Testimony of John Burke, Chairman, Board of Trustees American Forest Foundation and Virginia Tree Farmer For the House Agriculture Committee Subcommittee on Conservation, Energy and Forestry May 18, 2012

Families and individuals steward more of America's forests than the federal government or corporations, owning 35 percent of our nation's forests. Our forests provide clean air, clean water, recreation, renewable resources that build and power our homes and communities, and good-paying rural jobs. Our families invest their own time, resources, and energy to keep forests healthy and ensure our children and grandchildren have the same opportunities.

My family owns farmland and forests in central Virginia that have been in the family for six generations. Our forestland is certified by the American Tree Farm System®, a sustainable forest certification system and outreach and education program of the American Forest Foundation. I manage the farm and forest for my family, where we grow both pine and hardwood trees for paper products, dimensional lumber, pallets, flooring, cabinets, molding, veneer, fuel, and other uses. We pride ourselves in the wildlife habitat we create, and we keep our forests healthy so the rivers and streams that run through them are clean. Our property borders the Mattaponi River, which eventually combines with a few other rivers to flow into the Chesapeake Bay.

But sometimes, events outside our control overtake us and family forest owners need help, both technically as well as financially—help which can be provided by the conservation, forestry, and energy programs in the Farm Bill.

America's family-owned forests, are facing a "perfect storm:" ongoing and increasing threats of wildfires, invasive species and insects and diseases, pressures from development, significant declines in markets for timber products, and an impending demographic shift with over 170 million acres of America's forests changing hands in the next three decades. More than 170 million acres are owned by people 55 years or older.

While some traditional American agriculture producers have seen record prices for crops like corn, America's forestry producers—family forest owners and Tree Farmers—are facing record low prices for their timber and a housing market that is the worst it's been since the Great Depression. This means, not only is it harder for families like mine to keep our forests as forests—even just paying the taxes is difficult. It also means the jobs in rural America that rely on family forests and the forest products industry are suffering. The forest industry has lost over 322,000 jobs since 2005. Since families and private landowners supply about 90 percent of the timber used in forest products

manufacturing in the U.S., what happens to private landowners will have an incredible impact on the forest industry.

To protect the many public benefits that forests provide and to maintain strong rural communities, we need to ensure that family forest owners have the tools, technical information, and policy support to keep their forests as forests for current and future generations. This is why the American Forest Foundation leads the Forests in the Farm Bill Coalition, a diverse coalition of over 60 organizations dedicated to protecting forest owner and forest conservation interests in the Farm Bill. Our Farm Bill-related recommendations contained here largely reflect the recommendations of the Coalition.

The American Forest Foundation is a nonprofit conservation organization that works on the ground through a variety of programs including the American Tree Farm System, representing 89,000 certified Tree Farmers across the country who sustainably manage more than 27 million acres. Our mission is to help these families be good stewards and keep their forests healthy and intact for future generations.

Because we know that conserving our forests also means preparing the next generation to manage and care for them, AFF is also home to the largest environmental and natural resource education program, Project Learning Tree® (PLT). Our network of coordinators in all 50 states helps train more than 30,000 teachers each year in peer-reviewed curricula, correlated to state standards. Since its inception, PLT has reached 75 million students, helping them learn "how to think, not what to think," about complex environmental and natural resources issues.

As you know, the 2008 Farm Bill included significant improvements for forest owners, supporting more forest conservation and good forest management across the country. Farm Bill's conservation, forestry, and energy programs give forest owners support to face the growing threats, to keep out forests healthy, and to keep forests as forests. In the 2012 Farm Bill, we hope to build on the success of the 2008 Farm bill and make further improvements.

All this being said, we understand the current fiscal constraints this Congress is facing. We believe the budget cuts that this Committee worked to identify in the build up to the Super Committee process, while not without impact, represent a reasonable approach to address the current financial situation. We hope this Committee will work hard to ensure that the \$23 billion in cuts agreed to last fall remains intact. We know this Committee is facing pressure to make further cuts beyond this and we urge that if the Committee does make further reductions, conservation and forestry programs are not cut disproportionately to other programs.

With the challenges and threats facing private forests, the 2012 Farm Bill should include a focus on enabling forest conservation and good forest management on private forests and surrounding rural landscapes. The 2012 Farm Bill should also support the creation

and maintenance of forest-dependant rural jobs and strong rural economies in forest communities. This can be achieved by focusing on five key areas that will better enable forest conservation and management on private forests:

- Improving Conservation Programs for forests;
- Strengthening forestry outreach, education, research, and inventory programs;
- Combating forest-related invasive species;
- Improving forest market opportunities
- Educating the next generation

Improving Conservation Programs for Forests

Farm Bill Conservation Programs, especially EQIP, WHIP, and CSP, offer a variety of tools for private forest owners to improve their management practices as well as help keep their forests intact and economically viable. Funds spent on forestry from many of these programs have more than doubled since the last Farm Bill, meaning landowners like me are leveraging cost-share dollars with their own time, energy, and investment to implement conservation practices on forest land. Not only have landowners received a helping hand for practices they couldn't have otherwise afforded, but they are also gaining valuable on-the-ground expertise that make them better stewards in the long-run.

Tim and Sue Gossman have owned a 100 acre Tree Farm in Minnesota for over 25 years. The Gossmans enrolled in Farm Bill programs to improve their highly erodible land and do their part to improve water quality in the Mississippi River watershed. Without Farm Bill program assistance, the Gossmans wouldn't have been able to complete these practices.

Tim says, "these Farm Bill programs provide a financial incentive to conserve the land through practices like erosion control dams. It's not enough to cover the cost of all the work that needs to be done. We do the rest because we truly care about the land."

Another example that highlights the economic benefits of the conservation programs is the story of Andy Abello and Amanda Russell in Maine, who with WHIP funding were able to build access to a track of their forestland that they previously could not access. In the process they made a number of wildlife habitat improvements. Now that they can access this tract, they can manage it keep it healthy as well as begin to shape it into an economically viable tract that will eventually—maybe 30-40 years from now—support rural jobs, like loggers, foresters, and furniture makers. This is a perfect example of how Farm Bill programs can help support economically viable improvements while also aiding wildlife habitat.

In addition to these families across the country, my family has also participated in Farm Bill conservation programs which have helped create healthier forests, enhanced

wildlife habitat, improved water quality, and improved the economic viability of the land for future generations.

Through the Conservation Reserve Program (CRP), the Wildlife Habitat Incentive Program (WHIP), and the Environmental Quality Incentives Program (EQIP) we have been able to improve the quality and health of our woodlands and waterways and create essential habitat for game species. We've restored logging decks and skid trails as food plots and game corridors; sustainably reforested tracts with site preparation, replanting, and practices to reduce invasive and unwanted competition for the seedlings; thinned hardwood stands and released crop trees to create healthier habitat and a more viable stand for future generations; and established filter strips along our streams to protect the water quality from nutrients from our farmland. Through CRP, we are approximately 20 years into a 30-year warm season grass planting, which creates incredible wildlife habitat and also protects water quality.

In addition to these improvements, we've also undertaken an experiment on our farm, planting bald cypress trees in an area that is the species northern most range. We are trying to determine whether we can bring the species back, restoring it to its historic range. This of course is a very long range experiment, since bald cypress have at least a 500 year life cycle.

Recently, we also decided to enroll in the Conservation Stewardship Program (CSP). We already do a lot for conservation and this Program rewards us for our good practices that we've already been doing and encourages us to do better. With some incentives and encouragement from CSP, we are doing a series of thinnings to improve forest health; improving hardwood stands by releasing crop trees; burning the understory of our pines for wildlife; leaving snag trees, dens, and piles for habitat—which reduces the income from a timber sale; protecting streamside management zones and doing other water quality improvements; managing our roads and logging decks to promptly stabilize them after a harvest and create wildlife corridors; and developing a fire protection plan for our forest—something we've never had but are now investing in—which will help my family and our neighbors, including the neighboring state wildlife refuge. We also are encouraged to do our herbicide spraying using GPS technology to ensure spraying precision. Many of these are practices we are paying for because CSP encourages it.

Now many ask the question, if you're generating income from your land, why do we need an incentive payment for these practices? Well the reason is this: for my family, we are managing our forest for future generations, just like my ancestors did. My sisters and I will not likely see the return on investment for these practices in our lifetime and just like farmers, we are running a business. We could not economically justify many of these practices we are doing with these programs—some of which will improve the economic viability of our forest for the next generation and some of which will improve public benefits like wildlife habitat and water quality—if it weren't for the cost-share

assistance. On top of this, as an added benefit for our local community and economy—we put foresters and loggers to work when we implement these practices.

It is because of all this great work that is going on in the mosaic of family forests across the country, we urge the Subcommittee to maintain forest owner access to important cost-share programs like EQIP and WHIP as well as remove the cap on forest enrollment in the Conservation Stewardship Program, so forest owners have full access to that program.

We also urge the Committee to strengthen incentives for mid-contract management on forested CRP lands, to ensure that landowners can continue to steward these lands and create the wildlife habitat and healthy forests that are so critical.

Strengthening Forestry Outreach, Education, Research, and Inventory:

Forestry outreach and education activities are essential for engaging private forest owners in conservation and management activities on their land. In contrast to traditional farming, forestry is a long-term, long-rotation endeavor, and most forest owners do forestry as their second or third job. Many don't have a management plan or have really even thought about the future of their land. And, many forest owners think leaving their forest alone is the best option—even when the science tells us that active forest management is critical to supporting all the benefits from forests—wildlife habitat, clean water and air, and timber production.

Forestry outreach and extension help engage these landowners so they know how to take care of their land, giving them the knowledge and tools to take the next steps and practice responsible management on their land. This education and outreach must be informed by solid forestry research and a comprehensive forest inventory that provide real-time information on health and condition of our forests.

Among many important programs, the Forest Stewardship Program is a priority for many of our Tree Farmers and a surefire way to work with state forestry agencies to boost technical assistance capacity for forest owners. While not directly a "farm bill" program, this Program is essential to get landowners to a place to be able to implement EQIP, WHIP, or CSP practices. In March, more than 1200 forest landowners from 48 states, signed a letter in support of the Forest Stewardship Program, demonstrating the strong value this program is providing for owners on the ground.

Additionally, we hope this Committee will reaffirm the importance and strategic direction for the Forest Inventory and Analysis Program and reauthorize forestry extension—through the Renewable Resources Extension Act.

Combating Forest-related Invasive Species:

According to the US Forest Service, roughly 58 million acres of forests are at risk of increased mortality due to insects and disease. The Southern Forests Futures Report

points to continuing infestations, especially of invasive species, with severe impacts on our forests.

Many of our Tree Farmers constantly worry about the long-term health of their Tree Farms. They fear they are losing tree species that will never come back on the landscape due to invasives—meaning their entire way of life is threatened. Jo Pierce, a Tree Farmer from Maine, can't help but wonder what he will pass on to his grandkids. With pests like the emerald ash borer, the hemlock wooly adelgid, and beech bark disease, Jo has no idea what his forest will look like in 20 years and whether the health of his 5th generation family forest will be ecologically sustainable in the long-term.

Maintaining the Farm Bill's Plant Pest and Disease Management and Disaster Prevention Program will help build and preserve critical plant health safeguarding initiatives.

Improving Forest Market Opportunities Recommendations

Without strong markets for both traditional and emerging forest products, forest owners have difficulty keeping their land forested and keeping it healthy. As many will tell you: "no cash, no conservation." Strong markets also provide landowners with resources to reinvest in their land. While markets are driven in large part by private sector activities, there are a number of policies and tools that Congress uses to stimulate markets.

Unfortunately, we've seen a dramatic loss of the traditional industry across the country. According to the US Forest Service, since 2005, nearly 1,000 mills have closed across the country, resulting in more than 322,000 jobs lost. In that same time, we've seen a 75 percent reduction in housing starts, a key driver in forest products markets. As a result, harvesting is down by 40 percent on private lands, including family forests.

This loss of the traditional forest industry is concerning not just for forest owners but for the rural communities that rely on these jobs and industries to survive. I see the impact of this decline first-hand in my home state of Virginia. Cash flow is critical to the proper management of healthy forests. Sound management cannot occur in a vacuum and requires markets for the full range of forest products to make proper forest management economically viable. Many forest owners can't afford to be good forest stewards, and it greatly troubles them.

This loss of traditional industry also means the infrastructure is disappearing too—the foresters, loggers, and truckers that forest owners like me rely on to help with our forest management are harder to find.

To help maintain and restore some of these traditional markets and alleviate some of the financial burden so many of America's forest stewards are facing, Congress can modify the USDA Biobased Markets Program in the Farm Bill's Energy Title to better incorporate forest products as renewable, biobased products. With this change,

Congress would ensure that USDA promotes the use of our traditional and new products with a labeling program and the federal government purchases our products—stimulating new markets and helping to mitigate the devastation with which the industry is dealing.

Under current policy, most traditional forest products are excluded from this program, despite their biobased content, because USDA has excluded so called "mature products" from the program. Even products made with wood from my forest, like veneer, pallets, or flooring products, are currently not eligible for the program. On the other hand, other products that directly compete with our American products, like bamboo paneling which is primarily imported, are considered 'biobased' by the program.

We want to thank Chairman Thompson and Representative Schrader along with a number of Members on this Subcommittee and many others in the House, for introducing the Forest Products Fairness Act, to fix this problem. With this legislation the federal government will purchase our products and USDA will promote our products, just as they are currently doing for our competitors. We applaud these efforts and urge this important legislation be included in the Farm Bill reauthorization.

In addition to traditional forest markets, the growing renewable energy market is also critical to forest landowners. The Farm Bill's Energy Title contains a number of programs that will help support the development of this market. Given that most of the opportunity for using forest biomass for energy is in the electricity and combined heat and power arena, we believe the Energy Title's Community Wood Energy Program and the Renewable Energy for America Program offer the most potential to create markets and use forest biomass for energy now.

Educating the next generation

Family forest owners know all too well the need to educate the next generation about forests. With over 60% of private forests owned by people age 55 or older, the fate of the nation's private forests will be in the hands of the next generation very soon.

Unfortunately, today's youth spend, on average, 27% of their time with electronic media and only 1% outdoors. And most Americans today cannot even pass a basic quiz about our natural resources. While there are a number of USDA supported education efforts, most of these efforts are after-school activities that are prevalent in rural communities; however, many new family forest owners are absentee landowners and city dwellers. The Farm Bill can strengthen existing USDA efforts to focus on engaging kids in the classroom, during school hours, in efforts to learn about our natural resources, ensuring kids are equipped to take on the management of this important resource.

Forest Roads Regulatory Issues

All of these Farm Bill programs are important in providing voluntary, incentive based approaches to help family forest owners conserve their land and the values and benefits

for every American. Unfortunately, there is an effort underway, following a ruling in the 9th Circuit Court of Appeals, to regulate forest roads as point sources of pollution requiring permits under the Clean Water Act. Regulating forest roads as point sources will have many negative consequences on the voluntary conservation and stewardship that the nation's family forest owners practice. In fact, one recent study estimated that a permit requirement for family forest owners could add costs of as much as \$750 per harvested acre, reducing returns by as much as 70 percent. With all the other threats and challenges I've mentioned already, these added costs will have the unintended consequence of making it nearly impossible for most family forest owners to continue the good management on their land.

Congress has clearly acknowledged through investments in forest conservation programs that voluntary, incentive-based approaches really do help keep our air and water clean. We also know this is the case because of a number of studies that have evaluated the effectiveness of best management practices in protecting water quality. If EPA moves forward with a rule to regulate forest roads as a point source, this will directly conflict with the current approach to protecting water quality in forests, as addressed in the Farm Bill.

We urge Congress to pass the Silviculture Regulatory Consistency Act, HR 2541/S 1369 to ensure that we continue the strong voluntary incentive based approach to protecting water quality in forests.

To conclude, AFF recognizes that the Agriculture Committees must work hard to balance spending reductions and effective on-the-ground conservation. We simply hope that this Subcommittee will keep America's more than 10 million family forest owners and 500,000 PLT educators in mind whilst writing the 2012 Farm Bill.

I thank the Subcommittee for giving me the opportunity to provide some insight on Farm Bill programs and appreciate your consideration of my testimony. I am more than happy to answer any questions on any of AFF's recommendations.