

WASHINGTON FARM FORESTRY ASSOCIATION

Landowner News • June/July 2011

THE VOICE OF THE SMALL FOREST LANDOWNERS IN WASHINGTON STATE

2011 Annual Meeting Highlights

An outstanding Annual Meeting was hosted by the Clark and Cowlitz Chapters of the WFFA at the Heathman Lodge in Vancouver on April 15–17.

The Heathman Lodge is a structure to behold. Constructed by Washington Wood from SDS Lumber, it is a post-and-beam log structure accented with beautiful wood paneling of vertical grain Douglas Fir and mixed grain Ponderosa Pine. Carbon sequestration at its finest!

Chuck Holland's Friday morning keynote on "World Timber Markets" was outstanding! It was full of interesting variables that caught the attention of all those present. Chuck's predictions for future variables include the following:

- 1) BC pine beetle will continue to spread to the U.S.
- 2) BC government will restrict exports.
- 3) Russia will reduce tariffs to WTO members.
- 4) Russia log exports will decrease in the next decade or two.
- 5) USFS will estimate the loss of 1.5 million acres of US timberland to conversion.
- 6) Chinese will increase mill ownership and joint ventures on west coast of USA.
- 7) USA domestic log and lumber demand will return!

A panel on the Alder, Domestic, and Export log markets followed.

The Washington Tree Farm Program again hosted the "*Outstanding Tree Farmer of the Year*" luncheon. This year presented six of Washington's finest...all outstanding tree farms! Nominees were: Wester / Russell Tree Farm (Pierce Chapter); B&D Tree Farm (Lewis Chapter); Tie Pond Meadow Tree Farm (Clark Chapter); Graves Family Tree Farm (UPS Chapter); Westergreen Family Tree Farm (Whatcom Chapter) and K-Diamond-K Ranch (NE Chapter).

Each nominee is truly an outstanding example and inspiration to tree farmers across the state. They set examples by their involvement in their communities and

by lifting up their good work as WFFA members. THANK YOU! to all nominees for the job you have done representing all of us.

The afternoon concurrent panels on enhancing value of our tree farms were enlightening. During the Dinner Awards Banquet, the top eight chapters with membership recruitment won WFFA fleece vests. Phil Hess was awarded for his leadership as Kittitas Chapter President and Chair of the Small Forest Landowner Advisory Committee to DNR, and John Denver lived again!

Saving the best for last, Bob Brink hosted us at the Pomeroy farm with a tree farm tour and steam donkey logging show by Clark Chapter's Mike Rotschy that will be long remembered. Thanks again to hosts Clark and Cowlitz Chapters of the Washington Farm Forestry Association

Landowner News is the official newsletter of the Washington Farm Forestry Association.

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Designed & Edited By

Maureen O'Neill
Moxie Web & Print
Olympia, WA

From the President

In the event that you find the following article boring, go to the following web site and find out about riparian function protection in Russia: <http://www.flixy.com/ural-4320-off-road-6x6-truck.htm> I received this from Joe Ferguson of the Olympic Chapter and sent it to the WFFA EB meeting and apparently it was voted the best president's report ever.

We're now in the middle of playing catch-up on our forest management plan on our tree farm. We hired a local forester to do the marketing and line up an operator. We got 290 tons of pulp out of the thinning of 14 acres, a planting we did nearly 30 years ago. In some of the higher site, we got some saw logs. They brought in a hot saw for two days and made quick work of things. They could have taken a few more, but it looks good. At \$45/ton for the pulp we made some money. We had a 60 year-old stand of nine acres thinned from below. There were ten loads of money logs here and it will look like a park when the skid trails heal up. We think it looks great. This is low site and hopefully the remaining trees will

kick in and put some more size on. We expect some windfalls, not to many I hope.

We had a four-acre and a three-acre clear cut, which bordered the riparian buffer. These stands had been high graded 30 years ago and it was time to get some money and start over. It's some of our better site and we want it to be as productive as possible. We were disappointed that there wasn't enough alder to make up a load. Most of the alder is in the riparian buffer along with plenty of 30-inch dbh fir. The buffer includes seven acres, so we applied for FREP.

The operators moved the CTR (processor) with the grapple skidder to the east side of the creek and had a hauler move the shovel. They are in the process of a four-acre clearcut there. Lots of root rot, but a similar stand to the other clear cuts. The plan is to thin a five and-a-half-acre stand here, some of which we had scarified and planted nearly 30 years ago. This planting has not done well, but the fir that was left is in the 30-inch dbh category, so we'll be taking these logs to market. These larger trees are in pockets and follow a line which we plan to run a skid trail through and lay them so as not to disturb the remaining trees to be thinned.

We expect success with planting Doug Fir in the four-acre clearcuts, but are not sure about the three-acre cut which is a strip. It does lay north and south.

With regard to the fixed width buffer, I think it looks pretty nice. We logged in there 30 years ago under the old rules and it healed up in about three years time back then.

Sincerely,

Sam Comstock

President

Washington Farm Forestry Association

Mark Your Calendar

Forest and Range Owners Field Days

Eastern Washington

June 18, 2011 in Klickitat County at the Kreps Ranch near White Salmon, WA.

Washington - Idaho - Montana

July 9, 2011 Shoshone County, near Mullan, Idaho

Western Washington

August 20, 2011 Jefferson County, near Chimacum

Event brochures for all three 2011 Regional Field Days are posted at ext.wsu.edu/forestry

For more information, please contact:

Steve Gibbs, Forest Stewardship Program Manager

Phone: (360) 902-1706

Email: steve.gibbs@dnr.wa.gov

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Oregon Small Woodland Association Annual Meeting

June 23 – 25 in Baker City, OR. The program and tours will focus on East-side issues. WFFA members are welcome to attend. The theme of the meeting on June 24th is “Dealing with Changing Realities in Woodland Management”. Contact: Jim James, Executive Director, Oregon Small Woodlands Association at (503) 588-1813.

For WFFA Chapter events, please go to www.wafarmforestry.com and click on

American Forest Foundation

“GrassTops” Fly-In

During the last week of March, Washington DC was invaded by Tree Farmers from across the country as they attended a D.C. Fly-in. These folks represent some of the strongest advocates that Tree Farmers have in their corner. These “GrassTops” leaders are well versed in U.S. Public policy issues that affect family forest owners. They receive information on the latest issues and then the American Forest Foundation (AFF) gives them the tools they need to help address these issues with their members of Congress.

Steve Stinson (Lewis), Tom Fox (Lewis), Sherry Fox (Lewis), Tammie Perreault (South Sound) and Joe Massoni (Kittitas) participated in the 2011 American Forest Foundation Grass Tops Fly In. The Washington contingent met with staff from Senators Murray and Cantwell’s offices and staff from representatives Dicks, Hastings, Reichert, and McMorris Rodgers. All were briefed on a variety of issues including who our state’s family forest landowners are, Estate Tax reform, fair Green Building Standards, and support for Farm Bill funding for forestry programs.

The group had the pleasure of meeting in-person with our new 3rd District Congresswoman Jaime Hererra Beutler. Hererra Beutler has landed on her feet for her first term and was particularly knowledgeable and concerned with the Department of Ecology/Environmental Protection Agency decision to call forest roads a point source of pollution. She was supportive of our efforts to level the playing field for locally grown wood in Green Building standards and agreed to weigh in with letters regarding the Services position on the Family Forest Habitat Conservation Plan.

Members of the group also made visits to the Department of Interior and Natural Resource Conservation Service. At the end of the day the Washington contingent was tired, but satisfied that they had succeeded in supporting family forest issues in our nation’s capitol. The AFF continues

to work on our issues in Washington DC.

For more information on the American Forest Foundation "Grassroots" campaign, see www.forestfoundation.org or contact Steve Stinson at 360-269-5108.

WFFA Seeks Startup Chapter Along Columbia River Gorge

The Washington Farm Forestry Association would like to hear from Private Forest Landowners in the Skamania-Klickitat Counties region who would be interested in the forming of the 16th Chapter of this Association. Anyone interested in helping name this Chapter can stop by the WFFA booth at the FOFD in Gilmer, Western Klickitat County, on June 18, 2011 or contact Rick Dunning at (360) 736-5750 or email him at rdunning@wafarmforestry.com.

Who Will Be YOUR New Member?

By Steve Stinson, 1st VP, Membership Chair

Last year, our WFFA membership drive was based upon a goal of bringing in one new member per member. Because of your support, we gained over 100 new members! A sincere *Thank You* for all of your hard work, helping to strengthen our association. Now that we have the ball rolling, it is time to think about your new member for 2011–2012.

Is it one of your neighbors? How about one of your children? Is there someone in your business community that could be an associate member? Consider a few choices for *your* new member and share them with your local Chapter Membership Chair. If you are not comfortable making the overture, your Chairperson will be happy to make a membership invitation at your request.

Most chapters have a summer tour or potluck event that exemplify what WFFA is about at the chapter level. Feel free to invite a friend, neighbor or business associate to one of these events and let them see for themselves what WFFA is all about!

Now more than ever, the efforts of WFFA are essential in providing the tools that family forest landowners need to continue as Stewards of the Land. A robust WFFA membership increases our leverage at the State and Federal level in our efforts to fight for the things important to you.

2011 Legislative Session Overview

By Debora Munguia, Washington Forest Protection Association

ESHB 1509 Signed By Governor

ESHB 1509 expands compensation for certain unharvested trees in the Forest Riparian Easement Program (FREP). The bill limits participation in the FREP to non-governmental, for-profit legal entities. It requires a recipient of funding from the FREP to repay the total amount received if the recipient sells his or her land within ten years to someone who would not qualify for participation in the FREP.

The Forestry Riparian Easement Program was funded out of the capital budget.

The FREP received just \$1 million for a \$9 million backlog. Although future funding is based on the economy, ESHB 1509 directs DNR to look for additional, permanent funding sources.

Forest Practices Reform

SB 5862 did not survive this session. Part 2 of the bill would have streamlined hydraulic projects and forest practices applications. Part 1 of the bill dealt with non-forestry hydraulic approvals.

Agreement was reached with all stakeholders on Part 2 of the bill, however, the coalition of business and local government stakeholders negotiating Part 1 could not reach agreement on the issue of the Department of Fish and Wildlife's jurisdiction for hydraulic projects above the ordinary high water mark. The administration and the environmental community would not agree to separate out the two parts of the bill and run Part 2 independently.

As originally introduced, SB 5862 would have established new fees on hydraulic (stream) project approvals bringing in an estimated \$5.5 million a biennium; and higher fees on forest practices applications, bringing in an estimated \$4.2 million a biennium. The revenue would have offset proposed cuts to the programs. In the final budget, the hydraulic program was cut by \$1 million and the forest practices program was cut by \$2 million.

For most of the session, legislators and the environmental community were advocating for higher forest practices fees without any reform or streamlining. Although no reform was developed, increased forest practices fees were avoided.

Silviculture Burning Permit Fees

The proposed budgets by the Governor and the House authorized DNR to increase burning permit fees for full cost recovery. DNR agreed to a proposal to charge the same amount that the Department of Ecology charges for agriculture burning permits (\$80/permit, 50 cents per ton for every ton of material burned in excess of 100 tons).

Budget Agreements Reached

Legislators finally reached agreement on the operating and capital budgets on the last day of the 30-day special session. A \$32.2 billion state operating budget is on its way to Governor Chris Gregoire for signing.

Lawmakers had to close a projected deficit of more than \$5 billion for next

biennium's budget. The budget makes nearly \$4.6 billion in cuts to real and projected state spending to close the gap, including more than \$1 billion from K-12 schools, \$617.5 million from higher education and hundreds of millions from the social safety net.

Senate Members Commended

Last November, voters re-implemented an initiative requiring a two-thirds majority vote to increase taxes—essentially taking new taxes to raise revenue off the table. Democrats lost enough seats in the Senate to change the dynamics of the chamber. One of the big stories this year is the bipartisan manner in which the Senate worked. The state Senate voted 34 to 14 to approve the bipartisan spending document.

Lieutenant Governor Brad Owen, President of the Senate, stated that for years he has expressed strong personal beliefs that the public is best served when a legislative body works together as a single entity and in a bipartisan way. He went on to say that, in his 35 years involved in the legislative process, first in the House, then the Senate, and the last 15 years as the President of the Senate, it finally happened when Washington was facing its most critical and difficult issues. He commended the members of the Senate for their incredible patience, personal sacrifice and great dignity.

Senator Zarelli stated that, although he knew the reason the Democrats and Republicans worked together in the Senate this year was because a perfect storm occurred and that the invite wasn't out of desire, but necessity, he hopes and believes that both sides better understand each other now and that will enable them to do things together in the future because they desire to work together, rather than out of necessity. His hope is that this would be the biggest gain out of the process.

Senator Hargrove stated that it wasn't just about working in a bipartisan fashion, but also about spreading an era of civility over the Senate. He went on to say that this issue has been a debate in our nation about how the Republic is threatened by the nasty things people say about each other getting personal and people don't get down to solving problems even when there are real differences, because they call each other names and take strident positions. He stated that the Washington State Senate set an example for legislatures all across the country on how to work together with civility and come up with solutions, even though they didn't agree on everything. He said he had been waiting for 27 years to see this happen.

Private Forests On Earth Day: “A Billion Acts Of Green”

WASHINGTON, DC – Earth Day 2011’s theme is *A Billion Acts of Green*®, striving to generate a billion acts of environmental service and advocacy before Rio +20. U.S. forests, encompassing three-quarters of a billion acres of land, green our planet in billions of ways each and every year. For instance:

- 1.6 billion: The number of trees planted on U.S. forests each year – 90% by private owners.
- 9.6 billion: The cubic feet of net growth of U.S. forests in 2006. The U.S. has consistently grown more than it harvests since the 1940s.
- 8 billion: The metric tons of greenhouse gases that are sequestered in U.S. forests and forest products each year – enough to offset 15% of U.S. fossil fuel emissions.
- 28.5 billion: The number of kilowatt hours of renewable electricity the forest products industry generates per year from wood – enough to power three million homes.
- 132 billion: The gallons of fresh water filtered by U.S. forests each day.
- \$102 billion: The total contribution of private U.S. forests to the economy.
- \$87 billion: The payroll for the 2.9 million jobs supported by private U.S. forests.

David P. Tenny, President and CEO of the National Alliance of Forest Owners, said, “These are just a few examples of the many public benefits our private forests provide. This Earth Day, Americans should realize that using a tree helps save a forest. ten million Americans own 57 percent of our nation’s forests. Conserving these forests to help the environment and provide good paying jobs today and in the future requires both strong markets for forest products and a strong framework of environmental safeguards.

“Our forest environment is already the envy of the world. Now we need to strengthen the markets and support the jobs that help keep our forests intact. Strong markets will help forest owners afford to plant and cultivate trees and

prevent them from being forced to sell their forestland for other uses. Today, more than ever, we should work to save our forests by promoting the beneficial use of trees. There are billions of reasons why this is a good idea.”

For more information on the public benefits of private forests, from wildlife habitat to clean air and water to renewable forest products we all use every day, please visit www.nafoalliance.org/workingforests or contact Dan Whiting at (202) 747-0746 or dwhiting@nafoalliance.org.

Plan To Harvest Timber & Need A FREP?

The WFFA would like to hear from tree farmers who are interested in harvesting their timber now, but are hesitant to do so because they have timber in the stream buffers and would not be compensated by the Forest Riparian Easement Program (FREP).

The FRE program has been under funded since its inception. In 2002, the first year of operation, it funded only eight out of 36 applicants. By 2007, before a recognized budget crisis in the state, DNR could only fund 40 out of 154 applicants. Today, the FRE Program has over \$9 million owing applicants waiting for payment, some for years.

The WFFA understands the burden this puts on Small Forest Landowners, who need to harvest when the markets are strong. We recognize that economies of scale make our small businesses less profitable and that taking advantage of strong log markets (usually export markets for Westside tree farmers) is important to our bottom line.

Please contact Rick Dunning at rdunning@wafarmforestry.com or call the WFFA office at (360) 736-5750 if you are willing to give your example, with a name and a face, to this forestry problem that has been allowed to develop.

3 Ways To Win In New Membership Drive

As a result of last year's positive results, the WFFA is again hosting a membership drive with a few twists for 2011–2012. This year there are three competitions:

1. Grow Your Chapter

For increase in chapter membership. Prize: Green WFFA fleece vests to the top seven chapters.

2. Enroll Ten New Members

*For any member who signs up ten new members.
Prize: WFFA shirt and cap.*

3. Enroll The Most New Members

For the member who signs up the highest number of new members. Prize: WFFA shirt and cap, PLUS a \$100 gift certificate.

Competitions run April 1, 2011 to March 31, 2012. Qualifying membership forms must be received at the WFFA office or in the PO Box between these dates. To receive credit for a new membership, request that the new member print the sponsoring member's name in the margin of their membership form. (*Other forms of identifying the recruiting member will also be accepted.*)

For more details, please contact your Chapter President or the WFFA office.

From the Executive Director's Desk

Estate Tax & Your Tree Farm

The definition of Government was once explained to me, as "*The job of those we elect to transfer our wealth among our citizens.*" I have come to agree with that definition and have found that because we have so many "wealthy" people, we have been willing to elect those who agree to "save the environment", "save the least among us", and "save the whales"...all important things! But in reality, that is not the core purpose of government and our private sector is not able to pay for

it all.

Today, as we all know, overspending by our federal and state government representatives has created a budget crisis. It is now time to reduce spending on programs we desire and cannot afford. The core purposes of government must now be our focus. It will take an effort by “We the People” to vote responsibly in the next election, and elect those representatives who understand that we cannot do it all and therefore must reasonably tax those who provide the wealth so that we have something to transfer.

Witness the estate tax, a valid process to transfer wealth. But, when it takes a multi-generational crop (trees) and forces the premature sale of them or the land they stand on, the process ceases being valid. The government no longer provides a balance between instant, but short-sighted wealth transfer (estate taxes) and long-term wealth transfer (jobs and other taxes).

Currently there is an adequate \$5 million dollar exemption and a 35% tax on tree farms at death of the owner. It may change in the next 1–1/2 years. I urge all tree farmers to look into the impact of any potential changes. I urge all members of the WFFA to talk to a trusted expert about what you can do now to minimize the impact of the “death tax” on your family farms. Because, while those we elect will continue to “transfer the wealth”, we land-rich, but cash-poor tree farmers, must take the responsibility to utilize good planning to keep our wealth... green side up!

Treefully,

Rick Dunning

Executive Director

Welcome To Our New WFFA Members!

CLARK

John & Mandy Maul, Boulder Cr. Landscape Inc.

KITTITAS

Suncadia Community Council - Karen Bailey

LEWIS

Barry & Teri Armstrong

Jason Imes

Sam & Sharon Madsen, Madsen's Shop & Supply Inc.

John W. & Rosina McCarthy

Edmunda Waller

NE WASHINGTON

Chris & Dana Base

SPOKANE

Angel Spell

UPS

Mark Salser & Meika Decher

Richard Hoidal

George Lawson

Arley Tracy

WHATCOM

Ray & Corean Bakke