meeting often takes place about a year after the formation of the steering committee. At this meeting, the members:

- vote on the co-op's or association's bylaws,
- elect a board of directors,
- vote on a plan for the development of the association or co-op, and
- conduct other business.

This meeting marks the transition from an interim board of directors and an interim set of bylaws to a formally elected board and formally approved bylaws. In general, it is a good idea for a number of interim board members to continue on the elected board in order to preserve continuity and momentum.

Duties and Responsibilities of a Board

- Legal responsibility to protect the assets of the members
- ◆ Representation of the members' interests
- Long range and strategic planning
- Oversight of management personnel
- ◆ Communication with the membership

part III, chapter 1

has more information on the elements

of a successful board.

The board of directors is the beating heart of any organization. Members should pick their directors carefully, to ensure that they are both representative of the membership and committed to doing the work needed to make the association or co-op successful. Board members are legally required to act in "good faith" and with "reasonable care and skill." Being part of the democratic governing of a cooperative or an association can be a challenging but very fulfilling and exciting experience.

The purpose of a forest owner association or cooperative is to serve its members' mutual needs. The board of directors has the authority and the responsibility to make decisions that ensure those needs are met as efficiently and effectively as possible—that is, to use the resources of the organization for the benefit of its members. It is a very good idea for a new board of directors to receive training in how to be an effective decision making group. The cooperative development organizations listed in Appendix C offer such training and/or can refer organizations to board trainers.

One common stumbling block is the transition from a steering committee or interim board that has been actively managing the organization to an elected board of directors whose job is to develop policy while a hired manager oversees the day to day operation of the organization. Education and training for the board is particularly helpful in making this transition, and can spell out specific areas of separate responsibility for the board and the management. (See Part III, Chapter One for a more detailed discussion of board and manager responsibilities.)

An Example of a Co-op's Board Training and First General Membership Meeting

Living Forest Cooperative was incorporated in May of 2000 and now has 68 members. This coop has found that education is the key for an effective relationship between the board and its general manager. Both sides must be clear on what their roles are and what areas they should not be involved in. This co-op used materials and advice from the University of Wisconsin Center for Cooperatives (UWCC) to define the board's role of governance and policy making and the GM's role of day to day management.

Living Forest held its first general membership meeting in August of 2001. Charly Ray, the general manager of the cooperative, has a few suggestions for conducting general membership meetings:

- Because your organization's bylaws may contain information related to meeting agendas, be sure to check them before developing your agenda. (State law may also have some requirements in this respect.)
- ✓ For its first meeting Living Forest Co-op brought in a facilitator who was experienced with
 forestry co-ops. Because so few of the Co-op's members and staff had experience in this area, the
 facilitator was very helpful in keeping the meeting on track.
- ✓ Don't worry if your organization doesn't have a lot of members, or if not many show up for the general meeting. The important thing is to have the meeting and follow a reasonable process.



Step 8

Securing Financing

Porest owner organizations vary greatly in the amount of capital they need in order to get up and running. The business plan should include the amount and type of financing needed by the organization as well as a strategy for obtaining it. The board of directors and its advisors are responsible for implementing this strategy.

Financing needs vary depending on whether the organization is providing educational services, resource management services, raw product marketing services (i.e. timber or non-timber product marketing), value-added product processing and marketing services, or some combination of the above.

Forms of member financing include stock purchases (for cooperatives) and membership fees and loans (for both co-ops and non-profits). Member financing provides money for the organization and makes other investors and contributors feel more secure about investing in it.

In addition to member financing, many organizations need to seek out grants or

loans to get started and to maintain their operations until they are able to support themselves from membership fees and service revenues. Grants and/or loans can come from banks and other financial institutions, local, state, and federal government programs, and various private forprofit and non-profit organizations, including foundations.

Appendix C contains a list of financial and developmental resource organizations.

forest owner organization benefits & services



Provide assistance in *harvesting timber*.



Step 9

Recruiting Personnel

ost non-profit associations need only a small staff to coordinate the organization's activities. In some cases just a part-time or full-time manager will do, depending on the size and complexity of the association's activities. Some cooperatives may need a full-time manager in addition to other staff to manage the co-op's operations.

The recruitment of personnel is listed as the next-to-last step in the formation process because the organization cannot hire staff until the necessary financing has been secured. However, some groups can identify key potential personnel much earlier in the organizational development process. One or more key persons can be hired as consultants at an early stage, sometimes with the expectation that they will join the management staff of the organization once it is formally established. This approach also has the effect of making investors feel more comfortable about loaning money to the organization. For some lenders and grantors, competent management is the most important thing to look at in making a loan or grant decision.

Hiring a good manager is crucial to ensuring the success of any forest owner organization. A manager's job description might include:

- Coordinating educational activities for members:
- Managing and tracking inventory;
- Identifying equipment needs and priorities;
- Pursuing financing and making presentations to financial groups;
- Arranging for SmartWood or other third-party certification of members' woodland management plans;
- Ensuring "chain of custody" certification;
- ⇒ Periodically revising and coordinating the organization's business plan with the Board (please see Step 6 for more information on the business plan);
- Organizing and hiring a production team;
- Marketing (please see Part III, Chapter 5 for more information on marketing).

forest owner organization benefits & services



Develop manufactured, value-added wood products.

Staffing a Cooperative or Association

Most forest owner organizations have found that their managers must be generalists with skills in business, personnel, communications, and accounting, along with the ability to "sell" the organization to potential members, and the expertise, if necessary, to bargain with subcontractors (forestry, wood processing, trucking).

Several different models of *how to staff a forest owner organization* have emerged over the last few years:

- Some organizations, including **Wisconsin Family Forests** (WFF), have obtained grant funding to hire a coordinator or manager. This model works well for a few years; however, most organizations adopt a long-term goal of becoming self-supporting rather than continuing to rely on unpredictable grants. The recruiting of personnel in these cases is relatively straightforward, but note that some grants may require particular affirmative action recruitment activities.
- At Vermont Family Forests (VFF) a professional forester played a key role in organizing a non-profit forestry organization. David Brynn, a public forester in Addison County, VT, witnessed numerous examples of forest owners who cared about their woodlands but lacked the resources to manage them well. Brynn helped to start VFF to address that problem. With assistance from other local non-profit organizations, VFF began offering educational workshops to landowners in 1995. Since that time, VFF has held numerous workshops on a variety of forestry-related topics that are designed to provide non-foresters with the knowledge they need to oversee the practice of sustainable forestry on their land. The organization also coordinates processing and marketing of FSC-certified wood for local landowners. VFF has evolved into an organization whose mission is to provide improved access to education, information, and sustainable forestry to forest owners.
- In the case of **Living Forest Cooperative** it was local non-profit organizations that played a key role in launching the organization and getting it up and running. The Bayfield Regional Conservancy acted as the fiscal agent for a grant from the Weyerhauser Family Foundation. The grant paid the co-op general manager's salary for the first year. Since January of 2002 the co-op has been off of grant funding and is trying to make it on member support and the sale of wood products. However, it would not have gotten off the ground without backing from the Conservancy and other non-profits.



Step 10

Beginning Operations

Experience has demonstrated that forest owner organizations tend to go through many growing pains during the first few months and years of operation. It is well-known that most new businesses fail

during the first three years. The following keys to successful operation are designed to help organizations make it through the difficult early years of operation.

Keys to Success for a Forest Owner Organization

(adapted from *Cooperatives: a Tool for Community Economic Development* by staff of the University of the Wisconsin Center for Cooperatives and Cooperative Development Services, 1998)

1. Competent, Honest Leadership

 Both the Board of Directors and the Manager

2. Careful Financial Management

- Adequate capitalization
- Good accounting system and competent bookkeeper
- Objective audits

3. Good Internal Relationships

- Members Board
- Board Manager
- Manager Staff
- Education for both board and management to learn their respective roles

4. Good External Relationships

 With business partners, competitors, community, government officials, other forest owner organizations.

5. Realistic Business Plan

- Achievable goals
- Clear, measurable action steps who will do what by when

6. Performance Evaluation

- System for measuring performance
- Frequent reviews of performance
- Changes in operations based on performance reviews

7. Morale

- Employees should like working for the organization.
- Members (and non-members) should like using the co-op's services.
- Celebrate little successes as well as big ones.

forest owner organization benefits **&**, services



Market timber and other forest products through the organization.



Conclusion

hese ten steps provide a general overview of the organizing process for forest owner co-ops and associations. Remember that the start-up of each organization is unique, and the needs of non-profit organizations are different from those of cooperatives. Thus, the steps outlined here should be treated as a set of suggestions to be adapted as needed. There will always be bumps in the road. In some cases the bumps may be significant enough to cause a steering committee to decide not to proceed with the development of the organization. In other cases, the steering committee will find creative solutions to help them over or around the bumps.

Given the resources and community interest, there is no more important factor determining the ultimate success or failure of a forest owner organization than a dedicated core group of organizers willing to put forth the effort and spend the time to bring the vision to reality.

Part Three of the manual provides in-

Part Three of the manual provides indepth information on key lessons that landowners and forest owner organizations have learned about the early and developmental stages of their organizations.

It is often useful to seek out professional assistance in forming a cooperative or other forest owner organization. A number of organizations that provide development assistance to forest owner co-ops and associations are listed in Appendix C. These organizations can also help woodland owners identify other public and private sources of technical and financial assistance.

forest owner organization benefits & services



Network and coordinate activities with related organizations.

I III



A Closer Look at Key Issues and Lessons

Parts One and Two of the manual have introduced the basic whys and hows of landowner cooperation and described a sequence of steps in the formation of forest owner organizations. As the number of forest owner organizations has increased in North America over the last five years, and their successes and failures have come to be known and shared, key issues have emerged and significant lessons have been learned.

There are four basic criteria by which a sustainable forestry cooperative or association can judge its success: 1) its ability to work effectively as an organization; 2) its ability to stay afloat (or, in the case of a cooperative, to make a profit); 3) its ability to serve the educational and other needs of its membership; and 4) its ability to do these things within an ecologically, economically, and socially sustainable framework.

With these criteria in mind, the five chapters that follow provide a wealth of knowledge

Chapter 1
Effective Governance and
Management

Chapter 2 Lessons Learned

Chapter 3
Forest Owner Education

Chapter 4
Forest Management

Chapter 5
Marketing

gleaned from the experiences of forest owner organizations that have been "out of the starting blocks" for some time. Some have sprinted, others have stumbled, some have dropped out of the race; nevertheless, all have something important to say to the many committed landowners who will follow in their footsteps.



Chapter 1

Effective Governance and Management

Most of the information presented in this chapter was prepared by Jody Padgham of the University of Wisconsin Center for Cooperatives (UWCC). The Center has been providing board and management training for over 35 years. Following are some "lessons learned" from this experience.

As mentioned in Part II, Chapter
One, the steering committee is the
first group to work on the formation of a
forest owner organization. At the time of
incorporation, the steering committee
becomes an interim board of directors, the
decision-making body for the organization.
Later, at the first general membership
meeting, an elected board of directors takes
charge. No matter which of these phases
the organization is in – steering committee,
interim board, or elected board – the
greatest challenge facing the directors is
learning how to work together effectively.

The purpose of a forest owner organization is to serve its members' mutual needs. The board of directors has the authority and the responsibility to make decisions that ensure those needs are met as efficiently and

effectively as possible – that is, to use the resources of the organization for the benefit of its members. Below are some key elements of board process that can make the job of an active board easier.

A. Electing a Good Board

A forest owner organization is intended to provide services to its members and to the community. It is not a social club. It can take some effort to find people who have the necessary skills and the seriousness of purpose, and who are willing to meet regularly (and without pay).

Many forest owner organizations find it useful to set up a nomination committee that is always on the lookout for good board members. The committee can look through the membership list and find individuals with particular skills to bring to the board. Business owners, those knowledgeable in the industry, and people with experience in financial or legal matters, community organizing, or group process are generally good candidates. The person "with the most time" is not necessarily the best board candidate.

A written set of expectations should be given to each board candidate. Each candidate should write an "application" that details their interest in, and vision for, the organization; this document can be distributed to all of the members before the vote. A board that has demonstrated that it can have efficient meetings and good board process will attract better candidates, even if those candidates already have busy schedules.

B. Elements of an Effective Board

Meeting process

Right from the beginning, good meeting process skills are critical for effective board meetings. Important tools include good listening skills, the ability to speak effectively and to the point, and respect for others' opinions. A clear agenda and strong facilitator are essential for keeping the meetings on task and on time. Adopting formal procedures for running the meeting is also helpful. Clear minutes should be taken and distributed in a timely manner to all board members. These should be kept in board notebooks that are organized into categories and supplemented with copies of bylaws and committee reports. A short training session or discussion covering the "rules" of good meeting process early on will save much time and frustration. Basic information on effective meeting process, such as Robert's Rules of Order, can be found at most public libraries or purchased on line at: http://www.robertsrules.com/.

Local non-profits or education centers may have personnel who would be willing to share their thoughts on running an effective meeting.

A good summary of Robert's Rules can be downloaded from: http://cyberbuzz.gatech.edu/apo/robert.html



Board training or orientation

Any new organization undergoes change at a rapid rate. When new people are brought in to help direct an organization, they need to be brought up to speed. Some boards like to assign a mentor to a new member, to go over history and help answer the host of questions that an incoming board member is likely to have. Training can be done inhouse, using more experienced members, or through a formal training program. Training should cover specific issues such as the organization's history, the role of a board member, board policies and meeting process, an orientation to understanding financial statements, etc. Passing on to new board members a comprehensive board notebook – with minutes, bylaws, and policies – is also very important.

Building trust and creating a vision

Board members – people who may have met each other for the first time a half-hour before the election – should spend time getting to know and better understand one another. Going through a formal vision and value-setting process during an annual



retreat can be an invaluable unifying experience for the group. Taking time outside of scheduled meetings is also a good way to develop common bonds: having dinner together, participating in work projects, doing a mailing as a group, or simply enjoying casual conversation.

Officers

The organization's bylaws dictate the designation of officers. Officers are elected by the members of the board from among their ranks. A president, vice president, treasurer, and secretary are standard officer positions. The treasurer and secretary can be merged into one position if desired. Clearly defining the roles and responsibilities of each officer will strengthen the board and ease communication.

All officers play an important role. They should be comfortable with responsibility and should possess good meeting process and communication skills. It is incumbent upon all the officers to keep abreast of and accurately represent the issues of the board and the membership. Personal agendas have no place on a board, and are especially dangerous when exhibited by officers.

A responsible and representative *president* can do much to move the organization forward in its development. The president generally facilitates meetings and sets agendas, but perhaps more importantly acts as the liaison between the board, the

members, and the community at large. The president will often be the "point person" as the organization develops. The *vice president* takes over for the president when he or she cannot be present, and takes on other leadership duties that assist the president.

The *treasurer* in a young organization will often be the signer for the checking account and the responsible party for keeping track of incoming and outgoing funds. As the organization matures, hired staff will take on many of the duties of the treasurer. The *secretary* takes minutes at the meetings and makes them available to board members and the general membership. He or she may also be responsible for coordinating a newsletter or overseeing the production of a brochure.

All officers have a responsibility to communicate on a regular basis with other board members about what they have been doing and what board decisions need to be made.

➡ Planning

One of the board's most important duties is planning for the future of the organization. Early on, work should have been done to define a mission and a vision. (See Part Two, Step One). As the organization grows and develops, it is important to develop a clear and effective strategy for making the vision a reality. There are many different techniques to facilitate long-range

or strategic planning, but most are based on isolating the board for a carefully prepared planning meeting or retreat, which can be scheduled (ahead of time!) to last anywhere from several hours to two or three days.

At this meeting the board members share information, ideas, and opinions about the general membership's needs and interests, and develop action plans for fulfilling those needs. Background information on competition, market changes, product potential, and anything else crucial to the future success of the organization should be brought to the table. Many organizations hire an outside facilitator to assist in this process. This can help to keep the group on task and to ensure follow-through. Many organizations make one-year and three-year plans to guide them into the future, and meet annually to evaluate their progress and adjust the plans accordingly.

Moving From a Working Board to a Governance Board

As the organization matures, the board should involve itself in fewer management tasks and should instead make policies to guide and monitor the activities of the staff. Hired management should take care of the day to day issues of the organization, while the board provides oversight and planning. There is a critical distinction between the board determining what management should do (governance), and doing it themselves (interfering). The board sets policy in order

to guide management, then allows management to do its job.

Making the transition from a "working board" to a "governance board" is an area of much confusion for many boards and managers, especially early in the life of a new organization. A useful guide through this "thicket" is *Criteria for Separating Board and Executive Decision Areas* by the University of Wisconsin Center for Cooperatives: (www.wisc.edu/uwcc/info/criteria/html).



Management personnel regularly report back to the board on how well they have met goals. They, in turn, are evaluated based on their performance. It is strongly advised that the board have clearly articulated expectations as to what the manager's job is; what the board's expectations of the manager are; how the manager will be compensated; and how the board will monitor the manager's and the organization's performance. All of these can be articulated as a series of policies discussed and adopted by the board.

A Closer Look at Key Issues and Lessons

Chapter 2 Lessons Learned

onday morning quarterbacking may not change the outcome of Sunday's game, but it can provide valuable lessons for future games and for other teams.

The purpose of this chapter is to learn from the experiences of locally-based forest owner organizations in the United States and other countries by looking both at what has worked and what has not worked so well. These lessons can help the organizers of new co-ops and associations make better choices, save time and money, reduce frustration, and avoid "reinventing the wheel" when developing and implementing plans for their organizations.

The ten lessons presented below build on information presented in two previous sections of the manual:

- ♦ The discussion of different kinds of forest owner organizations and services presented in Part One, Chapter Two; and
- ◆ The presentation of keys to successful operation in Part Two, Chapter Ten.

Keep in mind that this start-up guide is

based on the premise that *there is no one right way* for local landowners to work together to improve their forest management and to maximize the economic and other benefits they receive from being forest owners. There are, however, many wrong ways—or ways that haven't worked as well as others. When examples of "wrong ways" are presented below, we don't refer to specific organizations by name.

Lesson One: Learn from the knowledge and experience of others.

People have a tendency to charge ahead, heedless of useful guidelines:

- ▶ Guys who'd rather drive around for hours rather than ask for directions; or who toss away the assembly instructions before trying to put together their kids' new bicycles; or
- A group of landowners that "just knows" that its approach to developing the organization is unique and better than anybody else's; or
- ▶ The leaders of one forest owner co-op who systematically ignored the business start-up advice of a number of "outsiders" related to the need for adequate start-up capital and competent management. That co-op is no longer in operation.

Now that there are 25 or so local forest owner co-ops and associations in the United States, and over 50 in Canada, there are numerous opportunities for people involved in these organizations to share their knowledge and experience with one another. They can also share their experiences with new landowner groups through this manual as well as through conferences, site visits, the internet, and other means. The only condition is that we must be willing to stop and ask for directions in order to benefit from this rich array of resources. (Please refer to Appendix B for contact information for forest owner organizations.)

Lesson Two: Have good local leaders and trusted advisers.

Leadership was listed as the first "key to success" in starting up a forest owner organization. It's also a critical first step when the organization is just a glimmer of an idea. When a knowledgeable person describes a good leader, these are some of the things one might hear:

- Trustworthy
- Able to listen to others
- Not dogmatic
- Constructive
- Focused
- Able to think strategically
- Meets deadlines
- Willing to make the necessary time commitment
- Good at group decision making

It should quickly be noted that *nobody embodies all of these traits*. We're all imperfect. The goal to strive for is this: to have a steering committee, board of directors, or group of key advisers that establishes a "culture" that is generally consistent with the above traits.

There are several things that members of a group can do if they believe that they are lacking this kind of cooperative culture:

- Bring in a facilitator or trainer. For example, staff from the University of Wisconsin Center for Cooperatives have met with several forest owner groups in Wisconsin and Minnesota to help them improve the way they conduct their steering committee and board meetings.
- Add people to the group who have good leadership traits.
- Establish procedures that limit the ability of individuals to disrupt the development of an organization. For example, if a committee member or adviser is consistently derailing a group's efforts to move forward, put clear time limits on these disruptions and stick to the agenda. In more serious cases, keep in mind that individuals can be voted off of the board of directors and/or their membership in the organization can be revoked.

One forest owner organization threatened legal action against a member who falsely claimed to speak on behalf of the organization. This threat of legal action was successful at least in toning down his pronouncements.

Lesson Three: Develop a clear action plan early on.

Remember the movie "Groundhog Day"? Every morning, the Bill Murray character wakes up on Groundhog Day and goes through a variation of the same routine over and over again.

Well, some forest owner steering committees do the same thing. Several forest owner organizations have gotten off to an unnecessarily slow start because they spent their first few meetings rehashing what they wanted to do in vague, general terms without getting down to specifics. Developing a clear action plan laying out "who is going to do what by when?" can reduce the chances of getting stuck in this kind of repetitive rut. Another way to avoid the Groundhog Day syndrome is to have a core group of committed steering committee or board members who show up regularly at meetings so time isn't wasted revisiting what was decided at the previous meeting. One further measure is to have at hand a concise, up-to-date "Basic Information and Procedures" take-home folder for new members, so veteran members won't have to spend any more meeting time than is necessary getting new members up to speed.

Lesson Four: Find out what prospective members want from the proposed organization.

This is where the leadership trait of being a good listener comes in handy. A steering

committee or board can do an excellent job of gathering information on what local landowners want from a co-op or association through surveys, meetings, and informal conversations. But if it doesn't address these "wants" by incorporating them into its goals for the organization, the quality of the information doesn't matter.

One co-op did a survey of over 100 members and potential members that clearly showed a preferential interest in forestry education and forest management services. The steering committee and its advisers, however, were preoccupied with developing the co-op's wood processing and marketing capabilities. This resulted in many dissatisfied and upset members. Why? Because the co-op wasn't addressing their primary needs. This co-op has since begun to reassess its priorities, putting a much greater emphasis on what local forest owners said they wanted in the first place.

Lesson Five: Choose realistic goals.

The adage that "a journey of a thousand miles begins with a single step" applies well to forest owner organizations. Too often, steering committees tend to gloss over weaknesses and obstacles and to overemphasize strengths and opportunities when developing their goals and action plans. Such Pollyanna thinking can lead to major setbacks, demoralization, and even death for the organization.

One example is a co-op and a group of advisers who developed an overly ambitious business plan that required the co-op to accomplish the following six major objectives—all in the first year of operation:

- Raise several hundred thousand dollars in investment capital from members and lenders;
- Hire a competent general manager and several other professional employees;
- Coordinate the preparation of FSC-certified, forest management plans on several thousand acres of members' woodlands;
- Arrange for the systematic harvesting of members' timber and its transportation to the co-op's sortyard;

- Process the wood into value-added products such as flooring and paneling; and
- Market these products at prices that would generate a profit for the co-op and its members.

Not surprisingly, the co-op fell woefully short of meeting these first year objectives. However, because of an extraordinarily committed board of directors and general membership, and because of a recently hired, business-savvy general manager, the co-op is recovering from this attempt *to do everything at once* and is now developing in a pragmatic, step-by-step manner.

Lesson Six: As soon as possible, hire a paid coordinator or manager.

Organizations that run exclusively on volunteer energy often operate in fits and starts and soon run out of fuel or stop functioning all together. However, this is not always the case. Highly committed volunteers can handle the day-to-day staffing needs during the preliminary development – and even the operational stage – of an association or co-op. But this is the exception, not the rule, and it is an approach that is more likely to work on a short term rather than long term basis. In general, it is a good idea to use member fees – and to seek out other funding at an early stage – to hire a paid coordinator.

For example, four forest owner organizations in the Midwest started out with a burst of volunteer energy, only to settle into a period of near-dormancy lasting up to a year. In all four cases Cooperative Development Services was able to secure USDA and other grant funding to pay for local coordinators and technical assistance services. With the presence of these coordinators, all four groups got back into gear. They all held new educational events, recruited members, and prepared business plans.

Lesson Seven: Provide educational events early on.

Planning alone doesn't make for a successful forest owner organization. In fact, there is a danger that too much emphasis on planning in the early stages can drain energy and build frustration. In the first few months after the steering committee begins to meet, it should do something of tangible value for local landowners.

Educational events are relatively easy and inexpensive to organize – something that a steering committee and a group of volun-

teers can pull together effectively. Walks in the woods with a professional forester or ecologist; workshops demonstrating safe, low impact logging; and workshops on tax issues for forest landowners: these are three examples of educational events that have been very popular in a variety of different communities. (See Part III, Chapter Three for recommendations on educational events.)

Such events can accomplish multiple objectives:

- Landowner education
- Publicity for the fledgling organization
- Information gathering about the services local forest owners want
- A list of potential co-op or association members
- Informal networking among local landowners and forestry professionals
- Perhaps most important: an opportunity for people interested in the forest resource to get together and have a good time.

Lesson Eight: Build the organization's membership base from the beginning.

Although it's not hard to see that non-profit associations and co-ops have to market themselves to their members and prospective members, some forest owner groups have shown a "fear of flying": "Let's not recruit members until we've got this thing all planned out"; or "We're not sure what services we're going to provide yet so it's premature to ask people to join and ante up."

In a member-based organization, this trepidation about member recruitment has to be overcome if the organization is to succeed. Speaking frankly—and accentuating the positive—is an approach worth trying: "Join us, fellow landowners, as we move forward together to chart a course for our organization. At this point, we can't promise you specific benefits for your charter membership fees, but we can work together to realize a common vision for our forests." (See Part III, Chapter Five for information on marketing to members.)

Following are two contrasting examples of how forest owner organizations have approached member recruitment.

Prairie's Edge Sustainable Woods Cooperative in northeastern lowa is pursuing a very active membership strategy. Between October 2001 and August 2002, the co-op more than doubled in size from 31 members to about 70 members who own 7,000 wooded acres. The co-op is in the process of developing its business plan and is scheduled to begin operation in 2003.

Another Midwest co-op has completed a draft business plan and has hosted several successful educational events. But so far it hasn't been able or willing to pull the trigger on membership recruitment. After two years, it still has fewer than 10 members, even though it has a list of over 50 interested landowners. About 25 people participated in a June workshop, but co-op representatives did not use the opportunity to encourage people to join.

Recruiting members and communicating with local landowners are closely related activities. One way for a steering committee or a new forest owner organization to "drop the ball" is to keep members and prospective members in the dark about what's going on. Good communication is at the heart of a successful member-based organization. Keeping people up-to-date doesn't need to be expensive or timeconsuming. A two to four page newsletter can be attractive and inexpensive to produce and mail. Some organizations send newsletters by email to reduce costs even further. Effective communications make current members feel included and prepare the way for new members to join.

Lesson Nine: Deliver what you promise to deliver.

Promising too much is a quick way to lose credibility—with members, with forest resource people, and with buyers of forest products. There are a variety of ways to fall into this trap:

- Setting deadlines, then failing to meet them;
- Agreeing to provide products and services that the organization isn't ready to provide;
- Providing products or services that are of poorer quality than members or buyers have been led to expect.

Such carelessness leads to a loss of trust that, once it is lost, is difficult to regain.

In its start-up phase, one co-op developed a reputation for producing wood products of uneven quality. At an early stage in its development it had an excellent opportunity to establish a long term relationship with a builder for flooring. However, the co-op's second shipment to the builder was rejected for poor quality. The co-op has not yet regained the trust of that buyer. Fortunately, the co-op has learned from that experience and quality control has become a high priority.

Lesson Ten: Periodically review and revise the organization's plans.

Strategic plans and business plans should not be cast in concrete. They should be treated as guidelines and benchmarks, not as commandments. Things change over time. Experience has shown that the following things can change significantly:

♦ What landowners want to learn about.

For example, there has been mounting concern about the rapid spread of invasive species in the upper Midwest in recent years. Several organizations are now sponsoring workshops on how forest owners can recognize and combat these invasives.

♦ The kinds of services members want.

For example, a recent change in the property tax law in Wisconsin, together with rapidly rising property tax rates on forestland, has prompted strong interest by landowners in getting some tax relief under the state's Managed Forest Law. Co-ops and associations are well-positioned to help these forest owners get the management plans they want.

♦ *Economic conditions*. The market for commodity wood and for wood products is

full of peaks and valleys. The demand for different species varies over time. The market for forest-grown medicinal products also experiences major fluctuations. Forest owners and the organizations to which they belong shouldn't blindly sell into a low market just because their business plans project a certain level of sales. The nice thing about growing trees is that you don't have to harvest and sell them every year. You can sell species that are in demand and wait for the market to improve before selling others.

♦ The organization's performance.

Plans should be adjusted based on periodic performance reviews. The organization should have measurable indicators that track different aspects of performance. As a result of these reviews a co-op or association can adjust some objectives up or down, delete some objectives because they have been accomplished or are no longer

relevant, or add new objectives. In this way, planning becomes a useful, flexible tool, and is not a straitjacket hampering the creative development of the organization.

Conclusion

The best way to conclude this chapter is to refer back to Lesson 1: "Learn from the knowledge and experience of others." That learning can start with a careful review of the ten lessons presented in this chapter.

Next, overcome your resistance to asking directions. Read about the experiences of your fellow cooperators. E-mail them.

Talk to them on the phone. Visit their organizations. Get together at conferences.

These kinds of communication are an excellent way to create a high success rate for forest owner organizations.



Bicentennial Hall, Middlebury College in Middlebury, Vermont. Wood used in the construction of the Hall was provided by Vermont Family Forests. Each of several departments housed in the hall is of a different kind of wood.



Chapter 3

Forest Owner Education

The recommendations on forest owner education contained in this chapter are based partly on interviews with forestry professionals and forest owners and partly on the experiences of forest owner organizations over the past five years.

Workshops and Field Days

For many members the primary motivation for getting involved with a forest owner organization is the opportunity to learn more about their forest ecosystem and its proper care. Members should be encouraged to be involved with both the planning and the implementation of sustainable management on their lands. In fact, member participation is the key to sound, sustainable land management.

Field-based workshops are the backbone of member education programs conducted by forest owner organizations. Hands-on, experience-based learning is the best way for members to learn much of what they need to know. Typically, a field day is a full- or half-day workshop that takes place on a member's land, with between 10 and 40 people attending. To cover expenses, a

small fee (\$10 or so) may be charged attendees, though fees should not be allowed to act as a deterrent to either members or non-members.

"As an organized group, forest landowners can attract expertise and.... support for workshops that may be very costly or impossible to acquire as individuals. These sessions can serve a dual purpose: providing current members with the education they want *and* recruiting new members."

Mark Lorenzo – *Across the Fences*

A wide range of topics and materials should be made available to members so that they can tailor their participation to meet their needs. In addition, the organization should survey the members themselves about what types of workshops or other educational opportunities they are interested in.

It may be useful for the board of directors to set up an education committee early on, to help ensure that the educational needs and expectations of the members are being met.

Whenever possible, trained professionals should be asked to lead the workshops – either on a volunteer or paid basis.

See Appendix C Sustainable Forestry Resources for suggestions on training personnel

As useful as outside experts can be, opportunities for members to learn from one another should be encouraged in every way possible. The collective knowledge and skills of the membership represent a tremendous resource that can be "tapped" in a variety of ways.

Familiarity with each other, and with each other's land, is the basis for dynamic cooperation among members and helps to build fellowship and camaraderie. Landowner-hosted *walk-abouts* are a hospitable and leisurely way to share one's property with fellow members. *Work parties* in which members lend their labor to other members are popular and wonderfully productive forms of interaction. Other relationship-building activities include social events, cooperative workdays and potlucks, newsletters, and phone trees.

A *stewardship newsletter* can provide a wealth of information on seasonal topics, featured species, management practices, and many other subjects. Forest owner organizations can work together to develop and share a variety of written material.

Leaders and board members of different forest owner organizations should be encouraged to communicate with one another. The experiences of one group can provide important lessons for another.

Educational Topics

Following is a list of suggested educational topics (that is by no means comprehensive). Every organization should determine its own educational agenda based on the needs of its membership.

Forest Management

- > Forestry fundamentals
- Tree pruning and timber stand improvement
- Game of Logging or other logger safety training for interested members
- Logger education days, open to landowners: these will help to develop the important relationship between members and loggers and give members an opportunity to learn some of the nuts and bolts of the logging side of operations.
- Pest management
- Non-timber forest products: learning to identify and cultivate marketable nontree species

Other Field-Based Topics

 Ecology and management of non-forest communities such as prairies, wetlands, savannas, streams, ponds, including: species identification, invasive species

- management, prescribed burns, restoration activities, etc.
- Equipment handling and safety
- A day at the sawmill for members interested in learning about the milling process
- Planting seedlings
- Bird awareness: identification, habitat, and ecology of native bird species
- Winter shrub and tree identification
- Mushroom identification

Non-Field-Based Topics

- Forest certification: what it means and how it works
- Developing a Management Plan that works for you
- Taxes and the economic management of forest resources: What, if any, tax breaks are available to forest owners?
 (It may be useful to have a CPA do a workshop or prepare a pamphlet on this topic.)
- Workshops on forest owner cooperation: What is it? What are different organizational approaches?
- Learning to make a plant press and a Burnowski rod.

Miscellaneous Topics

- Issues related to sustainable living in general.
- Hunting and/or fishing techniques and safety
- Snowmobile use and safety
- Animal husbandry

- Gardening
- Pesticide use and alternatives
- o Regional history/folklore
- o Arts & crafts
- New technologies: geo-caching, recreational GPS

Member landowners have identified "educational opportunities" as a primary attraction of forest owner organizations; therefore, the success of the organization depends on providing its membership with high quality educational services. As more groups form and develop alliances and other mechanisms for working together, successful educational techniques and resources can be refined and shared over a wider network.



Inedible to us, but not to other forest dwellers!



Chapter 4

Forest Management

This chapter provides an introduction to forest management planning and implementation.

As we noted in the Introduction to this start-up guide, one of the biggest problems facing non-industrial private forestland in the United States is that the large majority of landowners do not actively manage their woodlands. This leads to lost economic opportunities for the property owners and potential negative environmental consequences for the forests. A key role of locally-based forest owner cooperatives and associations is helping landowners recognize the value of good forest management and then helping them to develop and carry out management plans.

There are many ways in which forest owner organizations can promote and assist sustainable forest management:

- Providing education for both landowners and forestry professionals;
- ♦ Screening foresters and loggers on the basis of their proven commitment to sustainable forestry practices;
- ♦ Helping to arrange contracts between

landowners and foresters;

- Preparing management plans directly by organization staff;
- ♦ Directly providing forest management certification services or coordinating these services by public and private foresters;
- ♦ Assisting landowners to carry out their plans by providing services through their own crews or contracting out services;
- ◆ Coordinating—or directly providing—the marking, logging, and sale of timber.

Developing a Forest Management Plan

One of the most crucial steps toward achieving a sustainable forest or woodland is the development of a detailed management plan. A forest stewardship (or management) plan helps forest owners to evaluate the current state of their property, develop their vision for the future, and identify the tools and resources needed to realize that vision. The co-op or association can play an important role in helping their members develop good plans.

To nurture a piece of land toward ecological and economic sustainability, a landowner should consider the desired future condition of the land and develop specific objectives for achieving this condition. In setting sustainable management goals, it is important for landowners to understand the ecological limits of their lands, and work within those limits. Landowners should ask themselves questions such as:

- ◀ What do I enjoy about my property?
- \checkmark What is the history of my land?
- ◄ How does my land fit into the surrounding landscape?
- ✓ What goals do I have for my land (e.g. recreational use, hunting, protection of wildlife, return on investment, natural areas restoration, production of non-timber forest products, etc.)? If I have multiple goals, are they compatible?
- ✓ How do I want my property to look in 15, 50, 100 and 200 years (e.g., keep it in oak; restore habitat; produce larger, more valuable trees; return to a pre-settlement state; let succession take its course)?

"Every forest is in a state of change at all times. This change is not always apparent through direct observation, even to a trained forester....

Understanding natural forest dynamics in a particular region should be the foundation of every management action."

- John Kotar

Approaches to Ecologically Based Forest Management on Private Lands

Components of a Sustainable Forestry Management Plan

A good management plan is the result of a partnership between a landowner who can describe his or her goals for the land and a forester or other resource professional who understands the ecological characteristics and limitations of the property and can assist in outlining the steps to realize those goals. A quality forest management plan should contain detailed information about the property and the management strategy to be employed, including:

- **1.** A description of the landowner's values, objectives, and goals for the land;
- 2. Background ecological information about the property and the surrounding landscape, gathered from a variety of sources: research into appropriate ecological databases, a walk though the property with a forester or other resource management professional, etc. (A forester can get much of the background information through sources such as the Natural Heritage Databases and state Departments of Natural Resources.)
- **3.** Recommendations of specific management practices and a timeline for completing them.

Because management goals may vary dramatically from one stand to another, depending on the landowner's vision and the ecology of the land, a good stewardship plan will have detailed management strategies laid out for *each distinct stand* within a property. For example, on one site a low-impact thinning might be called for to

open up the canopy to allow for regeneration and overall stand improvement. An-

other site may require the use of fire to clear the understory of invasive shrubs. A third

Beneath the trees

It is the multiple, complex relationships of living and non-living entities that create what we call "woodlands." Although a forest may be defined as "a site occupied by trees," it is the interaction of the trees with other plants, and with the feathered and furred creatures and the multitude of tiny beings dwelling above and below the ground surface, that create the forest ecosystem.

The true test of a forest's health is discovered in the smallest details. We must look not only to the green canopy above our heads, but to the shrub layer before us, to the ground layer and the forest floor beneath our feet, and to what is going on below the soil surface.

Consider the smallest of the forest's inhabitants. Many soil bacteria increase the availability of nutrients to the plant. Less well known are the mycorrhizal fungi that inhabit the roots of most trees, wildflowers, and other herbaceous plants. These fungi help the host plant to resist the adverse effects of heat, increase water and nutrient uptake, and provide disease resistance and soil toxicity tolerance. But perhaps we shouldn't refer to these as "small": the length of fungal hyphae under a single mature tree would wrap around the earth's equator five times!

Although we are only just beginning to understand how enormously complex forest ecosystems are, we do know that the more robust and diverse the ecological health of our forests, the better able they will be to recover from both deleterious natural processes and unforeseen disturbance, whether in the form of drought, blowdowns, or gypsy moth attacks.

Albert Einstein once said, "The most beautiful experience in life is to observe the relationship between things." How apt a statement when thinking of our forests! Although we are unable to see very much of "who is doing what" amongst and betwixt and beneath the trees, just contemplating the complexity of their relationships serves to make us more respectful of our forests and more humble about our own place in the woods.

Gigi La Budde, who wrote "Beneath the Trees", is a consulting ecologist with Sustainable Woods Cooperative of Lone Rock, WI and with the Community Forestry Resource Center, Minneapolis, Mn. site—with a stream running through it—may need native grasses planted along the banks to reduce erosion.

An excellent guide to the basic considerations for landowners and resource managers in developing a forest management plan is John Kotar's **Approaches to Ecologically Based Forest Management on Private Lands** (University of Minnesota-Extension, 1997), available free from the USDA Forest Service office, 1992 Folwell Avenue, St. Paul, MN 55108. It can also be found online at: http://www.na.fs.fed.us/spfo/pubs/misc/ecoforest/toc.htm



Technical and Financial Resources

There are several sources of information and financial support for landowners preparing a management plan. Many state agencies such as the Department of Natural Resources provide cost-sharing for landowners who hire a public or private forester to prepare a management plan. The Wisconsin Forest Landowner Grant Program, for example, provides up to 65% of the cost of preparation and implementation of a management plan. Local and federal funding may also be available. The local Department of Natural Resources office is a good place to begin looking for available cost-share and tax-incentive information.

Many forest owner organizations create a database of available technical and financial resources and service providers for members in preparing and implementing management plans. It is also important for the organization to develop a close relationship with consulting foresters and loggers who are trained in and committed to sustainable practices. A good relationship between the landowner, the forester, and the logger (in cases in which a harvest is to take place) is essential to planning and implementing a sustainable forest stewardship plan.

Implementing a Forest Stewardship Plan

A good plan isn't worth anything unless it's carried out. A local forest owner organization can be a valuable resource in helping its members put their plans into action. As discussed above, what those actions are will depend on the goals of the plan. They could include any or all of the following: thinning, brush cutting, removal of invasive species, controlled burns, reforestation, inoculation of logs with mushroom spores, cultivation of medicinal plants, marking of trees for harvesting, sound timber harvesting, timber sales, marketing cut logs, and more.

For all of these activities, the forest owner organization can play the role of facilitator, coordinator or contractor. The European and Canadian organizations and WUPFID generally provide these services on a fee basis to their members (and often to nonmembers for a higher fee). In the fledgling organizations in the United States, forest

owner organizations are starting out in the role of facilitator or coordinator (often for a fee) and are planning to gradually make a shift to providing some or all of these services directly.

Developing a Professional Relationship with a Logger

One of the functions of a forest owner organization is to help members identify loggers who understand and follow the practices of ecologically sustainable harvesting. In cases where a management plan calls for a harvest, developing a long-term relationship with an experienced, conscientious logger is a key element of sustainable management. A good logger provides the link between a well-planned harvest and a well-executed one. Often, the logger will be involved with the landowner and forester in creating the harvest plan.

There are several training programs that teach loggers the elements of sustainable harvesting. Basic training provided by groups like **FISTA**, **Game of Logging**, or the **Forest Service's S212** focus on equipment handling, safety, and minimizing damage to non-target trees, all of which are important foundational skills. A second level of training deals with developing those skills that make an operation sustainable. These skills include:

selection and use of lowest-impact equipment and techniques at all levels of operation (except in those cases where a management plan calls for greater disturbance, e.g. to aid in oak regeneration);

- special safety issues regarding techniques used in sustainable forestry;
- aesthetic management, and the ability to monitor and repair or restore damage as needed; and
- basic ecological principles, including the recognition of endangered or sensitive resources.

The Maine Low Impact Forestry Project has put together a comprehensive website detailing the important aspects of low impact logging:



http://www.hcpcme.org/home.html

Key points about the relationship between the forest owner, the logger, and the forester/resource manager include:

- 1. Communication between the three parties is critical. The logger should be involved not only in carrying out the harvest plan, but in developing the management plan along with the resource manager and landowner. It should be clear to the loggers that they're working with, and not simply for, the landowner, forester, or forest owner organization.
- 2. It is important for loggers to be properly compensated for their efforts and skills. Historically, the forestry industry has pressured loggers to get as much wood out of the forest as possible, and as quickly as possible. By eliminating these pressures, sustainable forestry practitioners can give loggers the time and incentives they need to do the job right for the long term. The guiding principle should be that loggers will be paid not only for

what they remove but for the quality of what they leave behind.

- 3. It is of utmost importance that a logger know the rules of safety in low-impact logging. Because so much more manual labor tends to be required in sustainable practices, the safety risks are greatly increased. Important skills such as agility and hand-eye coordination may be gained through practice more than instruction; but developing the ability to "read" a tree, to "see" the proper spacing, and to be always aware of one's fellow crew members these are teachable skills.
- 4. Training in logging practices is not only for loggers; it can be useful to foresters and landowners as well.



Certification

Several local forestry organizations have made a commitment to certifying member lands through the **Forest Stewardship**



Council (FSC). The FSC was set up to reward and promote responsible forest management practices. FSC certification is based on third-party verification of practices that are outlined in an internationally recognized set of *Principles and Criteria* for forest management. By committing to FSC certification of their woodlots, and working with an FSC certified management plan, landowners are assured of a carefully and sustainably managed property.

There are three ways for landowners to have their forests FSC-certified:

- 1) Direct certification of a parcel of land. Because of the prohibitive costs involved to the landowner, this option makes sense only for parcels of several thousand acres or more.
- 2) Development of a management plan by an FSC-certified forester or resource manager who also oversees and implements management activities. This option works for small and medium-sized parcels, because the forester can spread his or her costs for being certified over several thousand acres.
- 3) Certification through an "umbrella" organization. This option is also affordable on small and medium-sized parcels because of the economies of scale. In this approach a forester/resource manager does not have to be FSC-certified, but has to follow FSC standards in preparing and implementing management plans. The umbrella organization takes responsibility for reviewing the plans and is accountable to FSC for making sure the plan and its implementation meet FSC standards.

Three examples of umbrella organizations are the Community Forestry Resource Center, Societe sylvicole des Laurentides (a woodlot owner organization in Quebec), and the Residents Committee to Protect the Adirondacks. (See Appendix B for their websites and contact information.) Other local forest owner co-ops and associations are considering this option as well.

Several co-ops and other wood products companies are using FSC certification as a "green" marketing seal of approval in order to gain market access or market premiums. Green marketing is discussed in more detail in Chapter Five. (For more information on this certification program, see http://fscus.org/html/.)

The American Tree Farm System also is developing a certification program that will be independently verified by third parties. (See http://www.hcpcme.org/home.html for more information on this program.)

A forest owner organization may choose to work through other third-party certifying agencies as well. State programs, administered through departments of natural resources or other state forestry agencies, often have sustainable forestry standards.

Working Forest Easements

A good management plan has a vision and a set of goals for the forest that will be realized over many decades. But a landowner might not be around that long to

make sure that his or her vision will be carried out. *Conservation easements* (also known in some states as "conservation restrictions") are a means to ensure that sustainable forestry management continues "in perpetuity"—even after property is passed on to the next generation or sold. Conservation easements also reduce taxes partly because the use restrictions of an easement lower the property's market value. A specific kind of easement called a working forest easement allows landowners to engage in sustainable forestry practices and realize income from their properties while at the same time receiving tax benefits and ensuring the long term protection of the forest.

Local forest owner organizations can help landowners develop and maintain easements on their land. One scenario is to have the forest owner organization prepare or coordinate a certified management plan. It can then help the landowner establish an agreement with a local land trust to independently monitor the easement in order to make sure current and future property owners remain in compliance with its provisions.

The Land Trust Alliance has prepared a book entitled *Working Forest Conservation Easements* that explains this approach and provides examples and sample legal documents. (*See* http://www.lta.org/)



Conclusion

Local forest owner organizations can help landowners every step of the way in making their forests more sustainable. These steps include:

- Early-stage education about developing a healthy forest
- Assistance in selecting a competent forester or resource manager to help the landowner prepare a plan
- Providing or coordinating a wide variety of services to implement the plan
- Providing or coordinating affordable means for landowners to have their plans independently certified by FSC, The American Tree Farm System, or another certification program
- Helping interested landowners establish a working forest easement.

As mentioned above, a forest stewardship plan is of little value if it is not used. A good plan allows the forest owner to know what practices should be implemented and why. The plan should discuss each parcel or stand within the forest as well as the management activities to take place.

Continuous monitoring of the forest is needed to make sure that the management plan is meeting the landowner's goals at the present time and well into the future.

Monitoring one's land does not have to be a complicated process. It can be as simple as walking through the woods periodically to check the health of individual trees (as well as the understory), and to see if any

invasive or exotic species have become established, if the desired tree species are regenerating, and if the landowner's overall goals are being met.

Achieving the forest owner's goals and desired future conditions is a continuous, adaptive process. Responsible forest management does not require the forest owner to continually be in his or her woods, but it does require careful thought and deliberation. With the help of a forest owner organization and a forester or resource manager, the planning and implementation of activities can be an exciting process and can lead to a richer, healthier, more diverse, and more valuable forest.



Chapter 5 Marketing

he purpose of this chapter is to provide information on service and product marketing strategies for sustainable forestry organizations. It focuses on four key areas of marketing:

- 1) Services to landowners
- 2) Timber and low-value wood
- 3) Value-added wood products
- 4) Non-timber forest products

The chapter concludes by underscoring several keys to successful marketing by forest owner co-ops and associations.

Marketing Services to Landowners

It is important to note that forest owner associations and co-ops have two primary markets:

- 1. Local forest owners, including both members and non-members; and
- **2.** Buyers of its wood and other products.

An organization's members are also its most important customers. If the organization does not meet the needs of its members, it is likely to lose their long-term interest and commitment both as members and as

customers. And if it is unable to satisfy its "in-house" customers, it is highly unlikely that it will satisfy its other customers.

Understanding what members and other woodland owners want from the organization is a prerequisite to success. Informational meetings with area landowners, interviews, and membership surveys are all good ways to identify the kinds of services potential organization members want. Remember that services can run the gamut from management plan development, timber stand improvement services, timber marketing, and value-added wood processing and marketing to "softer" services such as educational events, coordinating work parties, and social events. (See Part II, Step 2: Assessing Landowner and Community Interest; and Step 4: *Recruiting Members.*)

In order to serve its members effectively, a forest owner co-op or association should:

- determine what services its members and other local forest owners want:
- set priorities among these expressed services (keeping in mind that you probably

won't be able to give everyone what they want, especially in the first year or two);

- determine how much it will cost the organization to deliver these services;
- ▶ decide what the organization needs to charge for the services in order to at least break even (and whether members will be charged a lower price than non-members); and

• market the services to the members and, possibly, nonmembers.

Part III, Chapter 3 of this manual discusses the wide variety of educational workshops that forest owner associations and cooperatives have held for their members. These events—where it is not

MARKETING SERVICES TO MEMBERS: TWO EXAMPLES

Kickapoo Woods Cooperative (KWC), located in southwest Wisconsin, identified two distinct markets: the market for services to members and the market for its members' forest products. Here's how they approach the former:

KWC intends to increase its membership over time to ensure the cooperative's ongoing financial stability. Promotion of KWC's services to members is done through word of mouth, press releases, advertising, direct mail, e-mail, and member newsletters. In addition, KWC conducts workshops and forestry seminars that are open to the public. Topics in 2000-2003 included:

- Timber Stand Improvement and Crop Tree Identification
- Crop Tree Management
- Low-Impact Harvesting
- Chainsaw Safety
- Forestry Guided Hikes
- Sugar Bush Management
- Spring Flora Woods Hikes
- Invasive Species Workshop

These workshops are designed to familiarize potential members with sustainable forestry practices and the services the co-op can provide. They have proved to be an effective means

of attracting new members throughout the year.

Prairie Ridge Forest Stewardship Cooperative, located in northwest Wisconsin, identified the same two markets (internal and external) as KWC. The co-op itself must first be marketed to potential members in order to build the membership to the point where the co-op has the stability and depth to develop markets for its forest products.

Prairie Ridge conducted a woodland owner survey at the end of 2001 that identified numerous landowners within the co-op's service area who are interested in learning to better manage their forests. Prairie Ridge targets landowners who are dissatisfied with the traditional forest industry's propensity to do high grade logging while ignoring the ecological health of the forest it leaves behind. The co-op markets itself as an alternative that will provide forest services geared toward timber stand improvement and the long-term health of the forest's ecosystem. In addition, the co-op will provide a wide variety of educational services, including field days, woods walks, and other workshops, all of which the survey indicated were in demand.

uncommon to find members, resource professionals, management staff, and board members all represented—are one of the most effective methods of marketing organizational services to members and other landowners. They also provide an opportunity for one of the less tangible but most important benefits of membership: the chance to share the enjoyment of the forest with others.

Marketing of Timber and Low-Value Wood

To a large extent, the marketing strategies of sustainable forestry organizations are resource-driven. That is, the primary goal of these organizations and their members is to create sustainable woodlands. Adhering to this goal means removing trees in a manner consistent with the long-term health of the forest. As a result, much of the wood to be marketed by the organizations during their early years will be of *low quality and small diameter, and may include less desirable species*. This section of Chapter 5 discusses marketing strategies for timber and low-value wood.

Timber sales—especially the marketing of cut logs—are the primary revenue-generating service for most local forest owner organizations in northern Europe, Canada, and in many other countries. At this time, the only forest owner organization for which this is true in the United States is **WUPFID** (the Western Upper Peninsula Forest Improvement District).

(See Part I, Chapter 2 for more on WUPFID.)

A key timber marketing advantage of coops and associations is their ability to represent dozens, if not hundreds, of landowners in the same geographical area. These organizations can harvest their members' timber, aggregate the logs, and sort them by grade and species. In so doing they can develop long term contracts with buyers or coordinate competitive bids from buyers on behalf of their members. The marketing efficiencies provided by these local organizations can result in members receiving substantially more—in some cases 15% to 30% more—from selling through the organization than from selling on their own. If not for the opportunity to coordinate their harvests and sales through a forest owner organization, many small landowners would have no market for their timber whatsoever.

The aggregation of wood also creates more opportunities for the sale of small diameter and low-grade wood. For example, truck-load quantities of low-value wood delivered on a regular schedule are of far more interest to a paper company or pallet mill than a few cords stacked by the edge of a road.

Recognizing these opportunities, many of the forest owner organizations now being formed in the United States are looking at timber sales—both low-grade wood as well as cut logs—as a major service for their members, especially in the early years of operation.

Marketing of Value-Added Wood Products

There is a continuum of options a forest owner organization can choose from regarding value-added wood processing and marketing. On one end of the continuum, the organization serves as a coordinating agent for its members—contracting out the sawing, kiln drying, and secondary processing to other area businesses while retaining the role of marketing agent for the sale of these products. On the other end, the organization does most or all of the processing itself, using its own sawing and finishing equipment and dry kilns, and also markets the products.

The "out-sourcing" model requires much less capital to begin operation, but also returns lower profits to the organization and its members. The "in-house processing" model costs more and is more complicated to launch, but reduces dependency on contractors and produces higher returns—if the markets are there.

Of course, an organization can choose to begin operating at the "out-sourcing" end of the continuum and move toward the "inhouse" model gradually over time. There are two main factors that influence an organization's decision about where on the value-added continuum it chooses to begin operation:

• the ability of the organization to raise capital from members and other sources;

• the presence of wood processing businesses in the organization's service area that are willing and able to enter into mutually beneficial contracts with the organization.

Almost all of the new organizations under development in the Upper Midwest are leaning toward resource management services, timber sales, and/or "outsourcing" – and not toward in-house value-added processing – in their early years of operation. They have decided not take on the cost, complexity, and risk of starting out with in-house, value-added processing.

Note that sustainable forestry organizations' competitive advantages are generally in *niche* (low volume, specialized) markets. When marketing to these niches, the following attributes of sustainable forestry organizations can be highlighted:

- localized resource base
- member owned and controlled
- community-based
- > environmentally responsible
- third party certified (if applicable)
- capable of producing customized products
- > consumer-friendly
- responsive to the needs of builders, architects, hobbyists, and small secondary manufacturers

Marketing of value-added products by forest owner organizations tends to be targeted to three main groups of buyers within the local area and region:

1. "Green" builders, architects, and

homeowners – for flooring, paneling, millwork, and other uses.

- 2. Woodcrafters and "do-it-yourselfers": An estimated one in seven adults in the United States works with wood as a hobby. Many crafters buy their wood through woodcrafter guilds. Marketing to these guilds—locally, regionally, and nationally—could become a lucrative market, because guild sales are often made in truckload volumes at a discount of about 10% below retail—a good deal for both the crafters and the organizations.
- **3.** Small furniture manufacturers who often prefer "character" wood, which commands a higher price in the conventional market-place.

In conducting their resource inventories, both Sustainable Woods Cooperative (SWC) in south central Wisconsin and Vermont Family Forests (VFF) recognized that they would need to find markets for small diameter red oak, white oak, and maple from their members' woods. They also independently arrived at the conclusion that flooring would provide an excellent potential use for some of this wood, because high-value flooring can be made from small diameter and short length wood.

One way for sustainable forestry organizations to offset the disadvantage of small-scale operations is to join with other organizations to market their products together. Although organizations tend to view their primary markets as local and regional, they should also be aware that, in many cases, they can improve their marketing strength and scope by working together.

There are several benefits to be gained from joint marketing:

- sharing the cost of marketing staff and sales agents;
- pooling products for orders that are too large for one organization;
- ♦ systematically referring orders among organizations so that if one organization cannot fill a specific order, another organization gets the opportunity to fill it; and
- obtaining information about demand trends for different products.

JOINT MARKETING EXAMPLES

Living Forest Cooperative in northern Wisconsin recently sold a semi-load of red oak to SWC in exchange for a truckload of hard maple.

Kickapoo Woods Co-op has a joint venture agreement with SWC, partly funded by USDA, in which the two co-ops are sharing the cost of developing their resource management and marketing programs. In early 2003, KWC plans to sell members' timber to SWC for processing. As part of the same project, SWC is developing an inventory tracking system that it will share with KWC and other forest owner organizations in the Upper Midwest. This system will make it easier for the organizations in the region to coordinate their harvesting and marketing.

For joint marketing to work well, there should be:

- shared databases on inventories and orders;
- some consistent and coordinated grading across all organizations participating in shared sales;
- clearly written contracts regarding the terms of participation in joint sales;

most importantly, skilled marketing personnel who have the authority to deliver on contracts between member organizations and buyers.

Marketing Non-Timber Forest Products

Most people think of forest products as those derived from lumber and pulp.

However, forests produce much more than wood, and some of these "secondary" products are very valuable. Intentionally managing a forest or woodlot to enhance production of these "Non-Timber Forest Products" (NTFPs) is termed agro-forestry or "forest farming."

Producing NTFP's can increase and diversify income, increase wildlife, diversify forestland, and create new opportunities for rural development—all while protecting soil and water resources. Many landowners use these products to provide regular income while high quality trees are being grown as a long-term income source.

Agro-forestry involves using the land on "multiple levels" to achieve production and environmental benefits. A woodlot may be thinned to encourage the continued growth of the best trees while, at the same time, creating the appropriate conditions for the desired understory NTFP, which is then managed intensively to provide short-term income.

Consumers are increasingly interested in purchasing fresh food directly from produc-

ers—especially food that is produced using sustainable practices. An increasing variety of outlets are becoming available to producers of NTFPs: Community Supported Agriculture organizations, catalogue sales, internet marketing, grower-to-chef restaurant sales, and alternative direct marketing outlets. The worldwide market for herbal medicines was \$14 billion in 1997. In the U.S. alone, 60 million people use alternative medicines. Shifting demographics are contributing to these changes in consumer behavior, as more and more aging baby boomers choose organic over synthetic products.

NTFPs can be grouped into four main categories:

- 1) Medicinal or "Nutraceutical" Products – such as Ginseng, Goldenseal, Black and Blue Cohosh, Witch Hazel, Prickly Ash, Bloodroot, Slippery Elm, Black Cherry Bark, and many others;
- 2) Decorative and Handicraft Products – such as decorative greenery, cones, dried florals, ornamental plants and plant parts, and decorative wood or vine products;
- 3) Forest-Based Food Products such as nuts, berries, oils and extracts, honey, syrups, mushrooms, fruits, and game animals;
- 4) Recreational Access and Tourism such as fee hunting and fishing, bed and breakfasts, vacation cabins, retreat centers, nature trails for wildlife viewing and photography, sports activities such as crosscountry skiing, and weekend skills workshops.



A bed of Goldenseal growing in a forest understory in Appalachian Ohio. The forest owner is a member of the Roots of Appalachia Growers Association, a support network of medicinal herb growers based in southeast Ohio.



Tim Blakley of Frontier Herbs and Gigi La Budde, consulting ecologist and member of Sustainable Woods Cooperative, examine Goldenseal, Hydrastus canadensis, cultivated under lath shade structures at Gigi's residence.

The production and marketing of NTFPs present unique challenges:

- ◆ Markets for NTFPs are different from markets for more traditional agricultural products. Although their market "visibility" is increasing, these products find most of their outlets in the specialty niche market, where there are relatively few buyers.
- Often, the production of NTFPs is seasonal. Moreover, some products are very perishable, thus increasing costs and risks for storage and transportation.
- Producers may be reluctant to share their sources of product, methods of production, and potential markets. This can make it difficult for newcomers to enter the industry.

Because marketing and access to information is perhaps the most challenging aspect of NTFPs, you may want to check out a couple of websites for more information: www.sfp.forprod.vt.edu/special_fp.htm and www.specialforestproducts.com.



Most NTFP producers continue to sell unprocessed products. However, the last decade has seen the rapid expansion of value-added processing by producers who traditionally have not been involved in it. Products that are attractively packaged (and/or further processed) can be valued both as food and as gifts. But effectively marketing these value-added products requires creativity and careful attention to the details of customer targeting, advertising, packaging, and transportation.

The Role of Forest Owner Organizations in NTFPs

Forest owner organizations can play an extremely useful role in the transition from niche to mainstream for a wide variety of NTFPs. Producing NTFPs through forest owner organizations, rather than individually, means that purchasing, marketing, and decision-making can be shared and more volume can be available to create better marketing position. An organization may select a few products and market them first to members, then locally through retail stores, restaurants, and farmers' markets, and later make use of regional and national trade associations. Wider marketing through catalog mail-order sales and the Internet may also be explored.

Because of the eagerness of many woodland owners to invest time and money in the launching of various NFTP ventures, the need for *education*—rather than the allure of get-rich-quick schemes—must be emphasized. Landowners must learn about the very real challenges of NTFP production and marketing. Training in the methods of cultivation of these products is critical. In the past, valuable medicinal and botanical plants were over-collected, with the result that many of these are now rare and endangered species. Cultivation of these plants means that NTFP production can occur ethically; and it presents at least the hope of recovery for some of these species

in the wild. With proper management, the forest (and related ecosystems) can produce marketable quantities of NTFPs without endangering environmental health and biodiversity.

SUMMARY

The key points of this chapter are:

- 1. The first market each organization must satisfy is its own membership.
- 2. Sustainable forestry organizations' marketing strategies must be resource-driven. There are, however, a variety of creative ways in which an organization can turn its resources into marketable products.
- **3.** Each organization needs to develop a marketing strategy that fits its own particular circumstances and goals.
- **4.** There is tremendous potential for organizations to learn from one another about marketing, and to engage in joint marketing.
- 5. An organization (or alliance of organizations) can do everything else right, but it won't survive if it doesn't do a good job of selling its products and services.

Balancing Ecology and Economics:

A Start-up Guide for Forest Owner Cooperation

Conclusion

Dozens of people associated with forest owner cooperation have contributed to this manual, each of whom continues to work in the real world, learning new and valuable lessons about how to make sustainable forestry organizations successful. Like a good business plan, this manual will continue to be updated as information is expanded and new experiences come to light. Cooperative Development Services, the University of Wisconsin Center for Cooperatives, the Community Forestry Resource Center, and the Cooperative Development Institute, as well as several other resource organizations, are listed in the appendices and can be contacted with questions or ideas related to sustainable forestry organizations.

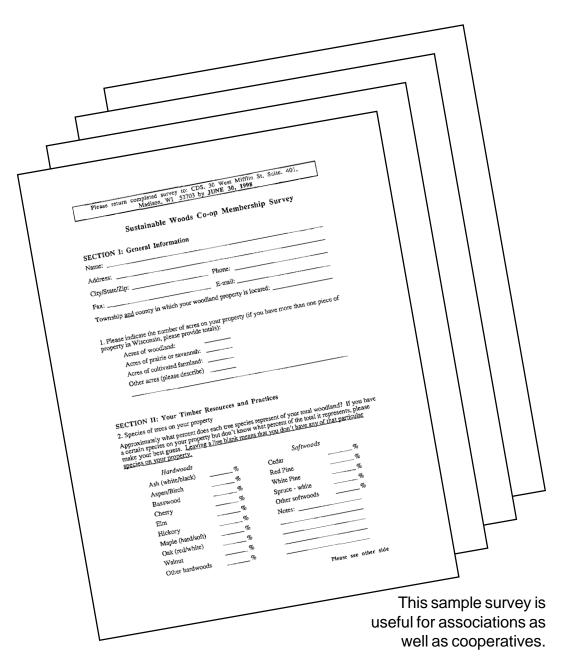
Forestry is too often thought of as taking something off of your land. Timber is equated with output. That's not the way it is. Sustainable forestry has more to do with "input": good science, common sense, love, regard for the future. — Gigi La Budde

Of all of the statistics, suggestions, stories, and "lessons learned" in this manual, there is *one* message that stands out as the most important: *The ultimate success or failure of a* sustainable forestry organization depends on the dedication and creativity of its members.

Appendix A Sample Documents



${\rm Appendix}\,A \!-\! 1 \quad \begin{array}{c} \text{Sample Membership} \\ \text{Survey Instrument} \end{array}$



Sustainable Woods Co-op Membership Survey

SECTION I: General Info	rmation		
Name:			
Address:			
City/State/Zip:	P	hone:	
Fax:	I	E-mail:	
Township and county in which	ch your woodland pro	perty is located:	
1. Please indicate the number	r of acres on your pro	operty (if you have more than or	ne piece of
property in Wisconsin, please	e provide totals):		
Acres of woodland:		_	
Acres of prairie or sav	vannah:	_	
Acres of cultivated far	rmland:	_	
Other acres (please d	lescribe)	_	
have a certain species on you	r property but don't	es represent of your total wood know what percent of the total s that you don't have any of that	it represents, pleas
Hardwoods		Softwoods	
Ash (white/black)	%	Cedar	%
Aspen/Birch		Red Pine	
Basswood		White Pine	
Cherry		Spruce - white	
Elm		Other softwoods	
Hickory		Notes:	
Maple (hard/soft)	<u></u>		
Oak (red/white)	<u></u>		
Walnut	<u> </u>		

Other hardwoods ______ %

3.	a. How many times has	the forest or	ı your iana bee	en narves	tea?		
	b. When was the last tin	ne harvesting	g took place or	n your lar	nd? (indicate yea	r)	
	c. How long have you o	wned your f	orest land? (nu	ımber of	years)		
4.	a. Have you received an	y income fro	om the sale of	your harv	vested timber?	YES	NO
	b. Please indicate the ap	proximate p	ercentage of y	our harv	ested timber that	t was marke	ted
	through the following cha	annels:					
		%	through brok	er, agent	or forester		
		%	to sawmill				
		%	direct to cons	umer/fina	al user		
		%	to independer	nt logger			
		%	other (please	explain):			
	c. Using the scale of 1 -	4 below, ple	ase indicate ho	ow satisfi	ed you were wit	h:	
		Ir	ncome you rec	eived fro	m sale of timber		
		A	appearance of	your fore	st after harvest		
		E	nvironmental	condition	of your forest af	ter harvest	
		1	2 3	3	4		
		Very		V	Tery		
		Unsatisfied	Į.	Sati	isfied		
	ECTION III: Your Non-		sources and l	Practices	S		
	Specialty forest products						
	list of specialty forest (no						
	e best of your knowledge,						
	y products you are current	•	_		ou have an intere	st in cultivat	ing
for	r market in the future (but	are not curre	ently doing so).			
			Growing	wild	Currently	Intere	ested in
			on my pro	perty	cultivating	future c	ultivating
	otanicals/Medicinals (spec	•					
	ushrooms (please specify))					
Νι	uts/seeds for seed stock						
Ed	lible nuts/berries/seeds						

Other (please specify)

SECTION IV: Potential Co-op Services

7. A list of potential services the co-op could provide its members appears below. Please indicate your level of interest in each service using the following scale of 1 - 4:

	Level of interest:	1	2	3	•	4
		None	Low	Mediu	m H	igh
a	Provide reliable in	nformation a	about private	e woodland	manageme	ent
b	Develop/impleme	nt environn	nentally resp	onsible wo	odland man	agement plans
c	Collectively mark	et timber a	nd other for	est products	3	
d	Provide timber sta	and improve	ement and tr	ee planting	services	
e	Find and develop	markets fo	r timber and	d other fores	st products	
f	Determine fair and	d reliable m	arket prices	for harvest	ed timber	
g	Provide assistance	e in harvesti	ng timber (l	ogging) on	your land	
h	Develop manufac	ctured, valu	e-added wo	od products	8	
i	Provide land man	agement se	rvices for al	osentee owi	ners (e.g., f	ence repair)
j	Provide consultati	on/training	for restoring	g wildlife ha	bitats and b	iodiversity
k	Make written educ	cational ma	terials availa	able		
1	Process own timb	er for priva	ite use			
m	Other (please spec	cify):				
	': Biodiversity/Habitat n to engage in habitat res			our land in t	he next 3 y	ears?
				YES	NO	UNSURE
-	hat type of habitat will you		on activitie	s take place	? Please al	so specify
	of Habitat	restored.	# of Acres	,		
• •	Prairie		# Of Acres			
	Woodland			•		
c				•		
	Savaina Wetlands					
	Wettands Oak or Pine Barro	anc		-		
	Oak of Fine Band	C118		-		
		tat magtamati	on butura	uma of xydaett	TIPO	
g.	Interested in habit	iai resiorati	on, out unst	ne or what t	ype.	

SECTION V: Biodiversity/Habitat Restoration, cont.

10. We would like to know about your training, experience, resources or interests in the areas listed in the chart below. This information will be used to develop a resource guide for co-op members who are interested in biodiversity and habitat restoration activities.

Medium LowNone Please use the following scale to indicate your level of interest, training, or experience in each area: Please give details in the space provided: e.g., "Burn School 1995."

Exotic/Invasive

New Prairie Prescribed

Habitat

	Restoration	Planting	Burns	Species Control*
a. Prior training (please specify here)				
b. Experience but no training (please specify)				
c. Equipment you have available (specify)				
d. Desire assistance in this area (specify)				
e. Work-exchange interest (specify)				
f. Interested in gaining experience/training				

Canada Thistle; Blackberry; Buckthorn; Don't know: Garlic mustard; Black Locust; Wild Parsnip; Red Cedar; Honeysuckle; ___ Leafy Spurge; __ Reed Canary Grass; * Please specify which exotic/invasive species you are dealing with (check all that apply): Aspen; Box Elder, Sumac; Other (please specify): Multiflora Rose; Prickly Ash;



Appendix A-2

LEGAL DOCUMENTS NEEDED FOR THE DEVELOPMENT OF A COOPERATIVE

- I. Articles of Incorporation: A non-profit association or a cooperative becomes a separate legal entity upon filing of the Articles of Incorporation. At that time the organization becomes a legally recognized institution that enjoys virtually all the constitutional rights recognized by individual citizens. Articles of Incorporation are available from the Secretary of State's office in each state.
- **II. Bylaws:** Although not typically mandated by statute, most organizations and *all* cooperatives adopt bylaws. Not legally binding, bylaws nevertheless serve as a governance document that addresses:

A. Member Issues

- 1. Annual meetings
- 2. Quorum
- 3. Eligibility of members
- 4. Voting by mail and voting at meetings
- 5. Etc.

B. Director Issues

- 1. Frequency of director meetings
- 2. # of directors
- 3. Officer election and frequency
- 4. Removal of directors
- 5. Term limits
- 6. Etc.

C. Operation on a Cooperative Basis

- 1. Distribution provision requiring earnings to be distributed on basis of patronage.
- 2. Consent Bylaw that imposes a requirement on members to report patronage earnings as income on the members' tax returns.
- 3. Etc.

D. Miscellaneous

- 1. Indemnification of officers, employees, directors, etc.
- 2. Insurance for directors/officers
- 3. Unclaimed property
- 4. Amendments
- 5. Fiscal year end
- 6. Etc.

III. Federal Employer ID Number Application

In the United States, most incorporated organizations, whether or not they have employees, must apply for and receive a federal employer ID number. The application, known as Form SS-4, is fairly simple and is available from the IRS at **www.irs.gov.**

IV. State Tax ID Number Application

In many states, any organization with employees must file an application for a state tax ID number. Contact your state Department of Revenue for more information. Also check with all states in which you intend to conduct business, since many states require a tax ID number even if you are not incorporated there.

The following documents are necessary only for cooperatives that intend to raise substantial amounts of capital. It is strongly recommended that you engage a qualified cooperative lawyer to advise your cooperative regarding these documents.

V. Seed Money Agreement

Contributions made toward early activities such as a feasibility analysis or membership development. These funds may not be paid back if the project does not move forward. If it does succeed, the contributions should be applied toward the purchase of stock or certificates of indebtedness (see below).

VI. Subscription Agreement

Documents each person's desire to purchase stock or certificates of indebtedness and representations made by each such person regarding the purchase.

VII. Disclosure Document

Discloses information about the Cooperative's business, the idea being that persons purchasing stock or certificates of indebtedness cannot sue the Cooperative or the directors if all risks of purchasing such stock or certificates of indebtedness are first disclosed before the subscription agreement is signed.

VIII. Policy Statement

Identifies the value and acquisition requirements of stock in the Cooperative.

IX. Certificates of Indebtedness

Issued to each person wishing to buy certificates when money is received (applies when members are buying shares of debt; if members are buying shares of equity, stock certificates are used).

X. Stock Certificates

Issued to each person wishing to buy stock in the Cooperative (applies when members are buying shares of equity; if members are buying shares of debt, certificates of indebtedness are used).

XI. Delivery Agreement

Sets out the terms of agreement regarding delivery of the product of the Cooperative; typically the raw materials used in value-added processing.

Samples of these documents
(please note that they will vary from state to state)
are available on the web site of the Community Forestry Resource Center:

www.forestrycenter.org/legaldocuments

Appendix B



Sustainable Forestry Cooperatives and Associations

Midwest Region of USA

Cook County Sustainable Forestry Cooperative

Mark Adams
P.O. Box 534
Hovland, MN 55606
(218) 475-2391
madams@mail.boreal.org

John Peterson **gpfinance@boreal.org**

Headwaters Forestry Cooperative

Greg Nolan P.O. Box 64 Long Prairie, MN 56347 (320) 594-6317 snowpine@rea-alp.com

Hiawatha Sustainable Woods Cooperative

John Stettler, Chairman s2490 Schaffner Valley Rd Fountain City, WI 54629-7605 (608) 687-8430 jstett@rconnect.com

Kickapoo Woods Cooperative

Paul Bader, Coordinator P.O. Box 466 Viroqua, WI (608) 625-2515 domehome@mwt.net **Living Forest Cooperative**

Charly Ray P.O. Box 1202 Bayfield, WI 54814 (715) 682-0007 cray@livingforestcoop.com

Menominee Tribal Enterprises

Hwy 47 North, P.O. Box 10 Neopit, WI 54150 (715) 756-2311 www.menominee.edu/mte

Northwoods Forestry Cooperative

Gary Bradford
31460 390th Place
Aitkin, MN 56431
(218) 927-4599
NFC_coop@hotmail.com

Herb Wall (320) 532-4342 herbwall@mlec2.net

Partners In Forestry Landowner Association

Steering committee co-chairs: June Jones: (715) 547-3013 Joe Hovel: (715) 479-8528 Forester:

Jeff Nyquist: (715) 490-3830

pif@nnex.net



Prairie's Edge Sustainable Woods Cooperative

Kevin Sand, President (563) 382-2754

ksand@thewebunwired.com

Prairie Ridge Forest Stewardship Cooperative

Luke Saunders 65 7 ½ St. Prairie Farm, WI 54762 (715) 455-1614 lukets@chibardun.net

Sustainable Woods Cooperative

Walter Clark
P.O. Box 307
Lone Rock, WI 53556
(608) 583-7100 Fax: (608) 583-7400
swc@mhtc.net

website: www.sustainablewoods.com

Upper Peninsula Community Forestry Cooperative, Inc.

Archie Hendrick N6158 Elmer Johnson Rd. Skandia, MI 49885 (906) 439-5300 sundell@tds.net

website: www.upconsult.com/umfsg

Washington Island Timber Cooperative

Chick Richards 12N 1680 Mountain Rd. Washington Island, WI 54246 (920) 847-2626

Western Upper Peninsula Forest Improvement District

Richard Bolen 801 North Lincoln Drive, Suite 302 Hancock, MI 49930 (906) 663-4687 gcfc@gogebic.cc.mi.us

website: www.wupfid.org

White Earth Land Recovery Project

Winona LaDuke, Founding Director Donna Cahill, Administrative Director 32033 E. Round Lake Rd. Ponsford, MN 56575-9250 (218) 573-3448 Fax: (218) 573-3444 websites: www.nativeharvest.com and www.welrp.com

Wisconsin Family Forests, Inc.

Amy Luebke, Director P.O. Box 682 Wisconsin Rapids, Wisconsin 54495-0682 (715) 213-1618

info@wisconsinfamilyforests.org
website: www.wisconsinfamilyforests.org

Wisconsin Family Forests Local Alliances:

Washington Island Family Forest

Cindy Gaskill 1325 Wilmette Ave. Wilmette, IL 60091 847-256-1664

cindygaskill@earthlink.net

Deerfield Family Forest Alliance

Martin Pionke W11008 County Rd. V Hancock, WI 54943 715-249-5406

capionke@hotmail.com

Rudolph Alliance

Al Herzberg, President 5600 3rd Ave Rudolph, WI 54475 715-423-7026

Baraboo Hills Alliance

Dick Mielke, President S5570 Pike's Peak Road North Freedom, WI 53951 RMMIELKE@JVLNET.COM

Woodland Cooperative

Shelley Larson 6549 Keystone Rd. Milaca, MN 56353 (320) 983-2584

erlarson@maxminn.com

Northeast Region of USA

Adirondacks Sustainable Forestry Project

Ross Morgan Residents' Committee to Protect the Adirondacks P.O. Box 27 North Creek, NY 12853-0027 (518) 251-4257 Fax: (518) 251-5068

RCPA@netheaven.com

website: www.adirondackresidents.org

Massachusetts Woodlands Cooperative

Arthur Eve, President 100 Blackberry Lane Amherst, MA 01002 (413) 549-3973 aeve@attbi.com

Massachusetts Woodlands Institute

Arthur Eve, President 100 Blackberry Lane Amherst, MA 01002 (413) 549-3973 aeve@attbi.com

Vermont Family Forests

David Brynn P.O. Box 254 Bristol, VT 05443 (802) 388-4969 vff@together.net

website: www.familyforests.org

Southeast Region of USA

Blue Ridge Cooperative

Harry Groot Sunrise Valley Farm Hiwassee, VA 24347 540-639-3077 sunrise@usit.net

Ozark Landowners Association

75 Leggett Lane Batesville, AR 72501 (870) 793-4379 rbellowoa@cox-internet.com

Western North Carolina Alliance: Forests & Communities Program

David Wheeler 70 Woodfin Place (#326) Asheville, NC 28801 (828) 586-3146

dwheeler@jackson.main.nc.us

Winston County Self-Help Cooperative

Frank Taylor P.O. Box 23813 Jackson, MS 39225 601-346-9850

f.l.taylor@worldnet.att.net

Canada

Athol Forestry Co-operative

Warren Murley P.O. Box 879 Amherst, Nova Scotia B4H 4E1 (902) 667-7299

atholfor@auracom.com

website: http://www.atholforestry.com/

Ontario Woodlot Association

Wade Knight, Executive Director 275 County Road 44, R.R. #4 Kemptville, Ontario, KOG 1J0 (613) 258-0110

info@ont-woodlot-assoc.org

website: www.ont-woodlot-assoc.org

Appendix B Sustainable Forestry Cooperatives and Associations

RESAM (a federation of 44 forest owner organizations in Québec)

Eugene Gagne, Executive Director 1405, avenue Saint-Jean-Baptiste Bureau 103

Québec, Québec G2E 5K2

(418) 877-1344

website: http://www.resam.org/

Societe sylvicole des Laurentides (a woodlot owner organization in Quebec)

Marc Champagne, Director of Forest Management 387 Lafleur Lachute, Quebec J8H 1R2 (450) 562-1126

Marc. Champagne@sylvicole.qc. ca

Woodlot Stewardship Co-operative

Simon Mitchell Falls Brook Centre 125 S. Knowlesville Rd. Knowlesville, NB E7L 1B1 506-375-4310

simon@fallsbrookcentre.ca

website: www.fallsbrookcentre.ca

Appendix C

Sustainable Forestry Resources: Assistance Organizations, Publications, and Websites

Appendix C is organized into three parts: 1) contact information for resource organizations for sustainable forestry associations and cooperatives; 2) a list of publications and websites of interest; and 3) a list of resources for Non-Timber Forestry. Organizations are listed in alphabetical order. A few organizations are identified by website only.

Animal Powered Logging – Auburn University

website: http://www.forestry.auburn.edu/dubois/animal.html

This site contains a list of publications related to animal powered logging as well as a list of other websites related to these operations.

Audubon Center of the North Woods

Box 530

Sandstone, MN 55072 (320) 245 2648 or 800-404-7743

Fax: (320) 245 5272 Audubon1@ecenet.com

website: http://www.audubon-center.com/

The Audubon Center is an environmental education learning center located in Pine County, Minnesota. The Center features a dining hall and dormitory complex to accommodate large group meals and meetings. There is also an historic lodge, wildlife barn, bird banding center, a yurt, log cabin classroom, a shack for the production of maple syrup and a wildlife rehabilitation facility. The site is located amid old-growth pines and restored wetlands.

Big Creek Forestry

550 Karen Rd Marquette, MI 49855 (906) 249-5660

bigcreek@up.net

Big Creek is an FSC-certified resource company that serves the Upper Peninsula of Michigan.

Canadian Model Forest Network website: http://www.modelforest.net/

The Government of Canada, through the Canadian Forest Service, launched Canada's Model Forest Program to address the challenge of balancing the extensive range of demands that we place on our forests today, and the needs of tomorrow's generations.

The Canadian Model Forest Network Web site contains a complete online guide to the events, projects and activities taking place within the Canadian Model Forest Network (CMFN).

Canadian Sustainable Forestry Certification Coalition

Mark Hubert, Director, Sustainable Forest Management Policy, Forest Products Association of Canada (FPAC) 99 Bank, Suite 410 Ottawa, Ontario K1P 6B9 (613) 563-1441, ext. 310

website: www.sfms.com/coaliti/htm

Certified Forest Products Council

721 NW 9th Ave, Suite 300 Portland, OR 97209 (503) 224-2205 Fax: (503) 224-2216 info@certifiedwood.org

website: http://www.certifiedwood.org/

An independent, not-for-profit, voluntary initiative committed to promoting responsible forest products buying practices throughout North America in an effort to improve forest management practices worldwide and promote Forest Stewardship Council certified products.

Clark Forestry, Inc.

Fred Clark
PO Box 88
Baraboo, WI 53913
(608) 356-2801 Fax: (608) 356-2403
fclark@clarkforestry.com

Clark Forestry is a SmartWood certified resource management company meeting the sustainability guidelines of the Forest Stewardship Council. The company provides forest management services to private landowners and forestry cooperatives throughout Wisconsin. Clark Forestry's Woodland School provides in the field and classroom education on forest related issues.

Community Forestry Resource Center

Phil Guillery or Katie Fernholz 2105 First Avenue South Minneapolis, MN 55404 (612) 870-3407 Fax: (612) 870-4846 pguillery@iatp.org or kfernholz@iatp.org website: www.forestrycenter.org

CFRC is a program of the Institute for Agriculture and Trade Policy, a private, non-profit organization. CFRC operates to support and assist forest owner cooperation and FSC certified products and markets. The CRFC website brings together in one place resources and information about sustainable forestry, certification, and cooperative solutions for forestland management.

CooperationWorks

1401 New York Avenue NW, Suite 1100 Washington, DC (202) 383-5443 Fax: (202) 638-1374

Working through a unified system of cooperative development centers and development partners, CooperationWorks provides high-quality professional services and leading edge cooperative solutions. Members of CW include the National Cooperative Business Association and the Cooperative Development Foundation and more than ten regional cooperative development partners. The formation of sustainable forestry cooperatives is a national priority for CW.

Cooperative Development Institute

Roger Allbee or Lynn Benander 277 Federal St. Greenfield, MA 01304 (413) 774-7599 Fax: (413) 773-3948 info@cooplife.com website: www.cooplife.com

CDI has been building cooperative leadership and enterprises in New England and New York since 1994. CDI provides a range of cooperative development services to new and established co-ops, including sustainable forestry cooperatives. CDI is a member of CooperationWorks.

Cooperative Development Services

E.G. Nadeau or Isaac Nadeau 131 West Wilson Street, Suite 400 Madison, WI 53703 (608) 258-4396 Fax: (608) 258-4394

egnadeau@inxpress.net website: www.cdsus.coop

Cooperative Development Services (CDS) is a private, nonprofit corporation. Founded in 1985, CDS provides professional business development and planning services to cooperatives and communities. CDS, a member of CooperationWorks, is currently assisting numerous groups in the Upper Midwest to form sustainable forestry associations and cooperatives.

Federation of Southern Cooperatives/ Land Assistance Fund

Lukata Mjumbe PO Box 95 Epes, AL 35460

Tel: (205) 652-9676 Fax: (205) 652-9678

fscforestry@mindspring.com

website:

www.federationsoutherncoop.com

FSC links minority landowners, and provides support and education to members and landowners to help them manage their land. The Federation is carrying out a multi-year community forestry project with funding from the Ford Foundation. FSC is a member of CooperationWorks.

Forest Industry Safety Training Alliance (FISTA)

Don Peterson 6343 Hwy 8 West Rhinelander, WI 54501 (800) 551-2656

fista@newnorth.net

FISTA provides training programs on logging and other forestry activities for forestry professionals and woodland owners. FISTA staff also coordinate "Game of Logging" (GOL) training programs, which teach chain saw safety to loggers, foresters, homeowners, landowners, tree farm operators and others.

Forest Applications Training, Inc.

administers GOL nationally and can be reached at (800) 208-6171, pin #1235, or through their *website*: **www.forestapps.com**

Forest Stewards Guild

P.O. Box 8309 Santa Fe, NM 87504-8309

Tel: (505) 983-3887 Fax: (505) 986-0798 *website:* **www.foreststewardsguild.org**/

The mission of the Guild is to promote ecologically responsible resource management that sustains the entire landscape. The Guild provides a forum and support system for practicing professionals working to advance this vision.

Forest Stewardship Council

website: http://www.fscoax.org/

The Forest Stewardship Council is introducing an international labeling scheme for forest products, which provides a credible guarantee that the product comes from a well managed forest. All forest products carrying our logo have been independently certified as coming from forests that meet the internationally recognized FSC Principles and Criteria of Forest Stewardship. In this way FSC provides an incentive in the market place for good forest stewardship.

Forest Stewardship Program

website: http://www.foreststeward.org/

The Forest Stewardship Program provides voluntary, long-range conservation planning assistance for individual landowners. This website provides links to forest stewardship programs by state.

ForestWorld.com

website: http://forestworld.com/

ForestWorld is becoming the Internet's most dynamic certified forest products marketplace, featuring the ForestWorld Exchange, searchable databases, daily news, and other services designed to build an online community in the certified forest products industry.

Maine Low Impact Forestry Project

Ron Poitras

Hancock County Planning Commission RFD 4 Box 22

Ellsworth, ME 04605

(207) 667-7131 Fax: (207) 667-2099

hcpc@acadia.net

website: www.acadia.net/hcpc/home.html

Maine Professional Logging Contractors

Sandy Brawders P.O. Box 400 Fort Kent, ME 04743 888-300-6614

Masconomo Forestry

Peter Bundy 101 West Main Street Crosby,. MN 56441 (218) 546-7626 ppbundy@emily.net

Masconomo Forestry is an FSC-certified resource management company.

Mississippi Center for Cooperative Development

Melbah Smith or Ben Burkett P.O. Box 22786 Jackson, MS 29225

(601) 354-2750 Fax: (601) 354-2777

mscenter@mindspring.com

website:

www.cooperativedevelopment.org

Provides technical assistance for cooperative development, including forest cooperatives. The Center is a member of CooperationWorks.

National Network of Forest Practitioners: National Community Forestry Center

Thomas Brendler 29 Temple Place, Suite 200 Boston, MA 02111

phone: 617.338.7821 Fax: 617.422.0881

tbrendler@nnfp.org website: www.nnfp.org

The National Community Forestry Center (NCFC) emphasizes research, education, and practice with people who live and work in forested and natural resource dependent communities. NCFC activities support rural people, researchers, and policy-makers to cooperate to produce and use information to make better decisions about natural resource management. The NCFC is a collaborative program of the National Network of Forest Practitioners (NNFP) in cooperation with four member organizations: the Forest Trust (Southwest Forest Regional Center), Forest Community Research (Pacific West Forest Regional Center), Mountain Association for Community Economic Development (Appalachian Forest Regional Center), and Yellow Wood Associates (Northern Forest Regional Center).

National Wildlife Federation Northeast Natural Resource Center

Stacy Brown or Mark Lorenzo 58 State St.

Montpelier, VT 05602

(802) 229-0650 Fax: (802) 229-4532

website: www.nwf.org/northeast

The National Wildlife Federation partners with SmartWood through its Northeast Natural Resource Center. NWF/ SmartWood has certified more than 880,000 acres of northeastern U.S. forestland, and 15 companies for chain-of-custody.

New England Forestry Foundation

Charles Thompson or Jim Heyes P.O. Box 1099 Groton, MA 01450

(978) 448-8389 Fax: (978) 448-8379

neff@neforestry.org

website: www.neforestry.org

The New England Forestry Foundation is a non-profit organization that promotes conservation and sustainable management of private forest lands through forest management demonstration, land conservation assistance, and participation in regional forest policy issues.

Northcountry Cooperative Development Fund

Sean Doyle 1219 University Ave SE Minneapolis, MN 55414 (612) 331-9103

ncdf@ncdf.org

website: www.ncdf.org

NCDF is a member-owned and membergoverned financial intermediary representing a pool of money invested by the co-op community and its supporters to act as a catalyst for the growth and development of cooperative enterprises. The Fund's mission is to promote economic equity and community stability by making loans to cooperatives, thus fostering enterprises owned democratically by the people who use them.

OIK/OS

website: http://www.eco2eco.net/

A simple map-based interface allows you to create charts and graphs of economic trends for selected geographic areas (Northeastern U.S.). The OIK/OS application links economics and ecology and helps illustrate economic trends associated with places on the map. The Wilderness Society and the Vermont Center for Geographic Information present OIK/OS as a resource for researchers, activists, and others who need economic information to aid conservation and sustainable development efforts.

Ohio Cooperative Development Center

Travis West 1864 Shyville Rd. Piketon, OH 45661 740-289-2071

west.222@osu.edu

OCDC's goal is to enhance economic development in rural Ohio by establishing new cooperatives and strengthening existing cooperatives. OCDC's approach to this goal is through technical assistance, outreach, and training and education to cooperatives.

On-Line Bibliography of Northern Hardwood Literature

website:

http://forestry.mtu.edu/hardwood/

The Northern Hardwoods Subcommittee of the Lake States Forest and Ecosystem Management Cooperative (LS-FOREM) has developed a searchable on-line bibliog-



raphy of northern hardwood (maple-beechbirch) literature.

OSHA Logging Advisor

website: http://www.osha-slc.gov/SLTC/ logging_advisor/mainpage.html

By many measures, logging is the most hazardous industry in the United States, particularly the activity of manual felling. This Advisor outlines the required and recommended work practices that can reduce logging hazards.

Rocky Mountain Farmers Union Cooperative Development Center

John Stencel, President 10800 East Bethany Drive Aurora, CO 80014 (303) 752-5800 Fax: (303) 752-5810 center.director@rfmu.org

Since 1994, RMFUCDC has provided critical services and assistance to explore marketing and processing alternatives for all kinds of agricultural producers in the rural West. The Center is a member of CooperationWorks.

Rural Action

Colin Donohue PO Box 157 Trimble, OH 45782

(740) 767-4938 Fax: (740) 767-4957

rural3@frognet.net

website: www.ruralaction.org

Rural Action provides support to communities in Appalachian Ohio through leadership and education towards the goal of rural renewal. Rural Action has a multi-year community-based forestry grant from the Ford Foundation. The forestry project has a strong emphasis on non-timber forest products.

SmartWood

International headquarters: Goodwin Baker Building 65 Millet Street, Suite 201 Richmond, VT 05477

(802) 434-5491 Fax: (802) 434-3116

info@smartwood

website: www.smartwood.org

Northern USA:

Dave Bubser, Regional Manager 101 East 5th St.

Suite 208

Northfield, MN 55057 Tel: (507)663-1115

Cell: (814)541-3813 Fax: (507)663-7771

dbubser@smartwood.org

SmartWood is a non-profit organization working to improve forestry practices worldwide by certifying sustainable forest management and wood products businesses. Founded by the Rainforest Alliance in 1989, it is the most extensive forest certification program in the world. It has received international accreditation through the Forest Stewardship Council. SmartWood's regional experts work in tropical, temperate, and boreal forests to reduce the environmental damage caused by wood harvesting and to maximize the positive impacts of commercial forestry on local communities.

Timber Tax Information

website: www.timbertax.org

The US Forest Service and Purdue University have created a comprehensive website about timberland taxes. Note that there is info on both income and property taxes.

United States Department of Agriculture (USDA): Rural Business/Cooperative Development Service

AG Box 3255

Washington, DC 20250-3255 (202) 720-6483 Fax (202) 720-4641 *website:* www.rurdev.usda.gov/rbs

USDA Rural Business/Cooperative
Development Service provides technical
assistance, maintains statistics, facilitates
research and disseminates information on
cooperatives. USDA has cooperative
development specialists in most states that
can help with Forestry Cooperative development. Check the website for contact
information of the nearest cooperative
specialist.

University of Wisconsin Center for Cooperatives

Kim Zeuli 230 Taylor Hall 427 Lorch Street Madison, WI 53706

(608) 262-3981 Fax: (608) 262-3251

zeuli@aae.wisc.edu

website: www.wisc.edu/uwcc

The University of Wisconsin Center for Cooperative's mission is to study, research and promote cooperative action as a means of meeting the economic and social needs of people. UWCC has been serving the needs of cooperatives, cooperative-like organizations and people interested in cooperatives since 1964. The Center has a world-renowned website full of information about cooperatives, and a cooperative library that is open to the public. For a schedule of educational programs, visit the website or contact the Center. The Center is working closely with CDS and the Community Forestry Resource Center on the development of sustainable forestry coops.

White Earth Land Recovery Project

32033 East Round Lake Rd.

Ponsford, MN 56575

888-779-3577 Fax: 218-573-3444

info@welrp.org

website: www.welrp.org/

The mission of the White Earth Land Recovery Project is to facilitate recovery of the original land base of the White Earth Indian Reservation, while preserving and restoring traditional practices of sound land stewardship, language fluency, community development, and strengthening our spiritual and cultural heritage.

Winrock International's Arkansas Rural Enterprise Center

Annett Pagan, Director 38 Winrock Drive Morrilton, AR 72110 (501) 727-5435 ext. 228 Fax: (501) 727-5499

website: www.winrock.org

Developed a cooperative model for the purpose of assisting smaller landowners to take advantage of the market for carbon credits. Winrock is a member of CooperationWorks.

Wisconsin Department of Natural Resources — Division of Forestry

Paul Pingrey P.O. Box 7921 Madison, WI 53707 (608) 267-7595

PingrP@mail01.dnr.state.wi.us

DNR forestry assistance includes initial guidance to landowners (a property walk-through, written forestry plans, and referrals to private enterprises that can help), forest incentive programs providing cost-sharing and property tax relief, woodland improvement and protection advice, and educational programs for landowners.

Woodnet Development Council

Based in Idaho, the Woodnet Development Council is dedicated to small-scale, economically and environmentally sustainable forest enterprises.

WoodWise Consumer Initiative

Co-op America, 1612 K Street NW, Washington, DC 20006. Tel: 202-872-5307 Fax: 202-331-8166

website: http://www.woodwise.org/

Co-op America and eleven leading environmental organizations developed a website and guide for consumers. The guide includes tips on how to save forests, time, and money.

Publications & Websites

Across the Fences: A Primer on Community-Based Forestry Cooperatives for New England

By Mark Lorenzo. 2001. Montpelier, Vermont: National Network of Forest Practitioners and National Wildlife Federation

An Introduction to Forest Certification.

Summarizes the steps of the certification process. July 2000. Published by Oregon State University Extension Service. Written by Mark Rickenbach, former OSU Extension forestry research associate and current Extension forestry specialist at University of Wisconsin–Madison; and Rick Fletcher, Extension forestry agent, Benton County, and associate director, The Sustainable Forestry Partnership. Please call Mark Rickenbach for a copy (608/262-0134).

Approaches to Ecologically Based Forest Management on Private Lands. John Kotar, University of MN Extension, 1997. An excellent guide to the basic considerations in developing a forest management

plan. Available free from the USDA Forest Service Office, 1992 Folwell Ave, ST Paul, MN. 55108 or online at http:// willow.ncfes.umn.edu/pubs/misc/ ecoforest/toc/htm

Finding the Forest. By Peter Bundy. Masconomo Forestry, Crosby MN. 1999 "This book is ideal for landowners who love trees but are honest enough to appreciate that this book is printed on paper. The easy reading essays lead to an education in conservation before the reader even knows it."

Landowner Guide to Forest Certification.

Mark Rickenbach and Rick Fletcher. Provides a way for landowners to see if they are ready for certification. Covers four different certification systems: American Tree Farm System; Green Tag Forestry; Forest Stewardship Council; and Sustainable Forestry Initiative. Published by Oregon State University Extension Service. Mark Rickenbach is a former OSU Extension forestry research associate and current Extension forestry specialist at University of Wisconsin-Madison. Rick Fletcher is an Extension forestry agent in Benton County, and associate director of The Sustainable Forestry Partnership. Please call Mark Rickenbach for a copy (608/262-0134).

A Planning Guide For Small and Medium Size Woodlot Products Compnaies: The Keys to Success. Jeff Howe and Steve Bratkovich. Published by United States Department of Agriculture. Forest Service. Northeastern Area State and Private Forestry. St. Paul, MN. NA-TP-09-95. September, 1995. Serves as a guide for writing strategic plans, marketing plans, and business plans.

Canadian Journal of Forest Research website: http://www.nrc.ca/cisti/journals/tocfor.html

This monthly journal has been ranked as one of the top three journals in its field for the past decade by Institute for Scientific Information, Inc. Articles are from international and Canadian sources and cover a wide variety of forest-related topics. The tables of contents, abstracts in English and French, and ordering information for the online and print full text is available at this site.

Climate Change Library Website website: http://www.unfccc.int/

The Climate Change Secretariat recently launched their "public" library website. The objective of the website is to link users of climate change information to resource providers. A key new feature are the links to the websites of all those involved in the UNFCCC process including: Parties of the Convention, Observer States, Accredited NGOs, IGO's and UN and Specialized Agencies. Of special interest is the link to online resources such as: glossaries, newsletters, annual reports, full-text documents, climate change search engines and many other electronic tools. To locate the Library website, go to the UNFCCC website at: www.unfccc.int and click on "Resources".

Conservation Ecology

website: http://www.consecol.org/Journal/ Conservation Ecology is an electronic, peerreviewed, scientific journal devoted to the rapid dissemination of current research. The journal is published continuously on the Internet. As articles are accepted, they are published in an "Issue in Progress." At six month intervals the Issue in Progress is declared a New Issue.

Developing Ideas Digest

website: http://iisd1.iisd.ca/didigest/
This is a bimonthly publication that is published by the International Institute for
Sustainable Development. The goal of the publishers is to "provide a snapshot of the

most influential ideas shaping the international sustainable development dialogue." Each issue is devoted to a specific topic.

Forest Magazine

website: http://www.forestmag.org/
At the heart of Forest Magazine are
America's national forests. One in every 12
acres in the United States is part of a
national forest. They are America's playground, the source of our rivers, the home of
wild things, the lungs of the continent. Yet
they are threatened: by logging, mining, and
urban encroachment.

Forest Service On-Line Publications website: http://willow.ncfes.umn.edu/snti/pubs/pubhp.htm

This website lists and links to additional online sources of forestry publications and information.

Independent Sawmill and Woodlot Management Magazine

P.O. Box 1149

Bangor ME 04402-1149

Tel: (207) 945-9469 or 888-290-9469

Fax: (207) 945-9874 **sawmill@mint.net**

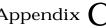
website: www.sawmillmag.com

This magazine serves as a hands-on guide for portable sawmillers and small woodlot owners.

Resources for Non-Timber Forestry

Farming the Forest for Specialty Products: Proceeding of the North American Conference on Enterprise Development Through Agroforestry.

Hosted by The Center for Integrated Natural Resources and Agricultural Management – University of Minnesota, Dec., 1999.
Available from: CINRAM 1530 Cleveland Ave. North, 115 Green Hall, St. Paul MN 55108 (235 pages). This proceeding includes



multiple aspects of NTSFPs: food, healthcare and personal products, decorative and aesthetic products, landscape and garden products, manufacturing and environmental products, eco-tourism.

Forest Pharmacy: Medicinal Plants in American Forests.

Steven Foster, Forest History Society, Durham, North Carolina, 1995. This book is a classic primer on the ethnobotany of medicinal plants.

Frontier Natural Products Cooperative

Tim Blakley Erica Renaud 3021 78th St. P.O. Box 299 Norway, IA 52318 (319)227 - 7996

website: www.frontiercoop.com

Frontier purchases, processes and markets herbs and other natural products. The co-op hosts an annual two-day summer "Herbfest" with workshops, demonstrations and seminars for beginning growers through advanced growers. See their website for more information.

Herb Growing and Marketing Network

P.O. Box 245

Silver Spring, PA 17575 website: www.herbnet.com

The Network is a non-profit information service and trade association for the herb industry. It offers publications, proceedings from conferences, and bi-monthly newsletter, Herbnet.

Income Opportunities in Special Forest Products: Self-Help Suggestions for Rural Entrepreneurs.

USDA, Forest Service, Ag. Info. Bulletin #666, Washington D.C. 1993.

National Center for the Preservation of **Medicinal Herbs**

333560 Beech Grove Rd. Rutland, OH 45775 website: www.ncpmh.org

The Center is a non-profit organization whose aim is to determine successful cultivation methods of critical-to-cultivate herbs in order to curb the need to harvest these plants from the wild and ensure their future survival.

Natural Resource Income Opportunities for Private Lands.

Proceedings and papers from a conference, Hagerstown, MD, 1998 (275 pages). Available from: University of Maryland Cooperative Extension Service, College Park MD.

Non-Timber Forest Products in the **United States**

website: http://www.ifcae.org/ntfp/ This website contains conservation and development information on commercial, recreational, and subsistence extraction of non-timber forest products (NTFP). Topics covered include cultural, ecological, economic, geographic, and political aspects of NTFP's. Though the primary focus of this website is on the U.S., other researchers will find plenty of useful information as well.

United Plant Savers

P.O. Box 98 East Barre, VT 05649

website: www.plantsavers.org

United Plant Savers is a non-profit organization dedicated to raising public awareness of the plight of our wild medicinal plants and to protecting these plants through organic cultivation, sustainable agricultural practices, and the replanting of native medicinal species back into their natural habitats. UPS carries out educational events and publishes a newsletter and the Native Medicinal Plant Nursery Directory.

Glossary

Biodiversity — The variability among living organisms on the earth or in a given area, including the variability within and between species and within and between ecosystems.

Board of Directors — A small group of people elected by the membership of a co-op, and responsible for making decisions for the direction and activities of the co-op. Responsibilities of a board might include raising initial financing, drafting or revising bylaws, setting policy, hiring personnel, and being in close communication with the general membership.

Business Plan — The document that outlines the development and operation of the co-op and provides supporting documentation for potential members, financial institutions, and other investors. The business plan is constantly revised and adjusted as the needs and expectations of the co-op change.

Bylaws — A document written by a cooperative's board of directors or steering committee that describes the basic method of operation of the co-op: who can be members, how the board of directors and officers are elected, how decisions are made by the board and members, etc.

Capitalization — The process of securing the money required to begin operations of a business, including building infrastructure, initial employee salaries, and other costs related to development.

Character wood — Character wood includes burls, fletches, crotches, wood with unusual graining, and other qualities in a wide range of species. These qualities render the wood of little or no value in the traditional timber industry, but of high value to furniture-makers, wood carvers, and others in the woodworking community.

Conservation easement — A legally binding agreement between a landowner and a trust to ensure that the land is managed in perpetuity according to conservation practices outlined in the agreement. In many cases, development rights are sold to the trust, which makes a commitment not to exercise them. Often, this results in decreased property taxes for the landowner. A **working forest easement** is a type of conservation easement that allows for sustainable harvesting.

Cooperative — A business that is owned and controlled by the people who use it. Its primary purpose is to provide goods and/or services to its members.

Ecology — The study of the relationships between the living and non-living parts of a natural system.

Ecosystem — All of the living and non-living elements in a given area, together with their interactions and interrelationships.

Feasibility study — The process of reviewing the pros and cons of proceeding with the development of the co-op. A feasibility study seeks to determine whether there are any insurmountable obstacles to the development of a successful co-op.

Forest management plan or forest stewardship plan — A document written by a partnership of landowner, forester, and logger outlining the landowner's economic and ecological goals for his or her woodland, and detailing the short and long term management strategies for achieving those goals.

Glossary

High-grade logging ("high-grading") — The practice of taking the largest, oldest, and most valuable trees out of the forest, which often leads to an impoverished forest habitat.

Incorporation — The process by which a co-op, non-profit, or for-profit business becomes a legally recognized entity authorized by the state to do business under the laws applicable to an incorporated business. Forming a corporation limits the liability of individuals associated with it.

Invasive or exotic species — Any species that inhabits an area to which it is not native. Often, these "introduced" species are able to out-compete native species for limited available resources.

Limited liability company — A business structure that is a hybrid of a partnership and a corporation. Its owners are shielded from personal liability and all profits and losses pass directly to the owners without taxation of the entity itself.

Mission statement — A formal statement that clearly and concisely articulates the fundamental reason-for-being of a co-op, association, or other business; states what the co-op does, why, and for whom.

Non-profit Association — A group legally incorporated to provide services to members, much like a cooperative, but unable to distribute profits to members. Any revenue generated by a non-profit association must either be reinvested in association activities or donated to another non-profit. Some non-profits are exempt from some taxes.

Steering committee — Initial group of people interested in the formation of a co-op who agree to meet regularly to pursue the development of a co-op.

Sustainable — Any activity that conserves, maintains, or improves the social, economic, and ecological well-being of a given community without compromising these qualities in another community.

Third-party certification — Certification by an independent body indicating that a given set of standards is being met. For example, SmartWood is a third-party organization providing auditing services to determine whether a given forest stand meets the standards of sustainability set forth by the Forest Stewardship Council.

Timber aggregation — Collection of harvested trees from multiple sources to a common sort yard for the purpose of increasing efficiency of processing or delivery to buyers.

Timber stand improvement — "Timber Stand Improvement (TSI) consists of practices designed to produce more and better quality wood products off a given area by improving the quality and species composition of the stand and by increasing, or at least preventing a decrease in, the rate of growth of the residual or crop trees in the stand. This is usually done through a process of cutting or deadening undesirable vegetation which is competing for sunlight or other elements necessary for growth with the desired or crop trees in the stand, or which has a degrading effect on the stand" (definition from Duane Bristow, Forest Management Workshop Manual, 1995. www.webcom.com/duane/wood/woodindx.html).

Value-added Processing — Any conversion of timber from its "raw" state into a more "finished" state. Examples include sawing, kiln-drying, milling, and furniture making.

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