

SMALL FARM DIGEST

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*Photo: Dr. Becky Barlow, Auburn University
School of Forestry and Wildlife Sciences*

SMALL FARMS and WOODLOTS



Small Farms and Woodlots

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Woodlots have long played an important role in the development of the United States. As forests were cleared for agriculture often a small patch of forest, or woodlot, was retained for --- wood. The woodlot provided the wood for shelter, warmth, and cooking and it served as habitat for forest wildlife that provided sustenance to early settlers.

The woodlots of today provide much more for their owners, including income from selling wood and non-wood products, forest-based income opportunities such as lease hunting and recreation, solitude and escape from emotional pressures and stress of modern living and working, and simply the pride of owning and caring for the land.

More than half of all the forestland in the U.S. (423 million acres) is owned by 11 million private forest landowners. Of those private owners, 92 percent --- 10 million --- are classified as "family forest owners."

Most of the forest east of the Mississippi River is in private ownerships and much of the remainder is public land held by villages, cities, counties, states and the federal government. West of the Mississippi,

the ownership pattern is reversed. Much of the forest is publically held, largely as national forests managed by USDA Forest Service.

Regardless of where your forest, or "woodlot," is located or your reasons for owning it, your forest makes vital contributions to the nation's economy, wood "appetite," and quality of the environment. Consider these facts:

- ◇ 41.4 billion metric tons of carbon is currently stored, or sequestered, in the nation's forests, and due to both increases in the total area of forest land and increases in the carbon stored per acre, an additional 192 million metric tons of carbon are sequestered each year. The additional carbon sequestered annually offsets roughly 11% of the country's industrial greenhouse gas emissions, the equivalent of removing almost 135 million passenger vehicles from the nation's highways. And privately owned forestlands store more carbon than national forests.
- ◇ About 80 percent of the Nation's freshwater originates on forest lands.

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- ◇ More than 90 percent of the wood for the nation's forest product industry comes from private land.
- ◇ The forest products industry accounts for approximately 5 percent of the total U.S. manufacturing GDP. The industry produces about \$175 billion in products annually and employs nearly 900,000 men and women, exceeding employment levels in the automotive, chemicals and plastics industries. The annual payroll is approximately \$50 billion.

Your woodlot is worthy of your attention! If well-cared for, it can provide you with the benefits you desire indefinitely and can be passed from generation to generation.

This issue of *Small Farms Digest* provides information about exploring

your woodlot to get familiar with what you have, how to get the best price for your timber if you decide to conduct a timber harvest, considerations for passing your land on to future generations, income-generating ideas for your forestland, where and how to get assistance from various types of foresters, and innovative approaches to meet the unique needs of particular groups of forestland owners with the focus being on women who own and manage forestland.

You can find professionally trained and experienced foresters in your state to assist you with almost anything you are considering. Engaging the services of a professional forester, either free or for a fee, will help you ensure that you and your forest take care of each other.



Photo: Eric Norland

Getting to Know Your Woodland

***Kathy L. Smith, Program Director
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Many landowners end up being woodland owners by accident. Woods either 'came with the farm' or perhaps were something they inherited without really knowing what they were getting. However you acquired your piece of America's woodland heritage you now hold the reins to an important piece of our natural resource puzzle. Now what do you do?

There are many ways to look at the property. However, the first step is asking yourself some important questions:

- ◇ Why did you purchase the property?
- ◇ What do you enjoy about the woodland acreage?
- ◇ What do you want to get from this woodland acreage? Is this to be an income generator, a recreational spot or a place for you to enjoy wildlife (watching and/or hunting)?
- ◇ What are your goals and objectives for the property?

These can be tough questions for the novice or even sometimes a long time woodland owner. If you are walking into this project with little knowledge about the property and your own goals then you need to start gathering information!

A good place to start is to gather some historical information about the woodland. When the property came into your possession did it come with any records? Look for old timber sale records, management plans written for past landowners or records of past conservation practices recommended for the farm, some of which may have helped to establish your current woodland. Sometimes you will have the benefit of old aerial photos. They can tell you a lot about the past history of your property. In my case we have photos that go back to 1959 (1959, 1969, 1974, 1981 and 2000) when the farm consisted of 15 acres of woodlands and 105 acres of pasture and cropland. Today we have 80 acres of woodland with only a small part of the farm left in cropland. The copies of aerial images over time show the gradual reversion of pastures into the woodland acreages we have today. The older photos can be found in a variety of sources: local soil and water conservation districts, USDA offices (NRCS, FSA), county engineer and even county auditors offices. Check with the local governmental units that work in the area of conservation – they sometimes are a gold mine for copies of old aerial photos. There are

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also online sites that can yield digital aerials, though usually only the more current versions (Google Earth, USA Photo Maps just to name a few). Many of these sources will also be able to give you copies of the topography map for your property as well.

What if I didn't have the photos?

Walking the woods now reveals woven wire fences down through the middle of the woodland with some of that wire protruding from the trunks of many of the trees. This is a good indication that at some point the previous landowner was trying to keep livestock either in or out of certain sections. If I go back to those old photos I can clearly see those fence rows and get a feel for how old those trees that the fence was attached to may have been at the time.

Another indicator of past grazing can be the presence of wolf trees. These are large trees that have spreading crowns and branches that are attached low on the main trunk. These trees are good indicators that the area in the past was more open and the trees had plenty of room to spread out.

Now, make a copy of an aerial photo of your property and go for a walk. Keep in mind that your woodland is a dynamic resource that can change with the seasons so make sure you walk it in all those seasons. As you walk the woods make notations on the map where you see fence, piles of rocks, streams, trails, wet areas, old

foundations, unique rock formations, scenic vistas, ponds and anything else that you feel is a unique feature of the property. This becomes that first walk through of your woodland inventory. If they aren't obvious either on the photo or on the property locate and mark your property boundaries.

Why pay attention to piles of rocks or what look to be rock walls? As areas were cleared and farmed, the rocks were sometimes piled at field edges in order to get them out of the field. For those rocks that look to comprise small walls, rocks were also used in some parts of the country to form property boundaries. All of these items lend clues to past use of the area.

Do you have tree stumps, multi-stemmed trees, damage to the lower portion of some trees or visible roads? These can all be signs of some sort of harvesting operation having taken place in the past.

Many woodland owners want to focus on wildlife as a benefit they get from their woodland acres. This aspect can be for viewing or hunting or both. So, pay attention to clues that tell you what kinds of wildlife you already have inhabiting the area. Another way to inventory some of your wildlife species is by utilizing a wildlife camera. These cameras can come with lots of bells and whistles so do your homework and decide which type is best for you.

However these cameras can capture

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some of those nocturnal species that you never realize are around. I have one that has captured images of deer, coyotes, skunks, turkeys, raccoons and even the occasional bat. Many of these species I would not have seen without the aid of the camera. Clues to other types of wildlife that it is worth noting include nests, dens, tracks or dead trees with large holes in the trunks. All are worth cataloging as they add depth to your knowledge of the woodland.

Looking around the woodland and seeing trees lying on the ground where they have been completely uprooted is good evidence of some type of disturbance: wind storm, ice storm? Tops broken and hanging in the tree is another indication of recent storm damage. This storm damage can impact the woodland for years to come so it is something to make note of.

Walking through the woods, look to see what types of vegetation you have and make notations on your map where there are distinct differences. Is the understory dominated by a lot of young vegetation – young tree seedlings and shrubs – that make it difficult to walk through comfortably? Or can you walk through it easily with little to no vegetation in the understory? Are there lots of large trees or mostly smaller trees? Are the trees in defined rows?

A woodland that is wide open with very little vegetation in the understory can be an indicator that the woodland was recently disturbed. This disturbance

can be the result of a fire or grazing and in areas with heavy wildlife populations such as white tail deer there can be a definitive browse line to the understory. This line is the highest point in the understory vegetation that grazing wildlife can reach – the height of which will vary with the wildlife species in question.

However, a woodland with defined rows indicates that the stand didn't naturally regenerate, someone took the time to establish the woodland. One thing to pay attention to if it is a planted stand is the species mix. Sometimes what is planted on the site isn't necessarily what would naturally grow there. This can impact what you want to do with the woods in the future and therefore may cause you to modify any plans you may have had.

This last thought leads to one of those skills it is handy for a landowner to have – tree identification. Knowing what tree and shrub species you have in the woodland is a huge part of the woodland ownership puzzle. Do one or two species seem to dominate or do you have a wide variety of species? Why does it matter? Ask those landowners in the 14 states now dealing with Emerald Ash Borer (EAB). Think about it like this...if 60% of the trees in your woodland are ash and along comes EAB your woodland stand will contain 60% dead ash trees in the

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not too distant future. Not something we necessarily want to think about but it is happening and understanding the risk for EAB infestations starts with understanding the percentage of ash you have in your stand. EAB is just one of the many invasive species issues that woodland owners across the country are dealing with.

So, you have collected all this information about your woodland, worked on expanding your woodland owner knowledge base what's next? Go back to that goals and objectives question that we talked about in the beginning. You know what you have; now you need to match it with what you would like to receive from the woodland (income generation, wildlife habitat, recreational opportunities etc.). You may find that what you thought you wanted no longer applies to the woodland you have gotten to know. Perhaps those original thoughts on goals and objectives don't fit well with the reality that is your woodland. Take some time to make some adjustments to those goals and objectives so they are more realistic. There are many tools in a woodland owner's toolbox that can help make your goals and objectives happen. There are a variety of natural resource professionals available to walk your property with you to help you gather some of this information and hopefully make sense of it. Also look to see if there are any local woodland owner

interest groups around. Many of these groups have regular meetings with some type of informational speaker that can help you gather some more woodland knowledge.

There also may be many different types of woodland related classes offered through your local Extension service, forestry service other conservation oriented agency. Many states have Extension programs that focus on the topics that woodland owners need to know and offer a variety a classes, fact sheets and other publications that are geared towards helping woodland owners make well informed decisions when it comes to dealing with their woodland. Take advantage of the resources that are available to you but don't skip the step of getting to know your woodland. The better you know your woodland the more likely you will be able to spot problems early and the better woodland owner you will be.



Photo: Eric Norland



Selling Farm Timber

*Jeff Stringer, Professor, University of Kentucky
Hardwood Silviculture and Forest Operations*

Many farms have woods that can be relied upon to provide income from time to time. While management of farm woodlands may not have been a priority for many farmers it is wise to spend a little time and effort if you are planning a timber harvest.

Because timber is not something most farmers deal with on a day-to-day basis, unfamiliarity with the process can lead to a loss of income and generate problems when timber is sold. To further complicate things there is no centralized market or pricing system for timber and determining the value of standing timber is difficult if you are not a forester or logger who is engaged in timber harvesting on a daily basis. However, all of these issues can be successfully dealt with by following several simple rules that can help ensure that: revenue is maximized through reducing taxes and maximizing gross receipts; liability is limited; and your land and property is protected. Note: The 5 rules below are provided primarily to those selling stumpage (standing timber and pulpwood.)

Some farmers have the capacity to cut, skid and possibly haul timber, but while this might be appropriate for timber that is used for on-farm purposes, it is

a risky business when your objective is to get top dollar. While this may seem counter intuitive the rules below and the section on "Selling Logs or Stumpage" will provide some examples of when cutting your own timber might be appropriate as well as examples that underscore when you might want to reconsider undertaking it yourself.

1. Time Your Sale Correctly

Knowing when to sell timber based on local market trends is critical to getting the best price. To time your sale properly you need to know the species, product type (pulpwood, cants, tie logs, sawtimber by grade, stave logs, and veneer), amount of each product type, and the market condition and price for each. A consulting forester can cruise your timber and provide information on the quantity (tonnage or board footage) that you have by species and product type. The consultant will also be abreast of the local markets and trends and can make an informed recommendation to you about when to sell. The situation might require that you sell one product type now (such as veneer) and wait on cutting other trees until market conditions improve for the products and grades they contain.

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Of course individual situations may require that you sell when markets are not the best. If this is the case the other rules in this article still apply.

2. Sell to Minimize Taxes

The way you sell your timber can significantly affect the taxes you pay on your timber revenue.

Unless you are in the business of selling timber on a regular basis you should sell your timber using the capital gains tax provisions. This means that the timber is a capital asset and can gain or lose value. The key to using capital gains and losses is to know the value of the timber at the time you purchase it. This is called the "basis" and it is the fair market value of the standing timber when you purchased it. If you have recently acquired the woods, the timber may have had a significant amount of value, or basis, when you purchased it.

Individuals who invest in timberland commonly have the timber value assessed when they buy property in order to develop a basis account for the timber on that piece of property. If you did not do this when the property was purchased, a forester can determine the size of the timber when you acquired it and develop a fair market value that can be used for your basis.

If you do not have a basis or it is trivial because you acquired the timber a long ago when the timber had little value you can still treat the revenue as capital gains. To claim capital gains you must have held the timber for at least 12 months, and you have to sell timber and not a timber product. Logs and pulpwood are considered timber products and you cannot use the capital gains tax provisions. You have to "release your interest" in the timber at the stump which means you must sell the timber as it stands; this is called "stumpage."

Sometimes loggers would like to cut on a "shares" arrangement, meaning that they get a percentage of the delivered log price and you get a percentage. There are a couple of problems with this. From an income tax perspective, you are selling a product and not stumpage so you cannot claim capital gains. Secondly, you as the seller might not really know what is being paid to the logger and thus you may not get the full value of your percentage share.

In summary, it is important in minimizing taxes that you sell stumpage and claim capital gains. Competent consulting foresters are well aware of these issues and can guide you through them (a CPA may not be).

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If you contact a forester who is not aware of these issues, find another one.

3. Let Competition Work – Maximize Your Sell Price

Most of the time using a well-advertised sealed bid is the best way to let competition help you get the highest price for your timber.

Consultants know how to develop a sale package, construct a sale prospectus, and who to advertise it to. Consultants often get a percentage of the gross sale price as their fee, and it is in their best interest to know how to handle the prospects, the advertising, and ultimately the entire sale package to your advantage and theirs.

There are times and situations when developing a negotiated sale might be in your best interest. This is especially true if the volume is small or the timber is degraded and abused. However, for most situations a sealed bid is best.

4. Use a Timber Sale Contract

Using a timber sale contract is a must. Consultants and most forestry agencies and organizations have examples of sale contracts that can be used as a “boilerplate,” or starting point. However, the devil is always in the details and a valuable contract will contain specifics associated with: your needs; the condition of woods and your property; the start and ending dates,

taking into consideration access, season and markets; and specifics related to responsibility for adherence to county, state, and federal laws.

Most arrangements with consulting foresters will require that they ensure that the provisions in the contract are being adhered to and that your interests are being protected. Without the written contract you increase your liability and decrease your control over the harvest.

5. Harvest to Improve or Regenerate Your Woods

While a harvest provides valuable income it should be conducted in a manner that will promote the future growth and development of valuable woodlands. This is accomplished by ensuring that the timber harvest is marked --- either individual trees or boundaries --- or stipulations are placed on the harvest based on sound principles of silviculture (the science of growing and tending a forest). Sound silvicultural practices will ensure that



Photo: Eric Norland

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enough young, potentially high quality trees are left to restock the woods after a “selective” harvest is conducted.

In natural hardwood stands small trees are not necessarily young trees. They actually may be quite old from having been overtopped or are being squeezed out by larger canopy trees, thus substantially reducing their diameter growth. This is a good reason to not sell trees based on their diameter: the smaller trees that are not cut may not be young vigorous trees and you may be left with trees that will not respond to release or may simply be slow-growers. It takes a trained forester to deal with this issue and mark the woods for harvest in a way that does not lead to “high grading” (taking the largest and best trees and leaving poorly formed or low vigor trees).

The use of sound silvicultural practices also means that your woods will regenerate the species that are appropriate for your long-term objectives. Trained foresters can make the proper decision on whether a part or all of the woods needs regenerating. They know how to use silvicultural practices such as developing openings of a specific size to aid in regenerating a small area, or prescribing and marking a harvest using a shelterwood, seed-tree, or patch or clear cutting if larger areas need regeneration.

Selling Logs or Stumpage

As indicated above, some farmers have the capacity to cut, skid and possibly haul their own trees. While cutting your own logs might make sense, especially if you have only a few lower grade trees, for all the reasons below, excluding the tax consequences discussed above, you might want to carefully about these considerations before you cut your own timber:

- ◇ The trees to be cut should be marked by a forester to ensure that the proper trees are removed to help improve the woods and not degrade it
- ◇ You should also get a forester’s advice on markets to determine which species and grades are commanding a good price
- ◇ Most farmers, if they cut their own logs, will pull them into a field or barn lot and have timber buyers “bid” on them. The problem with this is that there may be potential timber buyers who are not known or are not local. Also, how would you know whether the bids that you receive are the best you can obtain? And by selling logs you have to treat the revenue as regular income not capital gains

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- ◇ Further, once high value logs are on the ground the clock is ticking. Veneer logs can degrade quickly, particularly if you cut them in the summer time. The end cracking and checking that comes from moisture loss at this time of year can significantly affect value
- ◇ It is also important to understand the obvious --- felling large trees with a chainsaw is dangerous and skidding logs with typical farm equipment is extremely dangerous. Professional loggers in most states have been trained and are familiar with safety practices associated with felling, or have mechanized fellers and have the proper equipment to skid and load logs
- ◇ It should also be noted that incorrectly felling a high value veneer tree can ruin its value; loggers know how to handle the harvesting of high value trees to avoid tear out and breakage.

In summary, use a forester to get advice on timber sales. Develop a plan to harvest your timber that will minimize taxes, maximize your revenue, and improve and protect your woods. Use a contract to ensure that you are protected and make sure that sound silvicultural practices are considered when planning a harvest.

Many states have a state forestry agency that has foresters who can provide advice and guidance on these issues. They can help you develop a management plan for your property and possibly help mark your timber. However, you must get assistance from a private, independent consulting forester to help you with the specifics of a timber sale; and this is money well spent. State foresters can advise about getting in touch with consulting foresters.

You can also get information on forestry assistance from your county or state Cooperative Extension Service. Get information and get informed. The better informed you are about timber sales the more satisfying the results.



Sieving Out a Successful Enterprise

[Jonathan Keys](#), *Extension Specialist in Natural Resources*
[University of Maryland Extension](#)

You have an idea or a “passion” for an enterprise you would like to undertake on your property. Perhaps you always wanted to buy and operate a small sawmill, develop a choose ‘n cut Christmas tree farm, or grow a unique crop like mushrooms - the ideas are endless and change with the individual. You may have many questions and or be unsure what other family members may think, or even if you have the assets and skills to be successful. These are just some of the thoughts typically running through people’s minds as they consider a natural resource-based enterprise for their property.

Most rural properties are a combination of farmland and woodland but natural resource related enterprises that use woodland are many times not considered, except for the occasional timber harvest. Most landowners lack sufficient information necessary to make an informed decision and getting that information will depend on who you ask. An agricultural professional will typically focus on agriculture-related enterprises, a forester will focus on forestry enterprises, an organic grower on those activities, etc.

Unfortunately, many people invest thousands of dollars and many hours in developing an



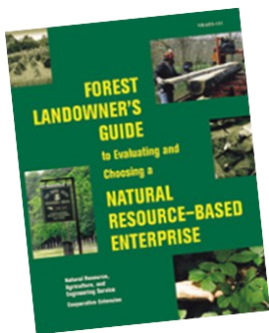
Photos: Jonathan Keys

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enterprise, never giving adequate thought to the range of opportunities that exist and if the enterprise is compatible with their resources, skills, and lifestyle. Landowners need to step back and look at their property as a whole to assess all their resources and decide to start or abandon an enterprise option with the best available information possible.

The publication, *"Forest Landowner's Guide to Evaluating and Choosing a Natural Resource-Based Enterprise"* (NRAES 151), was developed by the University of Maryland Extension after offering years of educational programs for landowners. The actual production of products and services is usually easier to master compared to choosing an enterprise that fits with a landowner's resources, skills and lifestyle. Developing an enterprise budget and using effective marketing and business management skills increases the likelihood of success. The self-guiding manual provides landowners a decision-making process that will assist them in getting their forest resources under management and then making their enterprise assessment. In



many cases, the principal manager is more enthusiastic about the enterprise ideas than the rest of the family. The publication stresses the importance of

working as a team to accomplish the needed tasks.

What follows is the approach used in the guide, which is based on past experience with many landowner workshops.

Develop a Forest Stewardship Plan: Consider a Sustainable Forest Harvest

Before you begin to consider the time, resources, and money necessary to develop a rural enterprise, you need to undertake a few relatively simple steps:

- ◇ Contact a professional forester to make sure you are properly managing your existing forest resources and are currently making wise forest management decisions. This usually involves the development of a forest stewardship plan that will act as your roadmap for forest management decisions for the next 10 years. Cost-share dollars are available to help pay much of the cost
- ◇ Consider the sale of commercial forest products. Timber harvests, although infrequent, can offer a substantial and sustainable form of income. Income from a well-managed timber sale can provide seed money for some of the more intensive rural enterprises discussed later or needed capital for improvements to wildlife habitat, road access, and structures
- ◇ Having a written forest stewardship plan may reduce your property taxes depending on the state.

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Intensive Rural Enterprises

After your forest resources are in order, you can then consider one or more intensive rural enterprises; these usually fall into one of three categories:

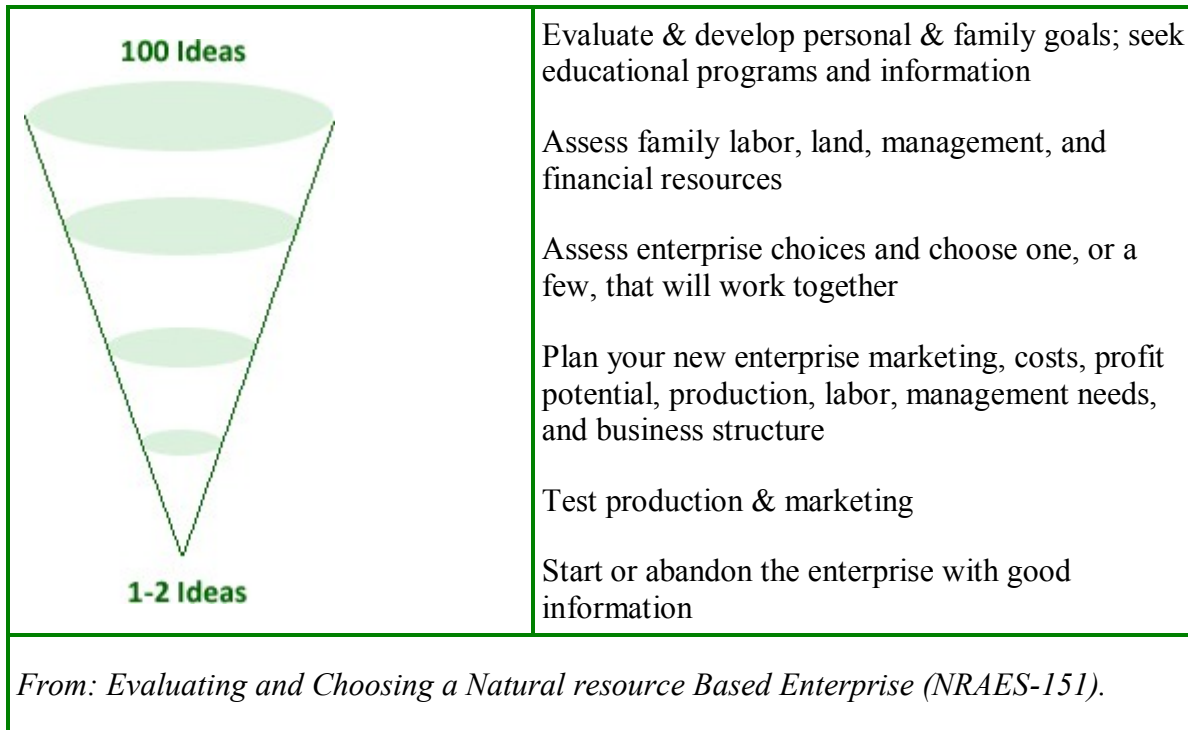
- ◇ **Forest farming and forest product enterprises:** Intensive management of a sustainable stream of a forest product or products every few years (firewood, high-quality sawtimber, and veneer); producing mushrooms, maple syrup, pine straw, and medicinals such as ginseng and goldenseal; collecting native plants and materials; producing wood and native crafts; growing Christmas trees; providing custom sawmilling and kiln-drying services
- ◇ **Recreational access and ecotourism:** Offering fee hunting and/or fishing; hunting preserves; sporting clays; guide services; wildlife viewing; campgrounds; outdoor sports; high-risk recreation such as rock climbing, canoeing, and rafting; bed and breakfasts; vacation cabins; immersion experiences that teach skills and crafts such as basket weaving, herb preparation, horseback riding
- ◇ **Alternative agriculture and horticulture:** Aquaculture; growing Christmas trees, holiday greenery, nuts, or herbs; breeding specialty livestock; operating greenhouses and other enterprises that use cropland and nonforest resources.

Evaluating and Choosing an Enterprise

The process of evaluating and choosing an enterprise can be likened to a sieve filtering sand. The sand poured into the sieve corresponds to the ideas you generate before you do much serious thinking or research about possible enterprises. The filtering process corresponds to the process of gathering information about your ideas and evaluating your personal and family goals. From here, a few of the "refined" ideas emerge as possibilities worth pursuing. This leads to the decision-making stage from which you are able to develop the components of a business plan.

In selecting one or several ideas over others, balance your objectives against the reality of the available resources and markets. Practicing diversification—having several enterprises that are compatible with one another—will give you more flexibility and opportunity than concentrating on just one. However, start small and then expand. Once you select an enterprise or enterprises, develop a rough business plan for each, which includes addressing basic business and marketing concerns included in this workbook. In following this process, you move further down the sieve, refining your ideas to those that best suit you.

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The key component of this assessment is the development of an enterprise budget, which requires that you estimate your costs and revenues for one year, one season of operation, or whatever length of time is necessary to produce a crop. This simple tool will help you to determine if the enterprise will be profitable or not given all the assumptions you must make for costs and revenues. *(see sample budget pg. 17)*

This is the stage when many people rethink their ideas. Although the more demanding an enterprise is, the more complex the business plan will be, all of the business, financial, and marketing components in this guide must be addressed. After going through this process, you will be able to go into the venture with your eyes open and have a

good idea of what—or what not—to expect. The resources section provides online resources, many of which have downloadable spreadsheets you can alter for your situation. A sample enterprise budget is provided below, but it can take many forms depending on the enterprise and the time period.

Ideas Abandoned and/or Changed

Many individuals who go through the various steps of the sieve process of enterprise development abandon some or all of their ideas along the way. Typically, once individuals become aware of what is involved in an enterprise—the time, resources, and possible financial return or loss (which is usually lower than expected)—they either abandon their effort or look at other options that are

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more compatible with their objectives. For example, landowners who do not live on their property might realize that their idea will not work unless they live on the land. Landowners who have the modest financial objective of paying the property taxes or who just wish to pursue a hobby may opt for a less intensive venture than landowners who want an enterprise to generate significant income.

The Decision: Yes or No?

In the end, landowners who base their enterprise decisions on what they learn by going through the sieve process described here will generally be more successful than landowners who bypass the process.

The Real Life Process of Decision-Making Involves Making Real Choices!

In leading you through the process of evaluating and selecting an enterprise that is compatible with your life situation, consider each of the following steps in the sieve or business planning process:

- ◇ Identifying personal and family goals
- ◇ Identifying current financial resources
- ◇ Determining family labor and management resources
- ◇ Assessing the marketplace
- ◇ Assessing the site and taking an inventory of
 1. land and natural resources, and
 2. physical and personal resources

- ◇ Choosing your new enterprise
- ◇ Planning and developing the new enterprise, which involves: Selecting a marketing strategy; Examining legal, regulatory, and liability issues; Determining labor and management needs; Determining production needs; Developing an enterprise budget—startup costs and profit potential; Developing a cash-flow pattern
- ◇ Reaching a decision to start or abandon the enterprise.

The manual provides fill-in tables and many case study examples to help you evaluate and choose the best enterprise for your property. The resources below can be extremely useful.

Resources Available:

1. [Natural Resource Agricultural Engineering Service](#) (NRAES), Coop. Extension, Ithaca, NY. Call (607-255-7654,) [Email](#), or order online

Forest Landowner's Guide to Evaluating and Choosing a Natural Resource-Based Enterprise - NRAES-151 (\$19.95).

Workbook manual providing an evaluation process with sample enterprises and much more. 102 pp
Natural Resource Income Opportunities for Private Lands Conference, April 5-7, 1998, Hagerstown, MD(\$20). Over 35 speakers shared their expertise in the areas of legal liability, business planning, consumptive and non-

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consumptive recreation, forest farming and utilization-related opportunities, aquaculture, and growing and marketing ginseng and goldenseal. 288-page proceedings

Developing a Custom Sawmill Enterprise NRAES-134(\$12). Discusses business-plan development; determining rates; writing contracts; marketing; product and service diversification; safety issues; insurance and liability; financial analysis; purchasing and operating a sawmill; grading lumber; sorting and stacking wood; specialty cuts; equipment maintenance; and more. Downloadable excel spreadsheet available.

2. **Forest Stewardship Education** – University of Maryland Extension. Free publications and enterprise budgets with downloadable excel spreadsheets:

Enterprise- Related publications:

- ◇ *Woodland Management: Alternative Income Enterprises* Resource List (FS626)
- ◇ *Marketing Forest Products: Understanding the Sales Process* (EB367)
- ◇ *Developing a Fee-Fishing Enterprise: An Opportunity in Recreational Tourism* (FS754)
- ◇ *Recreational Access and Landowner Liability in Maryland* (EB357)
- ◇ *Managing Deer in Maryland* (EB354-C)
- ◇ *Holiday Greenery: A Decorative Product Example* (SPF-1)

- ◇ *Producing and Marketing Shiitake Mushrooms* - (SPF-2)
- ◇ *Selected Sources of Liability Insurance for Hunt Clubs*

Rural Enterprise Series: 4 - 6 page publications, each with downloadable excel enterprise budget: Aquaculture, Fee Fishing, Holiday Greenery, Custom Portable Sawmill, Traditional White Oak Basket-making, Ginseng, Hunting Lease, Christmas Tree, Vacation Cabin, Horse Boarding, Shiitake Mushroom

Natural Resource Income Opportunities

Video: Actual producers provide insight into the business, financial, and marketing realities of enterprises such as fee fishing, sporting clays, shiitake mushrooms, firewood bundles, wood crafts, bed 'n breakfast, custom sawmilling, and more!

3. **Maryland Rural Enterprise Development Center**:

This virtual center is an outreach of the University of Maryland Extension. It is a one-stop-shop for the latest and most successful business development innovations and support for Maryland's agriculture and natural resources enterprises. If you are currently, or would like to be, an agricultural/natural resources entrepreneur, we invite you to explore this site. Regardless of whether you are in Maryland, you will find many resources presented in a variety of ways including the Distance Learning page where you will find podcasts on the latest topics.

Sample Annual Enterprise Budget for a Fee-Fishing Operation

ITEM	UNIT	QUANTITY	PRICE	TOTAL
VARIABLE COSTS				
CATFISH	POUND	800	1.00	\$800
TROUT	PER FISH	350	2.20	\$770
PORTABLE TOILET	PER MONTH	7	70.00	\$490
Electricity	per Month	7	10.00	\$70
WEBSITE AD	YEAR	1	150.00	\$150
ADVERTISING	MONTH	7	139.00	\$973
INSURANCE	YEAR	1	500.00	\$500
PERMIT	PERMIT	1	25.00	\$25
LABOR (10% COMMISSION WHEN WORKING)	COMMISSION	0.1	1000.00	\$100
BAIT	DOZEN	450	1.00	\$450
SODAS	EACH	500	0.25	\$125
HOTDOGS	EACH	250	0.50	\$125
CHIPS	EACH	250	0.25	\$63
MOWING	EACH	10	10.00	\$100
Flowers, herbicide, miscellaneous	YEAR	1	100.00	\$100
TOTAL VARIABLE COSTS LISTED ABOVE				\$4,840.50
FIXED/OVERHEAD COSTS				
BUILDING (10-YR LIFE)		2500	10%	\$250
LANDSCAPE IMPROV (5-YR LIFE)		400	20%	\$80
GRAVEL (5-YR LIFE)		250	20%	\$50
SIGN (5-YR LIFE)		150	20%	\$30
FISHING POLES (5-YR LIFE)		80	20%	\$16
Water testing equipment (5-year life)		150	20%	\$30
Used refrigerator (5-year life)		100	20%	\$20
TOTAL FIXED COSTS LISTED ABOVE				\$476
GROSS INCOME				
DAILY FISHING FEE	PER PERSON	1500	5.00	\$7,500
FISH KEPT CHARGE (10% of total fisherman)	PER FISH	150	5.00	750
BAIT SALES	DOZEN	450	2.00	900
POLE RENTAL	UNIT/DAY	100	2.50	250
SODA	EACH	500	0.50	250
HOT DOGS	EACH	250	1.00	250
CHIPS	EACH	250	0.50	125
TOTAL GROSS INCOME				\$10,025
TOTAL VARIABLE AND FIXED COSTS LISTED ABOVE				\$5,296.50
NET INCOME OVER VARIABLE COST LISTED ABOVE				\$5,184.50
NET INCOME OVER VARIABLE & FIXED COSTS LISTED ABOVE				\$4,728.50

(from FS 754 in resources available). Go to <http://extension.umd.edu/publications/PDFs/FS754.pdf> for details.

Minority Woodland Owners in the South

Patricia McAleer
USDA National Institute of Food and Agriculture



Several issues prevent small, private woodland owners across the U.S. from taking full advantage of their property. Often holdings are not managed either to maximize profit, or to ensure sustainability of the woodland. Owners may be unaware of sound forestry practices; it is striking that fewer than 20% of private woodland owners have a formal management plan.

Another challenge is that small woodland owners may have insufficient resources to implement good management practices. Unfortunately, many are unaware or unable to take advantage of available financial and technical assistance, for example from federal-state cost share programs.

Land tenure is also an issue. Nearly 35 percent of family forest owners are 65 or older, and lack of succession planning is a grave concern.

Particularly in the south, multiple heirs can result in holdings being divided into smaller and smaller lots that cannot be managed effectively. Many will be sold off for development.

According to the 2006 National Woodland Owners Survey,

approximately 163,000 Black or African American owners control 1,731,000 acres of private forest, with ownership highly concentrated in the southern U.S. Many of the holdings are small, and the issues noted above are particularly relevant. Edward Pennick, Heather Gray and Miesha Thomas offer a valuable historical perspective in *Preserving African American Rural Property: Sustainable Agriculture and African Americans* in "Land & Power"

Challenges facing African-American woodland owners include land loss, lack of knowledge of landowner assistance programs, and financial constraints related to management of their lands. Minority Landholders and Working Forests in the South reports on an excellent research and education project funded by the SARE program and undertaken by representatives of forest industry, non-government organizations, Cooperative Extension, and North Carolina State and North Carolina A&T State universities. More information is available at Sustainable Woodlands Project.

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The importance of matching communication styles to different target audiences is emphasized in a recent issue of Compass Magazine from the [Forest Service's Southern Research Station](#). In [When All Things Are Not Equal](#), John Schelhas notes that "Almost 70 percent of the whites we surveyed were aware of cost-share programs, and 45 percent made use of them, while only 36 percent of African Americans were aware of cost-share programs, and only 20 percent of them made use of financial assistance."

A variety of programs and partners are addressing this situation. For example:

[Tuskegee University's Cooperative Extension Program](#) focuses on the 13 Black Belt counties in Alabama. Limited resource, non industrial, private forest land owners are the primary audience for this program, but it also provides training for outreach professionals who work with this key audience. A variety of outreach methods, including workshops, demonstrations, field days, and printed materials, help clients better manage their forest resources, learn about potential forest product markets and how to take advantage of these, and ultimately increase the profitability and sustainability of their woodlands. Topics covered include: timber management, silviculture, alternative marketing, estate

planning and assistance programs. (Information provided by Ronald C. Smith, Director of Forestry and Natural Resources, Tuskegee University.)

The Black Belt Legacy Forestry Program of the [Federation of Southern Cooperatives Land Assistance Fund](#) uses community based forestry and cooperative marketing in its outreach programs. See Amadou Diop and Rory Fraser's [Importance of Community Based Forestry in the Alabama Black-belt Region](#) for more information on this approach

The National Wildlife Federation's [Log Leaf Pine Restoration](#) program, under the direction of [Amadou Diop](#), seeks to combine greater economic opportunities for traditionally underserved landowners with the development of healthier ecosystems.



Photo: Ronald C. Smith



Silvopasture: An Opportunity for Additional Income from Your Forestland*

***Dr. Becky Barlow, Extension Specialist,
Auburn University School of Forestry and Wildlife Sciences***

Take a minute to think about why you own land . . . Is it to pass on to your children and grandchildren? Outdoor recreation? Because you enjoy the beauty of nature? Is it part of your farm?

If you answered yes to one or more of these questions, then your land ownership motivations are very similar to most of Alabama's small-scale private landowners – especially for those who own less than 100 acres. These landowners consistently state that their primary reason for owning land is to pass it on to their heirs, with outdoor recreation and scenic beauty often rounding out the top three.

So where is timber production in all this? Surprisingly, it comes in fifth in order of importance for small-scale private landowners. When surveyed, most landowners indicated they would like to generate some revenue from their land, but believe financial benefits are limited.

However, there are ways to combine multiple land management objectives

on the same tract to increase financial returns and ecological benefits. One way is through the application of agroforestry techniques, or the intentional combination of crops with trees. As part of a land management strategy, agroforestry practices have the potential to generate periodic revenue beyond that of traditional forest management, while keeping the land forested. Additional financial and ecological benefits such as native forage establishment, wildlife habitat creation, longleaf pine restoration, and pine straw production may also be achieved with proper management of these systems.

The most common form of agroforestry in the southeastern United States is silvopasture, or managing property for livestock, forage, and timber on the same parcel of land. These systems are designed to produce high quality timber while also providing cash flow opportunities from livestock and forage production.

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Silvopasture Basics

Timber establishment and management

Southern pines such as loblolly (*Pinus taeda*), slash (*Pinus elliottii*), and longleaf (*Pinus palustris*) are well suited for use in silvopasture systems. Pine silvopasture may be established on existing pasture land by planting single or double rows of trees with forage corridors between them. It may also be established in existing stands of trees by thinning the forest to a desirable level to support forage production, or by the removal of trees to create corridors or alleyways.

As with traditional forest management, thinning can be used to control the stocking level of trees and provide some income from your silvopasture. As trees grow, their crowns begin to close increasing competition for resources such as water, light, and nutrients. Crown closure can lead not only to shading of understory forage, but also reduced timber growth. Thinning your timber to 25-60 percent canopy cover will keep the desired amount of light reaching the understory for optimum forage production, provide some periodic income, and improve your stand by selecting for the best crop trees.

Forage establishment and management

Forage includes grasses and legumes in the understory that are used as hay or food for livestock. While the process of forage establishment in a silvopasture

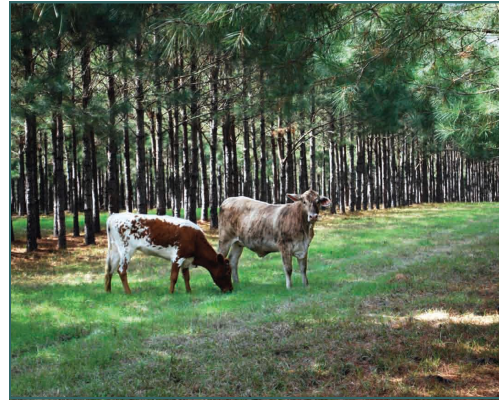


Photo: Becky Barlow

system is similar to accepted practices for open pasture establishment, the most productive forages in agroforestry systems are somewhat shade tolerant. Bahia grass does best in southern and coastal portions of the Southeast. Native grasses may be a good option for many landowners, with such species as big bluestem (*Andropogon gerardii*), little bluestem (*Schizachyrium scoparium*), and eastern gamagrass (*Tripsacum dactaloides*). Among legumes, red and white clover (*Trifolium pratense* and *Trifolium repens*) are well suited to silvopasture systems, as are native legumes such as white prairie clover (*Petalostemon candidum*) and showy tick trefoil (*Desmodium canadense*).

Introduction of Livestock

Both fences and watering facilities must be established prior to livestock introduction. Fencing controls animal movement and is critical to a successful silvopasture management area. Take

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time to plan your fence carefully to maximize grazing options. Water for livestock must also be considered during the development of a fence plan. Water tanks can be placed in the fence line so that they are centrally located and serve more than one paddock. This will promote more uniform grazing of the site and limit soil compaction around watering areas.

Choice of livestock will vary based on your objectives, but can range from smaller animals such as poultry, sheep, or goats, to larger species such as cattle and horses. Remember that young trees will be browsed or trampled by livestock, so it is best to delay introduction of any livestock until trees are 10-15 feet tall. Haying operations may be used early in the rotation prior to livestock introduction to promote forage production and produce some early income.

Once introduced, animals must be controlled through stocking levels and rotational grazing to improve efficiency of forage utilization. Rotationally grazed animals are moved among



Photo: Becky Barlow

grazing management units to allow time for grazed paddocks to recover for forage regrowth.

Expanding the Benefits

Agroforestry systems have the potential to provide additional financial and environmental services and benefits beyond timber, livestock, and forage production. One potential application is wildlife habitat creation and conservation banking. As wildlife habitat is fragmented or lost, conservation banking allows large parcels of land to be purchased and managed for certain wildlife populations. Most agroforestry systems have the potential to produce high quality wildlife habitat for certain key species, including open pine habitat for species of concern such as the gopher tortoise or Northern bobwhite quail.

There is also long-term potential to restore imperiled longleaf pine forests. Following European settlement, much of the original longleaf forests were grazed with free-ranging livestock. This fire-maintained forest system was ideal for grazing, as livestock foraged in the open understory of grasses and legumes which were promoted by frequent fire. Today, longleaf pine forests are listed as one of the rarest ecosystems in the United States with less than 5 percent of the original longleaf forest acreage in existence.

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As part of the restoration effort, planting agricultural fields in longleaf pine is growing in popularity. Low-density plantings of longleaf (less than 600 trees per acre) are often promoted by cost-share programs to improve wildlife habitat. These low density stands may be well suited to agroforestry with the potential to use alternative planting strategies that will eventually result in naturally regenerating forested systems.

Finally, there is the added benefit of pine straw production in southern pine silvopasture systems. Sold either by the bale or the acre, income from pine straw can exceed that of any other forestry activity. Silvopastures are ideal for pine straw raking, either by hand or mechanically, because of the clean, open understory and wide row spacing. Stands can usually be raked beginning when the trees are approximately 8 years old and annual production can range from 80 to over 200 bales per acre, depending on tree species and location.

Considering your Options

Because livestock and timber are affected by different market pressures, the use of silvopasture allows landowners to diversify their risk while realizing diverse income-

generating possibilities from the same acreage. However, silvopasture may not be for everyone because it requires actively managing livestock and timber on the same acre. It is important that you take into consideration all of your goals for your property when making any land management decision. But for many, it is a way of life that allows them the flexibility to meet not only long-and-short term objectives, but also lifestyle and financial needs that are not addressed with traditional forest management systems.

For more information on implementing silvopasture on your property, an instructional video is now available entitled *Silvopasture: 30 Years of Research and Innovation*. Developed in partnership with Auburn University, Alabama Cooperative Extension System, and the USDA National Agroforestry Center, this video features practical information on the development and management of southern pine silvopasture.

A copy of the video can be requested by emailing becky.barlow@auburn.edu or nham-mond@fs.fed.us.

Additional information is available at: www.unl.edu/nac/silvopasture.htm

The Oregon Women Owning Woodlands Network: *Utilizing a peer learning network to foster confident women woodland owners*



**Nicole Strong, Oregon Forestry and Natural Resources Extension
Oregon Women Owning Woodlands Network**

Having a support group and having women with different experiences and different attitudes, different ways of accomplishing the same purpose....

I have thought several times, especially since I have been completely on my own, that motivation and that infusion of confidence by these women has been a lifesaver.... ~ WOWnet Member

Across the United States, more women are becoming primary managers / owners of farms and forests, yet these women often lack the social capital, knowledge, and access to resources that allow them to be successful. An Oregon Family Forest Landowner Survey conducted in 2005 estimated that women were primary managers of 40 percent of Oregon's family forests, but only comprised 20-25 percent of education participants and 10 percent of professional association membership (Cloughesy 2005.)

A study of forestland owner offspring conducted for the National Association of State Foresters showed that 83 percent of women sampled were interested in managing their family forestland when transfer occurred, but only 34 percent felt they had enough knowledge to make forest management decisions (Mater 2005.)

According to the USDA 2007 Agriculture Census, women who own or manage forests and farms tend to have smaller parcels, lower average sales, and are less likely to attend educational events or be aware of assistance opportunities (Dougherty and Hilt 2009.) These factors lead to an increased risk of economic failure for these women, many times resulting in sale and conversion of working forests and farms to other uses, including residential or commercial development.

In 2005 Oregon State University (OSU) Forestry and Natural Resources Extension worked with a female steering committee to develop Women Owning Woodlands Network (WOWnet) an Extension program designed to:

- a. recognize the growing number of women taking a wide array of active woodland management roles

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Photo: Nicole Strong

- b. raise basic forestry and decision-making skill levels among women woodland managers through hands-on educational opportunities
- c. support and increase women's access to forestry-related resources, and
- d. encourage communication among Oregon's women woodland managers through the development of statewide and local networks.

In four years, this program has grown to include 300 members in nine counties, holding between 24 – 36 programs per year. At a national level, many other states, including Minnesota and Pennsylvania are currently looking to the Oregon WOWnet as a model to develop their own programs.

Why Women?

Despite evidence of an overall shift towards a more gender-inclusive forestry, gender roles can still be limiting for many women. WOWnet participants express that traditional and inflexible perceptions of gender roles in forestry are problematic and

present a major challenge to them entering the forestry community.

Women can face barriers in accessing forestry knowledge that hinder their achievement of management goals. Engaging them in organizations like WOWnet, the Society of American Foresters, and Oregon Small Woodlands Association is a key step to improving women's overall awareness of forest management, forest standards, and forest regulations.

Why Peer-Learning?

There are many comprehensive educational programs in Oregon that target family forestland stewardship. The problem has not been a lack of availability of educational opportunities for these women, but a perceived lack of acceptance and relevance of materials to those who did not consider themselves traditional forest, or timber managers. The original goal of WOWnet was, and remains today, to increase social capital and confidence among women woodland managers so they feel they have a place within the greater forestry community.

One of the ways WOWnet accomplishes these goals is by allowing local WOWnet groups to become self-directed immediately. At the first session of any local group, WOWnet members prioritize topics and choose the location and dates of subsequent

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sessions. At the end of every workshop, women discuss the next session, topic and location. Typically, WOWnet participants take turns hosting tours and workshops on their own properties, with OSU Extension serving as technical resource and facilitator.

A collaborative or peer learning environment not only increases basic vocabulary, knowledge and technical skills through hands-on workshops, but allows participants to see their own experiences as knowledge, by sharing those experiences their peers. This format has also proven very successful at bringing together a more diverse population of landowners, with divergent management strategies, in a respectful setting. Women, and men for that matter, have attended WOWnet sessions when they didn't think they would fit in at a more "conventional" forestry program.

One of the benefits of WOWnet has been to dispel these myths and help WOWnet participants see how they can benefit from participating in additional groups such as the Oregon Small Woodlands Association, and

educational opportunities like local OSU Extension programs. After three years, WOWnet members are increasingly engaging with, and providing leadership roles for other within the greater forestry community. WOWnet is empowering women to grow from silent observers, to active learners and inquirers, to mentors and teachers themselves. As stated by one member:

Peer Learning 2.0

There is an opportunity to apply peer-learning networks like Oregon's WOWnet and comparable programs in Alabama (Women in Land Ownership, WiLO) and Maine (Women and the Woods Program) not only to women forest owners and farmers, but other targeted groups as well.

WOWnet has demonstrated this model as an effective educational tool that expands knowledge, provides a venue for social networking, and raises a sense of personal authority among participants. Through peer-learning, we recognize many sources of knowledge and forest management diversity, which empowers individuals and ultimately strengthens the family forestland owner community.

"I have just been so jazzed now because there are other women who are joining who are newer and they're calling me.

It's like I've done something!"



Your Land, Your Legacy: Deciding the Future of Your Land

Paul Catanzaro, Forest Resources Specialist
MassWoods Forest Conservation Program

Introduction

Your land is a part of your legacy. You have been a good steward of your land, carefully making decisions about its use. Deciding what will happen to your land after you are gone is the next critical step of being a good steward. In fact, it may be the most important step you can take as a landowner. Who will own your land and how will it be used? What will your legacy be?

Estate Planning

An estate is the total of all of your assets, which may include your land, house, bank accounts, stocks, and bonds. An estate plan ensures that your assets are distributed in a way that will meet the financial and personal needs of you and your family. Estate planning is not just for the wealthy or for those who own “estates”—if you own land, then estate planning is a necessary and valuable step to ensure that the legacy of your land is a positive one.

Successful estate planning will help you meet your financial and personal goals and meet the needs of your family. Failure to plan your land’s future may result in negative financial

consequences and can lead to tension or animosity among your family members that can last long beyond your passing.

Land is not like other assets. It may also have significant personal value. Deciding what to do with your land brings with it the challenge of providing for both these financial and personal needs.

The good news is that land is a flexible asset that lends itself to creative solutions for gaining financial and personal value.

This article focuses on obtaining these values while keeping land in its natural, undeveloped state.

Family Communication

It is up to you to decide to what extent you want to involve your family in determining the future of your land. Every family’s situation is different. Involving your family from the beginning and getting their buy-in to the plan can make for a better solution for all those involved and help avoid conflict when you are gone.

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Holding a Family Meeting

An excellent first step to engaging your family in deciding the future of your land is to convene a family meeting. Below are some tips for holding a comfortable and productive family meeting.

When? It often takes years to complete the estate planning process. Waiting until your family is grieving or dealing with health issues is not the time to start planning. **The time to start is now!**

Ideally, your family meeting will not coincide with a holiday or family celebration. It can be helpful to separate the pressures of a holiday from the business of estate planning.

Who? It is usually best to err on the side of inclusiveness, extending invitations to all family members, including spouses.

Where? Do your best to have your initial family meeting in person. The meeting should be held in a neutral place such as your home, a restaurant or conference room where everyone feels comfortable. If the meeting is near the land, visiting or walking it together can help people consider what land means to each of them.

Communicating with Your Family

The goal of the first family meeting is to give each family member the opportunity to express what the land means to him/her and what his/her financial or practical needs are. This is also a great opportunity for you to share with your family your feelings about the land. As you discuss your family's goals and needs, develop a list of questions and information needed to take the next step in deciding the future of the land.

Defining the next step

Maintaining momentum is very important. Take the list of questions and information needs developed at the meeting and assign people and timelines to specific next steps to help ensure that the effort is moving forward. Meet as needed to make decisions.

Moving Forward Despite Family Disagreements

Your goal may be to keep your family in agreement about the future of the land throughout the entire process. However, despite your best intentions and efforts, there may be situations where families are not able to work together or agree on a plan. In these cases, you need to be prepared to take

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the input you have received, work with the necessary estate planning professionals, and do what you believe is right for yourself, your family, and the land.

Estate Planning Professionals and Tools

Achieving your goals will likely mean working with one or more estate planning professionals. Experienced professionals provide you and your family with options you may not have known about and sound advice to help you reach your goals. Investing in professional advice can also mean passing on more of the value of your assets to your family, by paying less in taxes for example. Remember that if you do not hire a professional to help you plan now, your estate or your family may have to hire one when you are gone. More importantly, successful estate planning can also help ensure that disagreements over your land are not the reason for family tensions or splits that may last a lifetime.

Professionals are an investment in your family and your land

It is important to recognize that land is a unique type of asset that often requires specific knowledge on the part of estate planning professionals. When selecting an estate planning

professional, be sure to work with someone who has experience suited to your goals for your land.

Below are the descriptions of professionals who can assist you and some important estate planning considerations and tools.

Land Protection Specialist

For many landowners and families, the natural beauty and legacy values of their land are at least equally important as its financial value. To meet their family's personal need, some landowners limit the types of activities that happen on the land in the future so that all or some of it will stay in its natural or undeveloped state through the use of land conservation tools. There are a number of land conservation tools, including:



Photo: Eric Norland

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Donating or Selling Conservation Easements - including Agricultural Preservation Restrictions, Donating or Selling Land, Bargain Sale, Bequest, Reserved Life Estate, and Limited Development. These land conservation tools often provide some positive financial values through income or tax savings.

Land protection specialists (sometimes called conservation specialists or land agents) work for land trusts - nonprofit conservation organizations - and government conservation agencies and assist landowners who want to achieve personal and financial goals through land conservation. A land protection specialist can help you determine which option is best for your family. Land protection specialists typically do not charge for their time to talk about your land conservation options.

To find a land protection specialist at a land trust near you, contact your state conservation agency or visit:

<http://findalandtrust.org/>

Estate Planning Attorney

The involvement of an estate planning attorney is critical to an effective estate plan. An estate planning attorney specializes in the legal strategies and tools used to help you reach your personal and financial goals.

Critical to any estate plan is documenting how you want your assets handled when you are gone. If you are not clear about your intentions for the future of your land, it will likely be assumed by your estate planning attorney or the executor of your estate that you want to maximize the value of your estate. This may mean dividing and then selling or developing your land. If you do not want your land handled in this way, it is critical that you make your wishes very clear. A will and/or a trust can ensure that your land will be handled in a way that meets your goals and those of your family. An estate planning attorney can help you determine which tool (s) is best for you.

Another important legal consideration in deciding the future of your land is determining the type of legal ownership of your land. This determines who controls the land, how it is transferred, how it is taxed, and how liability will be shared, among other things. There is a range of both personal (e.g. Joint Tenants, Tenants by the Entirety, Tenants in Common), and business ownership options (Family Limited Partnership, Limited Liability Company). Bringing your goals to an estate planning attorney with

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land conservation experience is a great way to sort out which type of personal or business ownership is the best fit.

Certified Financial Planner

A Certified Financial Planner (CFP®) is a professional who can help you set and achieve your long-term financial goals through investment, income, and retirement planning. Having a firm grasp of your current financial situation, as well as a sense of your future needs, is an excellent starting point to determining the appropriate estate planning tools necessary to reach your goals and minimize your taxes.

Tax Attorney and Certified Public Accountant

Land is likely one of the most valuable assets in your estate. The amount and type of taxes your estate may face depend on the value of your land, the type of ownership your land is held in, and how your assets, including your land, are transferred to your family. The goal of tax planning is to pass on your assets and land in a way that meets your family's goals while minimizing the amount of taxes for which your estate becomes responsible.

For more information:

[Your Land, Your Legacy](#)

[Preserving Family Lands](#)

A tax attorney is a lawyer who specializes in tax issues. A Certified Public Accountant (CPA) is a licensed professional who understands tax codes and specializes in helping individuals prepare tax returns. These tax professionals can develop and evaluate alternative strategies designed to fulfill your goals while minimizing taxes.

Final thoughts

The decisions (or lack of decisions!) you make about your land will have financial and personal impacts that last long beyond your passing. You have the opportunity to ensure that your legacy is a positive one by actively planning for the future of your land. Failure to plan can be more expensive and can create conflict in your family. Don't leave the future of your land and your family's relationships to chance. Successful estate planning can take years to implement. Be patient. Take the first step—any first step!—and keep moving forward. **Your legacy depends on it.**

Help for Managing the Back 40

Jennifer Gagnon, Coordinator
Virginia Forest Landowner Education Program



Most farms have woodlots scattered across the property. Left unmanaged, these areas provide environmental services such as preventing soil erosion, protecting water quality and providing wildlife habitat, and may even be a source of firewood. But perhaps you've decided it's high time to do something more with the back 40, like harvest the timber or improve the habitat for wildlife. Where do you start? And what types of assistance are available to you?

Getting Started

The first step is for you to spend some time thinking about your goals for these wooded areas. A goal is the big picture – how you want your land to look in the future. Examples of goals include:

- ◇ Create habitat for non-game wildlife species
- ◇ Keep the forest healthy
- ◇ Harvest timber for retirement income
- ◇ Reduce risk of wildfire

While deciding on these goals is the responsibility of you and your family, you may not know how to reach them. A professional forester will. They will also be able to tell you which of these goals are achievable, and which may not be, based on your land, resources and other factors.

What is a professional forester?

Foresters are professionals who have graduated from a four-year forestry program. In some states, foresters are also required to be licensed, certified or registered. Other states have no credentialing requirements, meaning anyone can call themselves a forester. As the landowner, and potential employer, you are responsible for checking their qualifications. A few things to check for:

- ◇ Do they have a four-year degree from an accredited forestry program? The Society of American Foresters (SAF) accredits forestry programs in the United States, assuring the program and its graduates meet certain standards
- ◇ Are they a member of a professional forestry organization? Members of SAF and the Association of Consulting Foresters (ACF) adhere to a set of ethics and principals in their forestry practices
- ◇ Do they have references? A good forester will be happy to share this information
- ◇ Do they listen to you? Talk to the forester; make sure s/he will address your concerns.

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What can a professional forester do for me?

Foresters can write a management plan for your land. Although there are many different types of management plans available, a good one will include an inventory and map of your woodlands, and specific steps (objectives) for attaining your goals.

Foresters can also help you implement your plan. Services vary, but may include:

- ◇ Estimating the value of your timber and when to sell it
- ◇ Writing and enforcing timber sale contracts
- ◇ Providing tax advice
- ◇ Locating and applying for cost share programs
- ◇ Conducting site preparation and reforestation activities
- ◇ Assisting with prescribed burning programs
- ◇ Improving forest quality
- ◇ Identifying and controlling exotic invasive species
- ◇ Managing wildlife habitat

If you are planning on selling timber, you are strongly advised to work with a professional forester. Landowners who work with a forester generally receive more income for their timber, are more satisfied after the harvest, and have better success with regeneration.



Photo: J. Gagnon

Are there different types of professional foresters?

Yes, there are. Availability and services provided will vary depending on where you live. In general there are four types of foresters who can assist you with managing your woodland.

Public Foresters are employed by state forestry agencies. These foresters prepare forest management plans, provide information on available cost-share programs, assist with regeneration, and provide advice. They usually do not assist with timber sales. Fees vary depending on location and services provided. In some cases, services to a landowner may be free.

Consulting Foresters work for private consulting firms or are self-employed. A consulting forester will estimate your timber's quantity and value, market and sell it, write the timber sale contract, and work closely with the logger.

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When timber is sold, forester is usually paid a pre-determined percentage of the sale. Commission percentages tend to decrease as the size and value of the timber sale increase. Commission percentages tend to be higher for small sales. When timber is not being sold, consultants may charge a flat fee for their services or an hourly/ daily rate. It is good practice to discuss and agree on the types of services which will be provided and payment method before any work is initiated. Include these details in a written letter of agreement.

Industry Foresters work for forest products companies (companies which produce paper, packaging, plywood, etc.). While not all companies participate in landowner assistance programs, many do. Industry foresters typically write management plans, and assist with site preparation and reforestation. In exchange for these services, some of these companies may ask for an option to purchase timber at competitive prices or for the chance for first refusal when the timber is ready to sell.



Photo: J. Gagnon

Education Foresters, who are typically employed by state forestry agencies or Cooperative Extension, provide landowners with knowledge through programs such as short courses, workshops, field tours, publications, and online learning. Landowners who are knowledgeable about the basics of management may be able to make better-informed decisions about their woodlands. Public, consulting and industry foresters often assist education foresters with programs. Fees for programs vary widely.

How can I find a professional forester?

A good place to start is with your state forestry agency or Cooperative Extension Service, which can be found on-line or in the blue (Government) pages of your phone book. You can also contact your state's Forest Stewardship Program which can be found with an on-line search of "Your State - Forest Stewardship Program". If you don't have access to a computer or are having trouble finding a professional forester in your area, please contact the author for assistance.

A well-managed back 40 can provide multiple benefits, including income, improved timber quality, wildlife habitat, environmental services, enhanced forest health, recreational opportunities and aesthetics. A professional forester can help you obtain these benefits in a timely and sustainable way.

Build It and They Will Come

**Gary San Julian, Professor
School of Forest Resources, Penn State University**



Does your farm have a woodlot? Woodlots were a necessity on early farms to provide heating and cooking wood. As the farms were passed down, purchased or traded, the woodlots tended to remain as part of the property. Today, many individuals are purchasing small farms more for their woodlots than for the cropland. They enjoy the peace and serenity the woods and wildlife provide. Woodlots have always been good wildlife habitat and with some planning can provide a source of enjoyment whether you are a watcher of wildlife, a hunter or enjoy both recreational pursuits.

The first step is to decide how you want to use your woodlot; what are your objectives? Do you want to have frogs and snakes, deer and squirrels, raptors and songbirds or flowers and firewood? Write your goals down and make a plan. You need to think about the essentials of wildlife management - food, water, shelter and cover.

Inventory your property for the different elements needed for wildlife. Look outside your property lines when evaluating what is available. Maybe your neighbor has critical elements that you may not have to provide.

Wildlife does not observe property boundaries. Make a map or use an aerial photo to help you with juxtaposition (placing wildlife habitat needs in close proximity). Document what exists and what you may need to provide to enhance the habitat. This also will help you to keep a record of practices or improvements you make.

Food is often the most important component of wildlife management. An important point here is that feeding wildlife is not a good idea. Bails of hay, piles of corn or bushels of apples lying on the ground are not the same as the development of wildlife habitat. You could leave several rows of agricultural crops standing next to your woodlot for food and cover. The trees and bushes in the wood lot can provide a source of hard and soft mast (fruit from trees and shrubs). Hard mast is considered the fruit of oaks, hickories and beech trees. These nuts are critical to a number of wildlife species such as deer, turkeys and squirrels. Soft mast comes from fruit producing bushes and trees such as elderberry, blackberry, hawthorn, plums or apples.

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Photo: Nancy San Julian

A caution - not all berry producing plants should be encouraged. Many are invasive such as Japanese barberry, autumn olive, bush honey suckle and Amur honeysuckle. Remove these where possible. You will want to favor nut-producing trees and early and mid-successional vegetation in your woodlot.

The border where different ecosystems, communities, and land use come together is called an edge. Abrupt changes are hard edges and gradual vegetation shifts are soft edges. A soft edge provides travel corridors for wildlife. These can be encouraged by mowing a portion of the edge every 5 to 6 years, thus maintaining areas of tall grasses, bushes, forbs, dense cover and abundant insect populations. Edges usually increase wildlife diversity, both predators and prey.

Mast producing trees in a woodlot can be released in several ways. Fertilizing American holly, oaks, serviceberry, hickories walnuts, persimmons and other fruit and nut trees can increase productivity. Opening the canopy around the mast trees by girdling, pruning or cutting will also enhance fruit production. Girdling will leave the tree in place later becoming a snag, which will provide nesting cavities and insect populations.

Often there are areas in a woodlot where just the removal of a few trees would open up the canopy to allow enough light to reach the forest floor. By disturbing the ground and planting in these small openings, along forest trails or on forest roads, you can create food plots. A long and narrow area is usually better than a square or rectangular design as it will provide more edge. Orienting it in an east to west direction will allow maximum sunlight penetration. Prepare the site for seeding by disking, applying lime and fertilizer (if needed), and disking again. You can plant native grasses or agricultural varieties such as birds foot trefoil, white clover, rye grass, millet, sorghum and buckwheat. This will provide food and cover for most of the year.

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Wolf trees are large, wide, and spreading trees that grew with little interference from other trees. They are often a remnant of past land use practices; they might have been the corner boundary marker or a shade tree in a pasture. Usually they are not good for timber because of their wide spreading nature and often have wire, nails, spikes or other materials imbedded inside the tree. However, they are valuable habitat trees because they provide a good source of mast and abundant nesting sites for birds and mammals.

Water is an important element in wildlife habitat. Many times a woodlot will have a creek, spring or seep. Protect these special areas and keep human traffic out of them. Seeps and creeks can be enhanced by protecting them from erosion by planting and enhancing the riparian buffer around them. A small pool can be created by placing rocks next to a spring will hold and retain water longer. This provides a drinking area for wildlife. In some low areas where snowmelt collects or ground water is close to the surface, a wet area may only be saturated with water during the spring. These vernal pools are important reproductive habitat for frogs, toads, and salamanders. Water sources in your woodlot are great attractors for wildlife; protect them as much as you can.

Brush piles provide good habitat for small mammals, birds, snakes, and rabbits and are recommended in many publications on woodlots and habitats. Jim, a forester friend of mine challenged the value of brush piles. He said brush piles were to encourage landowners to clean up their woodlots. We designed a study to look at the value of brush piles. Again, we found brush pile did improve habitat for small mammals and predator especially when placed on edges. In woodlots with few areas of coarse woody debris, they have additional value.

If you want to add brush piles to your wood lots, use large rocks or logs on the bottom in a criss-cross pattern. This allows larger openings and maintains them at the bottom of the pile for animals to get into for protection and shelter. Use vegetation of decreasing size as you build the pile into a pyramid. This is a good use of discarded Christmas trees.

The bigger the brush pile the better, as it will last longer. A 10 x 10 x 6 foot pile is a good size and will last for years as it settles and degrades. Remember to make it denser as you get closer to the top.

If you plan to cut fire wood in your wood lot, the question always arises, should you cut dead trees or live ones. Often dead trees should remain

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standing as these snags provide great nesting sites for birds and mammals and a food source for many birds. Leave the snags if they do not present a risk to people or structures. Cutting live trees for firewood provides the opportunity to take out less productive trees and releases the more valuable trees that you want to favor.

Woodlots provide important wildlife habitat, excellent hunting opportunities, a place of peace and serenity to human visitors, exceptional photographic venues, and often a historical link to the lands use.



Photo: Gary San Julian

“He who owns a veteran bur oak owns more than a tree. He owns a historical library, and a reserved seat in the theater of evolution. To the discerning eye, his farm is labeled with the badge and symbol of the prairie war.”

[Aldo Leopold: “Bur oak is badge of Wisconsin,” in the *Wisconsin Agriculturist and Farmer* 68:7, (April 5, 1941)]

Opportunities in the USDA Farm Bill for Woodland owners

If you are planning to apply conservation practices to your woodland, you may qualify for financial and technical assistance under the 2008 Farm Bill.

Several programs within the Bill support activities such as establishing wildlife habitat; sustaining your woodlands; conserving soil and water resources; implementing your forest management plan, and, or restoring wetlands.

Contact your nearest [USDA Service Center](#) for information on which programs may be available to you locally, and which fit your land and your conservation goals.

Service Center staff will also advise you on the registration process, and let you know which documents are required when applying.

To qualify for assistance under any of these programs you must also develop a current **Forest Management Plan**, with information and a map that shows the types of conservation practices you will use

Your [state forester's office](#) is the best place to start when looking for help in developing a plan.

For more information on these opportunities, see "[The USDA Farm Bill: What is in it for Woodland Owners.](#)"



Photo: Eric Norland

RESOURCES

Cooperative Extension Service programs offer excellent information and advice to woodland owners:

[Alabama](#)

[Alaska](#)

[Arizona](#)

[Arkansas](#)

[California](#)

[Colorado](#)

[Connecticut](#)

[Delaware](#)

[Florida](#)

[Georgia](#)

[Hawaii](#)

[Idaho](#)

[Illinois](#)

[Indiana](#)

[Iowa](#)

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[Rhode Island](#)

[South Carolina](#)

[Tennessee](#)

[Texas](#)

[Utah](#)

[Vermont](#)

[Virginia](#)

[Washington](#)

[West Virginia](#)

[Wisconsin](#)

[Wisconsin](#)

[Southern Regional Extension Forestry:](#)

Other Resources

[Agroforestry—a Profitable Land Use](#) the 12th North American Agroforestry Conference, Athens, Georgia, June 4-9

USDA Forest Service— [Southern Research Station](#)

USDA Forest Service— [Northern Research Station](#)

[National Association of State Foresters](#): click on the map of the states to find contact information for the state forester and a link to the state forestry agency

[Society of American Foresters](#) in particular the section [Landowners and the Public](#)

[National Network of Forest Practitioners](#)

[National Woodland Owners Association](#)

[Forest Landowners Association](#)

[Windwood Utilization](#): relates to 'major wind events and the use of downed and damaged timber'

[American Tree Farm System](#)

[International Tear of Forests](#)

[WOWnet: a Communication and Networking Model for Women](#)

[Kentucky Woodlands Magazine](#) Promoting stewardship and sustainable management of Kentucky's non-industrial private forests

[Silvopasture](#): National Agroforestry Center

[Forests and Forestry in the Americas: An Encyclopedia](#)

[National Woodland Owner Survey](#)

[National Woodland Owners Survey Key Findings](#)

[Who owns America's forests?](#)

[Family Forest Owners of the United States](#)

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