

# WASHINGTON'S FAMILY FOREST FOUNDATION

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## ABSTRACT

The Family Forest Foundation (FFF), is a not for profit organization established in 2001 to promote the conservation, sustainable management and prosperity of family forests. The FFF is directed by six volunteer board members and currently employs a half-time Executive Director. Current activities of the FFF are spearheading the development and implementation of the Family Forest Habitat Conservation Plan, conducting a local forestry cooperative feasibility study, and public outreach education.

## INTRODUCTION

The Family Forest Foundation (FFF), is a not for profit organization established in 2001 to promote the conservation, sustainable management and prosperity of family forests. The FFF is directed by six volunteer board members and currently employs a half-time Executive Director. The board members are residents of Lewis or neighboring counties and all have a long-time interest in family forests. Five of the members and the Executive Director own, or are involved in the ownership of forestland and personally manage or are involved in the management of the land. Four broad goals of the FFF and active efforts that address these goals are as follows:

- *Promote regulatory stability for family forests.* Currently the FFF is spearheading the development and implementation of the Family Forest Habitat Conservation Plan
- *Improve market access for products from family forests.* Currently the FFF is in the final stages of conducting a feasibility study of a forestry cooperative composed of family forest landowners.
- *Broaden public awareness about societal values of family forests.* To better promote the value of family forests, the FFF has collected demographic and other information about the nature of family forests. The FFF is also taking a leading role in developing educational forestry field days.
- *Establish an enduring fiscal foundation for the FFF to enable it to carry out its mission of promoting the conservation and prosperity of family forests.* The FFF has secured funding to develop and implement the Family Forest Habitat Conservation Plan. The FFF has actively sought and received grant funding and donations from local community members that support the cause of the FFF.

The FFF is centered in Lewis County, Washington, where its efforts are currently focused, but the aspirations of the charter members are that its efforts, or its inspirations will spread well beyond the local political boundaries of Lewis County.

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## THE LEWIS COUNTY SETTING

Conversion of forests to non-forest uses is a serious concern in the United States, as it is worldwide. Lewis County is a microcosm illustrative of the conversion that is occurring or is imminent. Lewis County is located in the western portion of the state of Washington, positioned half way between the large urban centers of Seattle, Washington and Portland, Oregon, connected by a major interstate highway. The distance to either of these urban centers is about 80 miles (129 km). Currently, the county is decidedly rural, but it is ripe for conversion to non-forest use which is estimated to be occurring at a rate of 100 acres (40 ha) per day in the western portion of the state of (Washington State Department of Natural Resources 1998). Pressures to convert are numerous, but three of the most important are as follows:

- Regulatory uncertainty regarding management and harvesting of forests
- Rising land values fueled by commercial or residential development.
- Changing and unstable markets for wood products

Drawing on Lewis County's Geographical Information System (GIS), the FFF has determined that the total area for Lewis County is 1,558,000 acres (631,000 ha) of which nearly 90% is forested. Of this, 580,521 acres (235,000 ha) or 37% occur in the rugged Cascade Mountains in the eastern one-third of the county and is federally owned. This land is designated as national forests, wilderness areas, or nationally parks. Much of the land is above an elevation of 2,500 feet (760 meters), with the forest line being at about 6,500 feet (2,000 meters). In the three decades prior to 1990, the national forest land produced an abundance of timber. Now, because of environmental concerns, only a very small harvest of timber occurs on national forest land, and as in the past no harvest occurs in wilderness areas or parks.

Land in the eastern two-thirds of the county is largely below 2,500 feet (760 meters) and the dominant coniferous species is Douglas-fir (*Pseudotsuga menziesii*), with minor components of western hemlock (*Tsuga heterophylla*), western red cedar (*Thuja plicata*) and grand fir (*Abies grandis*). Red alder (*Alnus rubra*) also occupies a significant acreage in this portion of the county. The climate is characterized by warm, dry summers and cool, wet winters. Precipitation ranges from 40 to 60 inches (1000 to 1500 millimeters), with occasional light snow in the winter. In this portion of the county, industrial forest products companies own 566,000 acres (230,000 ha), or 36% of the county's total area, with the majority of the acreage occurring on the western slopes of the Cascade Mountains and the eastern slopes of the Coast Range of mountains in the western portion of the county. Another 101,000 acres (41,000 ha), 6% of the county, is public forestland held in trust and managed by the Washington State Department of Natural Resources. The industrial lands and public trust lands are managed primarily for timber production, with due consideration given to environmental protection and management for non-timber uses.

Of greatest interest and concern to the FFF are 136,350 acres (55,200 ha) owned by 2,200 individual families or other small scale forest landowners. This acreage amounts to about 9% of the area of

Lewis County. Using Lewis County's (GIS), the FFF has determined that the location of these family forest lands are concentrated in the central portion of Lewis County, interspersed with agricultural lands, rural residences, and small communities. Over 90% of these lands are below an elevation of 1,250 feet (380 meters), and they are very productive. Based on soil survey information in Lewis County's GIS, 86% of the land is rated as site index class II, meaning that Douglas-fir will grow to a height ranging from 115 to 135 feet (35 to 41 meters) in 50 years (King 1966). With intensive management, over a 50-year period, these lands are capable of producing 250 to 300 cubic feet of wood per acre per year (15 to 21 cubic meters per hectare per year).

These family forestlands contribute many societal benefits, one of which is economic. Theoretically, even if these lands were producing at only 75% of their full potential, they would be capable of producing about 28,000,000 cubic feet of wood per year (800,000 cubic meters). Although actual timber harvest statistics are not available for these lands, it is substantial, providing many good paying jobs for woods workers, truck drivers, mill workers, silvicultural services, company foresters, forestry consultants, and other jobs associated with the forest products industry. Family forestlands also contribute many non-timber amenities, such as wildlife habitat, recreational opportunities, pleasant scenery, air cleansing, carbon sequestration, and clean water for human use and fish habitat. Provision of clean water is an especially important contribution. Drawing again on Lewis County's GIS, the FFF has determined that 500 miles (805 km) of fish bearing, or potentially fish bearing, streams flow across family forestlands. Another 1,120 miles (1,803 km) of non-perennial streams that feed the 500 miles (805 km) of perennial streams originate on, or flow across family forestland.

## THE FAMILY FOREST HABITAT CONSERVATION PLAN

The FFF is spearheading the development and implementation of the Family Forest Habitat Conservation Plan (FFHCP). The objective is to provide long-term protection of wildlife and fish habitat, and to provide regulatory certainty as an incentive for families and other small-scale forest landowners to maintain, or invest in forestland. Currently, mounting regulations are a disincentive for people to own and invest in the management of forestland. The Washington State Forest Practices Act was enacted in 1974. In recognition of the importance of forests to the economy of Washington State, the act provided that, following harvest, land must be regenerated to forests, unless it was converted to some other purpose judged useful to society at that time, such as agricultural, commercial or residential use. Over time additional forest practice regulations have been steadily added to the original act, with new regulations in recent years dealing exclusively with protection of public resources, which in the state of Washington include water, wildlife and fish. Regulations have been added requiring that very large areas around nest sites of several bird species be left undisturbed, or at the very least that management activities be severely restricted. In 1992 regulations were added requiring substantial expansion of forested buffers around wetlands and modest expansion of riparian buffers, as well as requirements to leave certain numbers of snags, live trees and downed trees as habitat for birds and other wildlife. In 2001, requirements for protection of riparian zones escalated sharply, largely over concerns about declining populations of anadromous and other fish. As a result of these regulations, an extreme but not uncommon requirement for family forest land owners in western Washington is that virtually any stream, perennial or non-perennial, regardless of size, occurring on site index class II land that is judged to be potential habitat for a protected fish species

must be protected with a forested 170-foot (52-meter) buffer on both sides of the stream. No harvest is allowed within 50 feet (15 meters) of the stream and only limited harvesting is allowed in the balance of the riparian buffer, and then only if complex and difficult to calculate stand conditions are maintained for the residual stand in the buffer. Buffer width requirements increase for more productive land, and decrease for less productive land. Well-meaning as they may be, for many individual family forest land owners these latest riparian regulations have restricted or removed up to 60% of their land base from timber production and have made owning their forest land and investing in forest management unprofitable (Zobrist 2002). Faced with current forest practice regulations and uncertainty about what the future holds, family forest land owners understandably are left wondering about the wisdom of continuing to own and invest in the management of their holdings.

With respect to family forest landowners, a Habitat Conservation Plan (HCP) is a mechanism for providing for the long-term protection of animal and plant species, which occur or may occur on their property while also providing the landowner with a set of long term, unchanging management requirements on the part of the landowner. If new species are listed as threatened or endangered, or if a threatened or endangered species takes up residence on property where it did not formally occur, landowners are not required to change their management practices. HCPs are authorized under the federal Endangered Species Act (ESA) which mandates protection of animal or plant species that are judged to be endangered or threatened with extinction. Responsibility for making these judgments falls to the United States Fish and Wildlife Service or to the United States Marine Fisheries Service. These agencies also are responsible for enforcing the ESA. HCPs are legal documents between these federal agencies and other parties, which can be private landowners, developers, state agencies, municipalities, or other parties. Often, they are long term in nature. For private forest landowners, they may have terms of 50 to even 100 years duration. An extremely important and key provision of an HCP is that they take precedent over Washington State Forest Practice regulations. Consequently, if Washington State regulations change over time, landowners covered by approved HCPs are not required to adopt the new state rules.

At the time of this writing, numerous HCPs have been negotiated with industrial forest landowners. None have been signed with a family forest landowner, although an agreement with a family forest landowner in Lewis County in the State of Washington is pending. Efforts of the FFF are to negotiate a programmatic HCP, which is an untried and unique arrangement for forest landowners. Normally an HCP is negotiated with individual landowners. Because the process is very expensive, time consuming, and technically demanding most landowners are unwilling to embark on the endeavor. In addition, the federal agencies do not have enough staff to deal with a large number of applicants. The programmatic approach will develop an "umbrella" HCP in which family forest and other small scale forest landowners within the geographic bounds of the two major watersheds in Lewis County can voluntarily chose to participate. These two watersheds comprise about 98% of family forestland in Lewis County. In order to participate, the landowners will be required to prepare forest management plans which demonstrate that their management plans and activities are in concert with the requirements of the "umbrella" programmatic HCP. By offering formal classroom instruction and on-site visits, the FFF intends to assist landowners in preparing their management plans. The FFF envisions that the plans will include inventory information for the properties and the ability to project stand growth and stand characteristics using the Landscape Management System (McCarter and others 1998). The FFF is hopeful it can enlist the cooperation

of the Washington State Department of Natural Resources Forest Stewardship Program and Washington State University Extension to help family forest landowners prepare their plans.

A key provision of an HCP agreement is the issuance of an Incidental Take Permit (ITP) by the federal agencies. This permit specifies that if a threatened or endangered species is killed or otherwise harmed in the normal execution of forest management practices allowed by the HCP, the landowner will not be held liable. The ITP is normally issued to an individual landowner or forest products company. In the case of the FFHCP where numerous landowners or involved, the FFF has tentatively negotiated an agreement stipulating that Lewis County will hold the ITP. In order to participate in the FFHCP, individual landowners will submit their management plans to the county and apply for admission to the FFHCP. If accepted, they will be issued a "Certificate of Inclusion" and will receive exemption from prosecution in the event that they accidentally kill or harm a threatened or endangered species.

The telling of the process of developing and implementing the FFHCP is far easier than the execution of the effort. Lacking a staff of technical experts, the FFF has had to raise large sums of money to purchase services of outside consultants, academic experts, and legal advisors. Most of the money to date has come from federal sources. Efforts to date have focused on developing riparian management prescriptions that provide the same functionality as current Washington State Forest Practice regulations, but allow for substantially more harvest and management options in riparian zones. A key function of riparian forests is the provision of large woody debris to streams to provide good habitat for fish. The FFF is using new and as yet unpublished models and procedures (Rural Technology Initiative, College of Forest Resources, University of Washington, Seattle, Washington) to produce new and refined estimates of the amount of large woody debris potentially available under different management regimes. The best available science regarding riparian functions other than the provision of woody debris is also being used to craft riparian prescriptions for the FFHCP. Conservation measures to protect upland species of wildlife will also be a component of the FFHCP. Efforts to develop these measures have only just begun.

Members of the FFF are currently meeting twice monthly with biologists from the federal agencies to work out the varied and hugely complex and complicated details of the FFHCP. Others involved in the process include the Washington State Department of Fish and Wildlife, the Forest Practices Division of the Washington State Department of Natural Resources, the Washington State Department of Natural Resources Forest Stewardship Program, Washington State University Extension, Rural Technology Initiative, Lewis County Government, the Chehalis Native American Tribe, and the Cowlitz Native American Tribe. The effort to develop and implement the FFHCP began in 1999. The FFF is targeting the end of 2004 to produce a draft FFHCP, which hopefully will contain management practices and conservation measures that have met the approval of the federal agencies.

## FAMILY FOREST COOPERATIVE

Family forests face a series of challenges in maintaining economically viable small businesses. Like any small business, there is an economy of scale that results in higher operating costs as well as limited leverage in a quickly globalizing marketplace. For the past ten years, the value of timber has gradually decreased due to global over production and changes in the wood products manufacturing industry. In contrast, the price consumer's pay for wood products in retail outlets has been steadily increasing. Small forest landowners are not receiving full value for the quality timber

they produce or the public values provided by their well-managed forests.

A cooperative is a business that is owned and controlled by members who use its services. People typically unite in a cooperative to: (1) get services otherwise not available; (2) bulk order supplies; (3) share equipment and resources; and (4) gain access to markets. When cooperatives generate a profit from efficient operations or adding value to products, these earnings are returned to members in proportion to their use of the cooperative.

Forestry cooperatives have been emerging across the United States over the past 10 years as a means for small forest landowners to collectively harvest and process their own timber and gain better market leverage and better values for their wood products. Following are four factors responsible for the growth of these cooperatives and associations.

- *The need for diversification and value-added products.* Commodity timber production in recent years has been characterized by unstable prices and often by low financial returns to forest landowners. As a result, many landowners are seeking ways to diversify their incomes or turn to value-added production in order to remain viable.
- *Potential markets for underutilized and undervalued woods.* Along with the increased value of commercial grade timber comes market access for small diameter, short and "character" pieces of wood and for traditionally low value species. These opportunities are particularly important for small woodland owners who are improving the quality of their woods through timber stand improvement and thinning.
- *The need for individual landowners to get help in benefiting from their woodlands.* Many landowners need help in learning how to manage their woodlands and to realize economic benefits from them. In some cases, they don't know the value of their wood or the best way to harvest it. Cooperatives and associations can play the role of landowner advocate, helping members carry out good management plans and helping to identify reputable foresters and loggers. Cooperatives can also help members turn their wood into value-added products and assist in the marketing of these products.
- *The role of sustainable forest management.* Both landowners and consumers are becoming increasingly aware of the importance of managing forestland for the long term. Growing forests older provides increasingly more wildlife habitat diversity as well as higher quality timber products. By promoting locally produced and sustainably grown forest products, a cooperative can provide consumers the opportunity to invest directly in the forests that surround them.

With grant funding from the United States Department of Agriculture, the FFF is conducting a feasibility study for a forest landowner cooperative in Lewis County. The study includes the following activities:

- A survey to assess landowner interest in a business cooperative as to obtain cursory information on family forest land timber inventory, equipment, and technical skill base.
- Educational outreach through public meetings and informational mailings to directly engage landowners in the conceptualization process.
- Investigation and analysis of existing forest landowner cooperatives nationwide.

- Determination of the business structure under which a cooperative could most effectively be managed.
- Analysis of potential markets and marketing strategies for high-value, locally produced and sustainably grown wood products.

To date, an advisory council of local forest landowners and representatives of various county and state government and educational institutions has been convened to provide input and help guide the direction of the feasibility study. Board members of the FFF have visited and interviewed several forestry cooperatives in the Midwestern and New England regions of the United States in order to gain knowledge about business structures and activities that have been successful, or unsuccessful, for other forestry cooperatives. In cooperation with Washington State University Extension, survey questionnaires were mailed to 800 Lewis County landowners. Approximately 45% were returned, providing the FFF with excellent information about interests, objectives and concerns of family forest landowners in Lewis County.

Information gathered by the FFF regarding the feasibility of a forestry cooperative will be synthesized by mid year of 2004, and a decision made whether or not to move forward. Preliminary results indicate there is local interest and promise for a Lewis County forestry cooperative.

### **PUBLIC OUTREACH REGARDING THE VALUES OF FAMILY FORESTS**

The FFF is conducting public outreach activities for a variety of reasons. Prominent among these are the following:

- To provide the FFF with a good understanding of the ownership objectives, interests, concerns and knowledge base of family forest landowners.
- To assist family forest landowners in meeting their ownership objectives and resolving concerns.
- To gain public support for the conservation and economic viability of family forests.

As mentioned earlier in this paper, the family forestland base in Lewis County is 136,000 acres (55,200 ha). In all of Washington State, there are an estimated 96,000 family forest landowners owning approximately 4.2 million acres (1,700,405 ha) of forestland. Conserving these forests is critically important to the environmental and economic well-being of the citizens of the state of Washington. Understanding the objectives, interests and concerns of family forest landowners is a first step in helping landowners maintain and manage their properties, as well as generating public support for the conservation of family forests. Several surveys have been conducted in recent years to gain an understanding of the objectives, interests and concerns of family forest landowners. One such survey (Lien 2003 Unpublished) associated with the cooperative feasibility study was conducted recently in Lewis County. Although results of the survey are as yet unpublished, examples of the findings are as follows. More than 80% of the respondents listed scenic and aesthetic reasons as well as legacy for reasons of owning forestland. Seventy-two percent indicated protection of biological diversity as another reason for owning forestland. While short-term economic gain is not a priority, long-term investment and income is one of the major reasons for owning forestland. Almost 70% of the respondents indicated a desire to growth larger trees with a long rotation if the economic incentives were present. The survey also revealed that state and federal regulations were the major challenges to their forestland management. The findings of this Lewis County

survey are very much aligned with statewide surveys, all of which provide information being used by the FFF to guide its efforts to help conserve family forests.

To help provide management information to family forest landowners, and to garner public support for family forests, the FFF is committed to participating in forestry field days. As a start toward this commitment, the FFF is providing financial support and is taking a leading role in organizing a forest landowner field day in neighboring Pacific County, Washington, in September of 2004. An exciting attraction for this field day is that it is being held on the American Tree Farm System's 2003 National Tree Farm of the year. The FFF is collaborating with Washington State Department of Natural Resources Stewardship program and Washington Farm Forestry Association in planning the event. Planners of this event are making concerted efforts to attract attendance of the urban public and policy decision makers as well as fellow family forest landowners to the event. Displays at the event will help inform landowners on good stewardship practices, highlight issues that affect their management such as current state forest practices regulation, and cutting edge management solutions such as the Family Forest Habitat Conservation Plan.

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