



NWOA's Top Ten Family Forestry Issues for 2018

Since 1986 NWOA has ranked the top ten family forestry issues with an annual vote by the leaders of the 42 state affiliates—the Alliance of Landowner Associations. NWOA is the only national organization to undertake such an annual ranking. It is used to set our annual objectives and work plan in Washington, DC. Some of our state affiliates use a similar ranking system to set their annual goals as well.

Family woodland owners own half of all the productive woodlands in America. NWOA's mission is represent their private interests in Washington, D.C., while providing understandable, reliable and continuous information to make informed decisions in the care and management of their woodlands.

#1 MARKETS: TIMBER, BIOMASS & FAIR TRADE

NWOA Objectives:

- Recognize and Support New Markets for Timber and Pulpwood.**
- Avoid Scrapping NAFTA and Other Trade Agreements.**
- Support a Negotiated Renewal of the Canadian Softwood Lumber Agreement.**
- Expand Biomass Markets for Low Quality Timber.**

Results in 2017:

National Woodlands along with other media, encouraged new markets by citing the world class ability of family woodland owners to grow and produce a reliable supply of raw wood. NWOA continued to support new markets for low-quality timber, especially for fuel pellets. We were not successful in avoiding the feared scrapping of NAFTA. President Trump was firm, and then relented some after the worldwide pushback to the imposition of import duties on steel and aluminum. NWOA supports the renewal of the Canadian Softwood Lumber Agreement with America's largest trading partner.

Outlook for 2018:

This year Markets edged out Taxes as the #1 Family Forestry issue, a spot it has held for several years with the exception of 2017 when a new federal tax reform law was in the making. With lumber prices rallying to all-time highs and housing starts rising, what is there not to like? Woodland owners have a lot of experience with timber markets. What goes up usually comes down, preferably without a crash. The State Affiliate leaders are nervous that trade actions of the Administration could lead to a trade war, especially with China. There is general support to restore NAFTA and come to an equitable settlement over trade with Canada.

Healthy markets for primary, secondary and alternative forest products are always the underlying foundation of private forestland retention in the USA and many other parts of the world. These markets have undergone various shifts in the last few decades as labor, energy, and other market forces moved them from domestic to global scale in unpredictable directions. Protecting the housing market, with its softwood framing and hardwood floors and furniture, is always important.

#2 INCOME, ESTATE & PROPERTY TAXES

NWOA Objectives:

- Watch for any new federal tax proposals that affect family woodlands.**
- Protect capital gains tax rates for timber, stepped up basis for fair market value (at death), a significant inheritance tax exemption,**

and maintain forestry exemptions.

Encourage state affiliates to monitor state and local tax proposals, especially those that target current favorable land-use property tax rates.

Results in 2017:

It was a very good year! Timber and land-related tax issues were protected and continued in the Tax Cuts and Jobs Act of 2017. In addition to doubling the exemption on inheritance taxes for woodlands, the law maintained all of the hard-fought timber tax provisions won in previous years. This was the result of a cooperative effort of the entire forestry community which included a special call to action by the National Alliance of Forest Owners and the American Forest Foundation.

Property taxes, especially land-use taxes which recognize the benefits to society of well-managed woodlands, continued to be probed for increased income by county and local governments.

Outlook for 2018:

Although Taxes return to the #2 position, they are still high on the list of woodland owners' concerns in 2018. We are always cognizant of the fact that the general public and many lawmakers do not realize the huge economic and environmental contribution that privately-owned woodlands contribute to our quality of life and our environment free of charge. Taxes on income from timber, estate planning and local property assessments are regressive in nature and loom large on the minds of woodland owner in all regions of the USA. Fortunately, with the exception of property taxes, woodland owners have a favorable tax position at this time.

NWOA strongly supports tax policies that promote forestland retention, improved forest management for economic and environmental/conservation purposes and higher after-tax income. Specifically NWOA supports and challenges woodland owners to direct localities to tax property based on its present use, not highest/best use like real estate development.

#3 INVASIVES AND FOREST HEALTH

NWOA Objectives:

Support for funding of research, technology transfer, and education programs that help landowners address forest health challenges.

Share latest information in National Woodlands focusing on one of the four Forest Eco-zones in each quarterly issue.

Maintain current cost share programs for invasives.

Support Extension Programs to help landowners recognize invasive species.

Results in 2017:

Moving up one step from #4 last year as a landowner concern, invasive species continued their spread on woodlands throughout the U.S. Their impact, combined with the weather extremes of global warming, continue to affect Forest Health nationwide.

NWOA is one of the founding members of the Coalition Against Forest Pests (CAFB). The purpose of the Coalition is to be a source of reliable information about imported forest pests (plant and animal), to help mitigate the impacts, and restore healthy forest ecosystems. State affiliates alerted landowners about what was happening in their own woods and how to recognize invading plants and insects. In spite of these efforts, Invasives Species continue to spread throughout the U.S. with harm to overall Forest Health.

Outlook for 2018:

Challenges remain and are increasing. The expansion of emerald ash borer and the quick death of white and green ash trees is widespread. Control measures include early detection of the beetle, alternative hardwood species conversion, and introduction of a wasp as a biological control. Woodland owners have other invaders of concern which are periodically discussed in National Woodlands Magazine, including cogon grass, ips and southern pine beetle, sudden oak death, wooly adelgid, ambrosia beetle and some mysterious diseases yet to be fully diagnosed.

Growing conditions that stress forest ecosystems require active monitoring by forestland researchers, owners and managers. Complacency can lead to sudden outbreaks by invaders that have no respect for ownership boundaries and easily lead to wildfire conditions and financial loss.

#4 STEWARDSHIP INCENTIVES: COST SHARING & TAX CREDITS

NWOA Objectives:

Support Cost Sharing at all levels (federal, state and private).

Work actively with the conservation community to eliminate the “billion dollar loophole” that has appeared in the Land Conservation Tax Law and is being exploited by marketers of “syndicated conservation credits” which are overvalued and used as illegitimate tax deductions.

Results in 2017:

Cost sharing programs are the most widely used of the two Stewardship Incentives available to landowners. The most commonly used federal cost share programs were funded in the 2018 Omnibus Spending Bill, but extensive reductions are again proposed by the Administration in the FY19 budget. Changes or updates to cost-share programs will be announced when they are completed.

Both federal and state tax credits for the donation of conservation easements, a key NWOA objective, continue to be available. Although a “billion dollar loophole” has emerged in the federal program due to “syndicated conservation credits,” NWOA and others were not able to get the problem corrected in the Tax Law of 2017.

Outlook for 2018:

An increased awareness by landowners of the damage wrought by invasive species and the expense of controlling them may explain the four point jump in ranking Stewardship Incentives from #8 to #4 in 2018.

The continuation and/or growth of forest landowner incentive programs is important. In addition to well-known programs from Federal agencies, state and local programs with formal management planning and coaching by professional forestry personnel, are often the critical bridge to overcoming the challenges of active management. But cuts to Federal budgets and increasing stress on state and local economies have placed some of these programs in jeopardy.

NWOA will, on behalf of its members, voice support for continuing these programs, solidifying the budgets of the agencies that facilitate them, and celebrate the results that woodland owners achieve through the use of these incentives, including Federal Tax Credits for Conservation Easements.

#5 EXTENSION EDUCATION AND SERVICE FORESTRY

NWOA Objectives:

Work with the Alliance of Landowner Associations to build nationwide recognition and support for Extension Forestry and Service Forestry.

Increase funding of Renewable Resources Extension Act (RREA) in FY19 appropriation bills.

Maintain active involvement in the Forestry in the Farm Bill Coalition (FIFB) to continue authorization for RREA in the 2018 Farm Bill.

Continue unqualified support for the Forest Stewardship Program and Service Forestry in appropriation bills.

Results in 2017:

In 2017 voting, Extension & Service Forestry moved up to #3, and came close to being the #2 ranked family forestry issue. NWOA’s state affiliates were concerned that both of these programs would be targets for funding cuts by the new Administration, a fear soon confirmed when the budget proposals severely reduce funding for both programs. NWOA and others were successful in getting Congress to continue funding both programs in the Omnibus Spending Bill.

Outlook for 2018:

The balloting for 2018 moves Extension Education and Service Forestry down to #5. The reason could be that funding both programs is secure, but that is not a certainty. NWOA advocates that Forestry Extension Education programs, along with Service Forester advice, be available to every woodland owner in America. Although these programs have seen declines over the years due to competition for appropriations, both Extension Forestry and Service Forestry continue to provide excellent advice to family woodlands owners about the art and science of forestry and stewardship.

The decline of the importance and possible value of Extension Forestry and Service Forestry expressed by the Landowner Alliance from nearly the #2 spot in 2017 down to a low #5 ranking in 2018 needs to be better understood as an anomaly or a trend.

#6 THE RIGHT-TO-PRACTICE FORESTRY & REGULATORY CREEP

NWOA Objectives:

Watch all new federal regulations for potential private property rights issues.

Encourage every state landowner association to enact comprehensive “Right to Practice Forestry” laws, and monitor them for shortcomings or actions to weaken them.

Urge state associations to be alert for restrictive county and township ordinances.

Results in 2017:

There were no federal actions on this topic in 2017, but there have been issues in two states.

Outlook for 2018:

The protection of landowner’s individual rights to practice forestry, as well as responding to additional regulations, is a state and local issue best handled by the state landowner associations. The problem is usually encountered when woodland is located in urbanizing regions where land conversion is chosen as a way to meet the needs of our growing population. When community leaders are out of touch with the resources that sustain their quality of life, they fail to appreciate the benefits received from family forest and farmland.

These decisions can happen incrementally and without much fanfare at the state, county or even local level of government. NWOA will continue to facilitate communications among the Affiliates to encourage their collaboration to protect the right to practice and private property rights. A new step in this direction is the creation of the NWO A Outreach Coordinator to increase the scale and effectiveness of the communications network we seek to foster.

#7 KEEPING FORESTS AS FORESTS

NWOA Objectives:

Integrate Management of Private Parcels into Larger Units (i.e. watersheds).

Promote the Benefits of Landscape Management Planning to Family Woodland Owners.

Encourage the Construction of New Forest Products Mills through Continued Support for Sustainable Forestry.

Results in 2017:

Integrated landscape management planning is underway in many states, including provisions for woodland and wildlife corridors. The potential for a sustainable wood supply is being used as an incentive for new investment in forest product mills. Additional new federal legislation is proposed to help keep forests as forests benefiting society.

Outlook for 2018:

“Keeping Forests as Forests” is a phrase that encapsulates efforts throughout America to address policy and market forces which encourage parcelization, fragmentation and land conversion of non-industrial private forestland. “Working forest conservation” and “conserving working forests” have also been used to describe the bundle of issues including property and estate taxes, availability of good forest product markets, shortsighted economic development practices, and underfunding forest landowner incentive programs which discourage landowners in keeping their land as forest. Keeping a vibrant discussion going on the various obstacles associated with Keeping Forests as Forests is the heart of why the National Woodland Owners Association exists. That discussion will involve bringing these obstacles to the attention of the public and policy makers; helping woodland owners find ways to overcome those obstacles; and helping to share the strategies that are working.

#8 WATER QUALITY & QUANTITY

NWOA Objectives:

Promote Emerging Markets and Incentives to Produce Clean Water.

Seek 95% Compliance by Landowners of Voluntary Best Management Practices for Erosion Control.

Encourage State and Federal educational and financial assistance for Watershed Management.

Work to Enable Landowners to Manage their Woodlands to Protect Water Quality and Quantity.

Promote Public Understanding of the Benefits of Woodlands as a Sustainable Source of water.

Results in 2017:

Although the U.S. Supreme Court upheld the silvicultural exemptions in the Clean Water Act two years ago, new lawsuits alleging water pollution from logging roads continue to be filed. In 2017 the EPA developed a proposed new definition of the Waters of the U.S. (WOTUS) including wetlands.

Outlook for 2018:

On the most basic level clean and abundant water are needed for all life on earth. With every succeeding generation comes the important task of educating the world on the ecosystem services provided by actively managed forestland. To many, the connection between forestland and water is not understood. Only a small fraction of citizens in the US own or will ever own woodlands and see the complex relationship between forests and water quality and quantity. It has been the simplified approach of the environmental movement to equate forest preservation as the cure-all to deforestation and all of its negative consequences. But this strategy, of all or nothing, is not sustainable and at best only results in isolated impacts on water resources. Add to this what appears to be climatic shifts in drought and rainfall abundance, and the water resources issues seem to get even more complex.

#9 WILDFIRE FUNDING, DETECTION, FUELS, AND PRESCRIBED FIRE

NWOA Objectives

Call for Provide Permanent Federal Funding and State Assistance for Wildfire Control, Eliminating the Need for the U.S. Forest Service to Transfer Funds from Other Important Budgets.

Promote the Reduction of Fuel Buildup on Public Lands as well as Some Private Lands.

Encourage Implementation of the Earliest Wildfire Detection Methods because, "Small landowners can only afford small fires".

Results in 2017:

After five years of serious effort led by the Nature Conservancy with NWOA as a member finally scored the victory. The Omnibus spending bill passed by Congress included most of the wildfire funding reforms that were necessary.

Outlook for 2018:

The ranking of wildfire issues near the bottom of the Top 10 will seem quite out of line with the concerns of woodland owners located in the most wildfire-prone areas of the USA. But it does illustrate an important point: over half of the private forest landowners in the US are located in areas where wildfire is not an omnipresent concern. Even the devastating fires in the Appalachians in 2016 have not moved the ranking of this issue into the top 5 where western US landowners might place it, or even much higher. Landownership in the western US is dominated by Federal and state forest reserves and woodland-urban interface (WUI) homeowners. Very recent wildfires in California, Oregon and Washington with their high media coverage, brought action by the US Congress this past winter. The resulting legislation is designed to prioritize wildfire prevention strategies on the ground and provide funding mechanisms to actually achieve those strategies. Similar actions resulted in the National Interagency Fire Center over a decade ago. The question remains, will Federal land managers in the western states take the required actions that will safeguard forests, WUI homeowners and ultimately private woodland owners? Could one or two good wildfire seasons lead to complacency?

As a way of provoking wildfire mitigation practices, which ultimately help secure the value of private woodland ownership, NWOA proposes to endorse the concept of year-round wildfire risks rather than the historic "seasonal" wildfire paradigm. We will introduce this concept across all networks and within all of the Alliance regions through more coverage of wildfire mitigation practices such as prescribed burning, aggressive forest health monitoring, reduction of ladder and high fuel load harvest, and other silvicultural prescriptions when and where appropriate.

#10 CERTIFICATION: FOREST PRACTICES, FORESTERS & LOGGERS

NWOA Objectives:

Provide Woodland Owners with Current Information on Forest Certification Programs (SFI, ATFS, FSC, etc).

Encourage Every State to Adopt or Continue a Professional Forester Licensing Program.

Promote the Importance of Using Accredited Loggers because Legal Responsibility for Deficient Logging Performance is With the Landowner (not the logger).

Results in 2017:

Driven by retail markets, forest certification is likely here to stay. American grown wood has an excellent reputation and demand on world markets. FSC, Tree Farm and SFI are all recognized internationally. Although interest among landowners remains spotty, as evidenced by its consistent ranking at #10, it is important for market access.

Outlook for 2018:

Certification schemes and chain of custody programs continue to develop in the forest industry sectors and third-party organizations. The theory is that participating in these programs will add value to wood that should translate into better access to markets and higher returns on investment in woodlands. It is unclear whether or not the benefits of these programs actually provide the return on investment associated with meeting their standards and guidelines. If all participants in global wood basket were all playing by the same rules it might be easier to assess these programs. At best, woodland owners who participate will likely improve the overall quality of their actively managed forestland with the indirect benefit of improved delivery of ecosystem services to society. NWOA favors additional research on the impacts of the various certification programs that are functioning on local, regional, national and global scales and the dissemination of this research so that woodland owners can be more confident about participating or favoring certification programs.

NWOA continues to support licensing of professional foresters in every state, and optional forester certification by SAF and ACF. Certification of Loggers remains an important objective for use in all private timber sales, beyond those mandated by forest certification programs.