



Working
Woodlands™
GREEN PRACTICE, GREEN PROFIT™

Getting the Value Proposition Right for Forest Landowners

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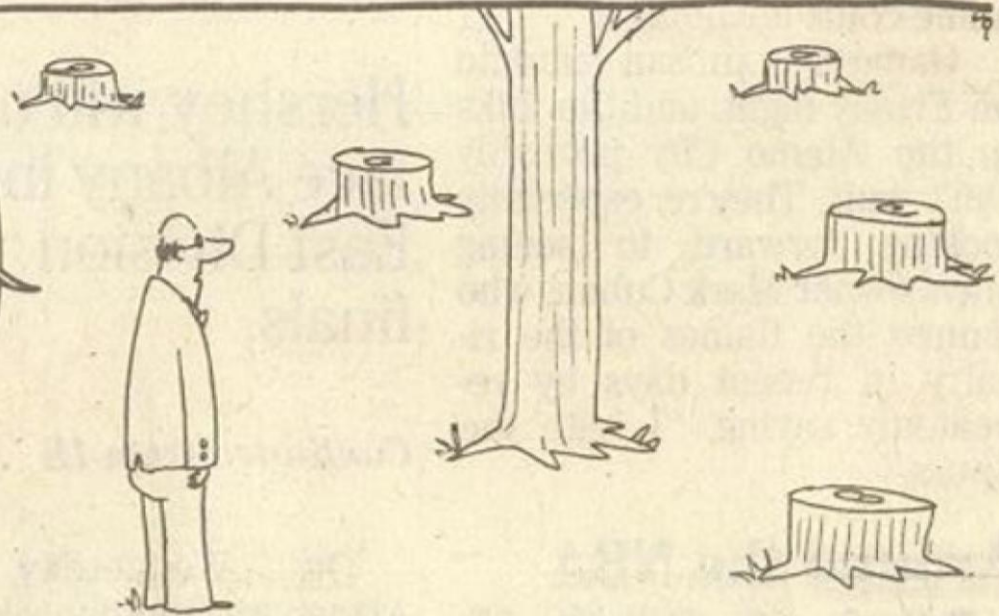


RHYMES WITH ORANGE®

THE FOREST MANAGER



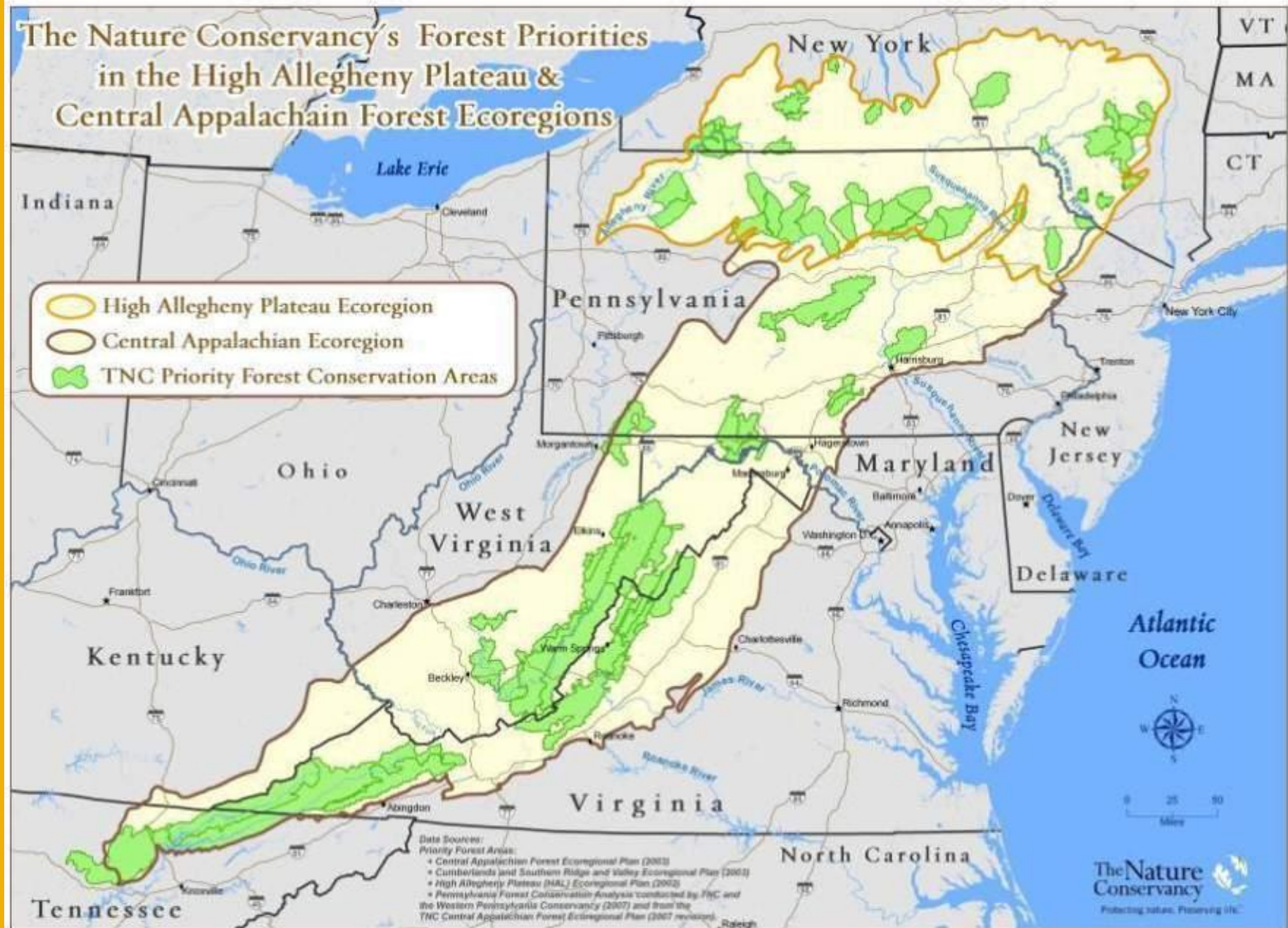
STAFF'S BEEN CUT,
SO WE NEED YOU
TO ABSORB THE CO₂
OF THE REST OF
THE DEPARTMENT.



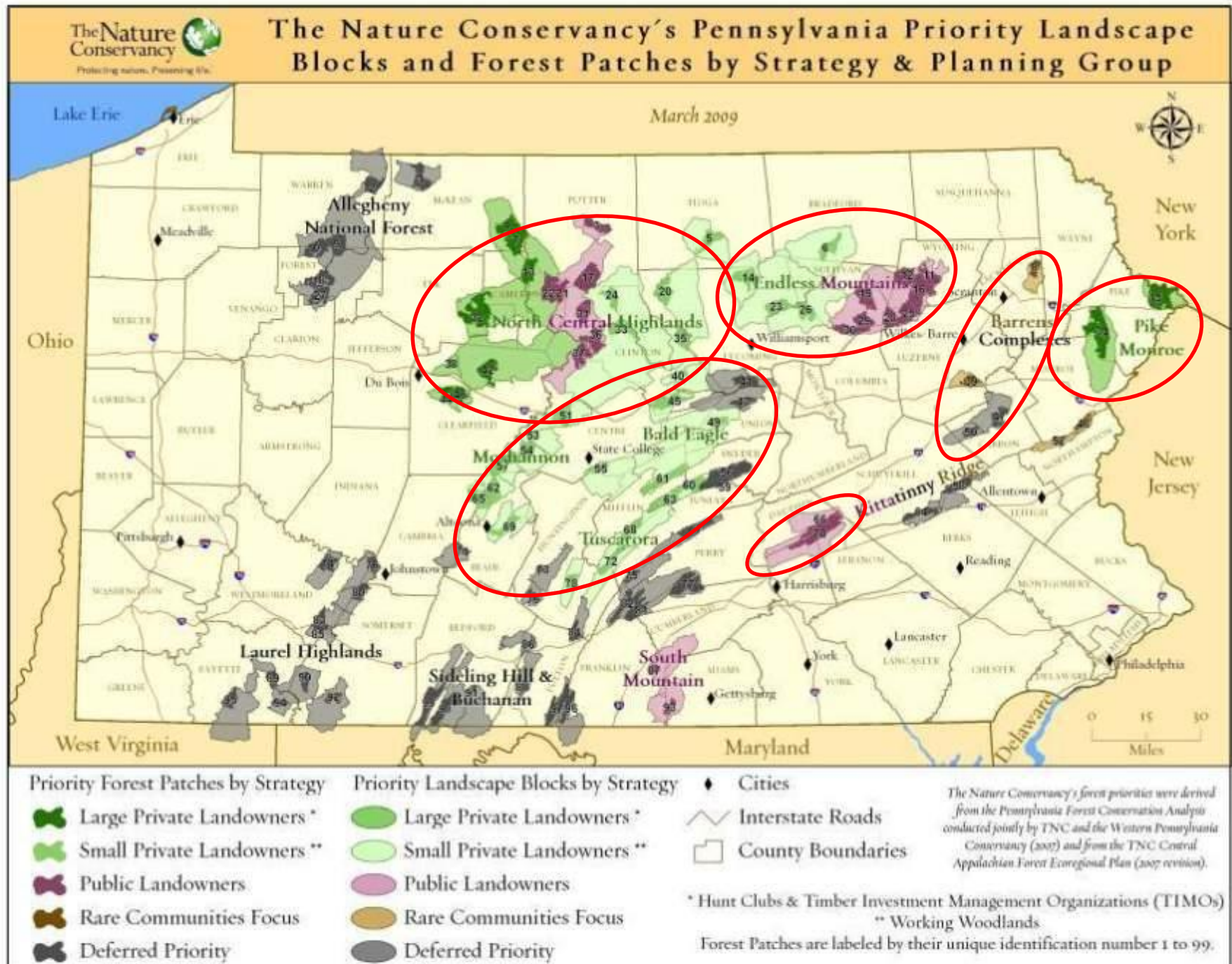
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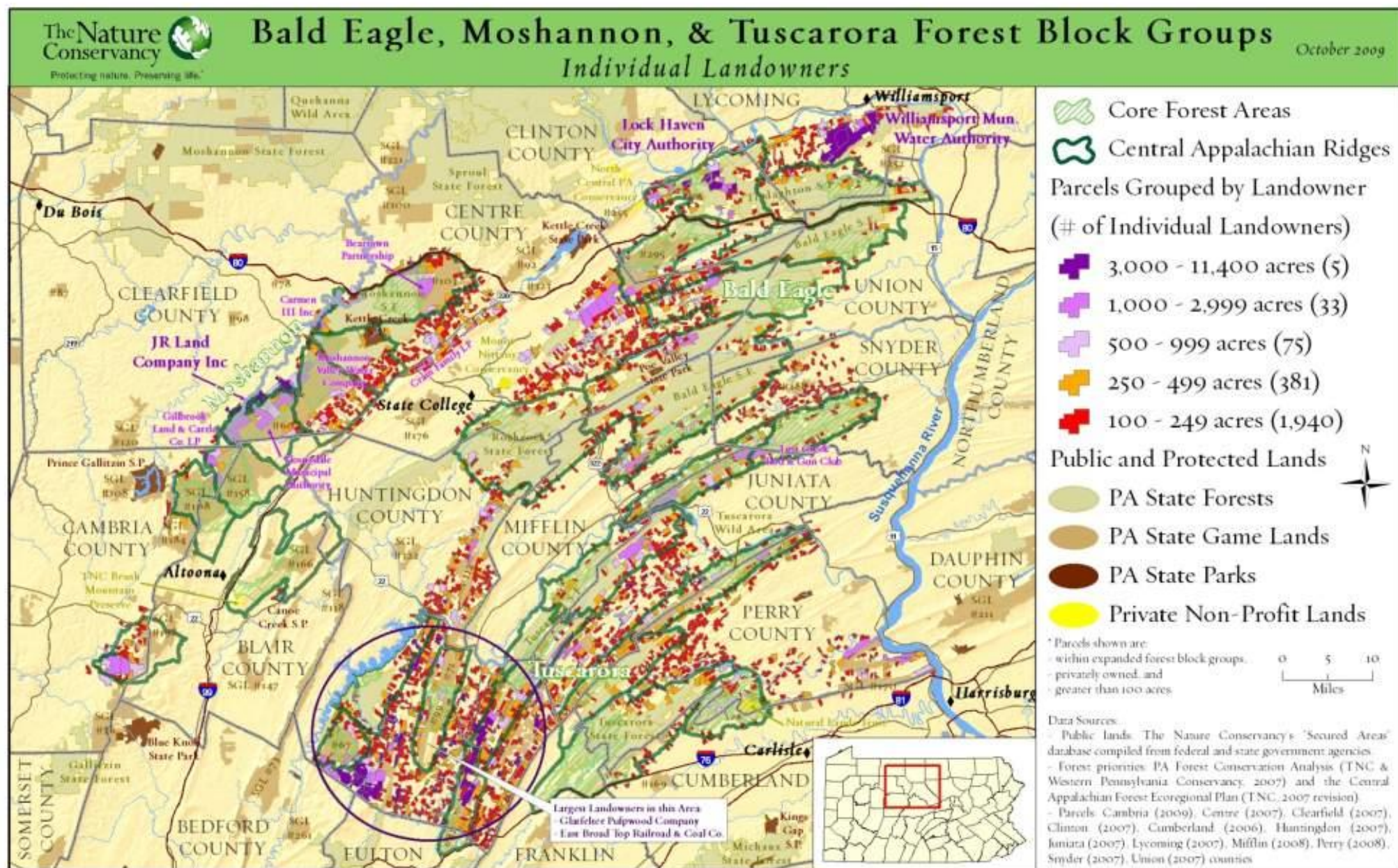
Priority Landscapes



Where We Work



Owners – Central Appalachians



Where are private forests heading?

here?



or here?





FIA

Condition (1989-2005)

- Stocking: Public > Private
- Grade Quality: Public > Private
- Low Use: Public < Private
- Site Quality: Private > Public

= Degraded Private Forest Lands via Poor Management

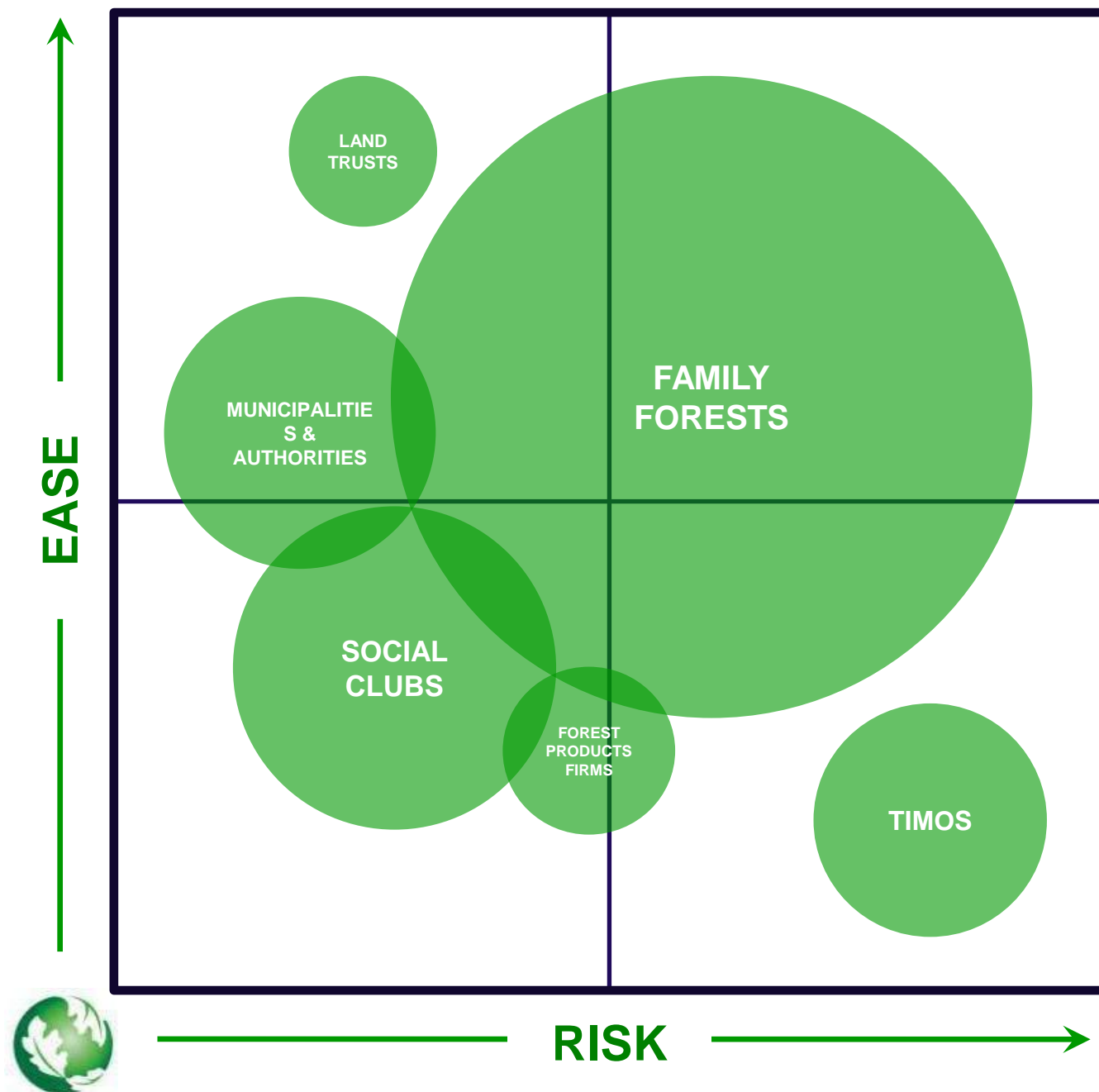
NWOS

Private Landowner Trends and Challenges

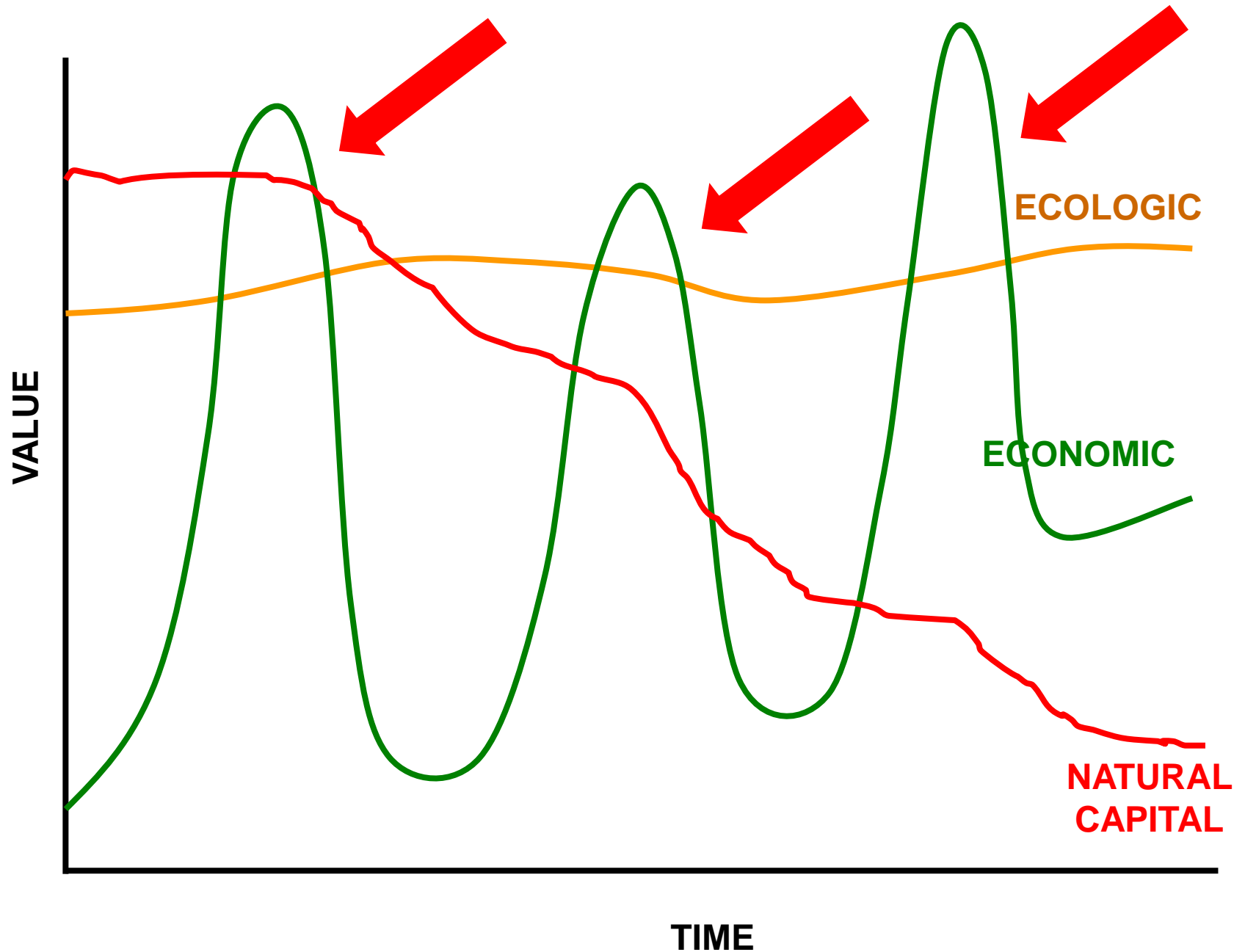
- Aging landowners with wave of intergenerational transfer
- Lack of forest and estate planning
- Disinterested heirs
- Ecological + amenity values over income, but...
- Harvest without plan or professional assistance
- Poor incentives to protect and manage forests sustainably

= Forest parcelization and forest use/cover fragmentation

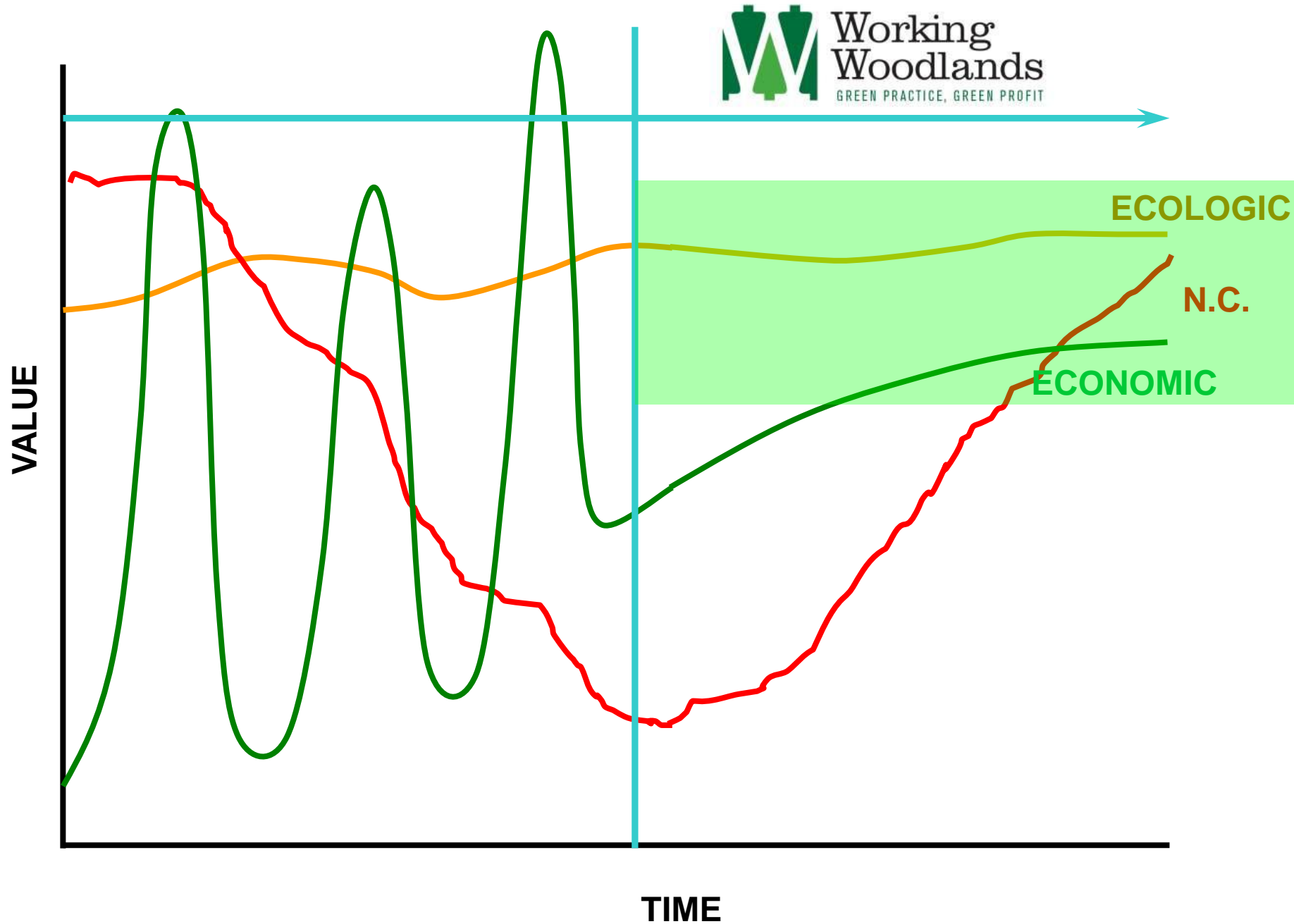
Forest Landowners



Why do bad things happen to good (private) forests?



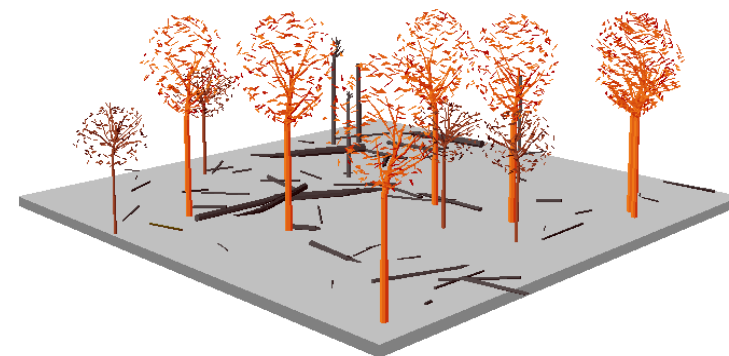
Sustainable Flow of Values



Tale of Two Forests...

TYPICAL TRAJECTORY

- No plan
- No certification
- Declining timber quality
- No ecosystem service sales
- Parcelization and fragmentation



- Degraded forest
- Low quality timber
- Low quality habitat
- Low carbon storage

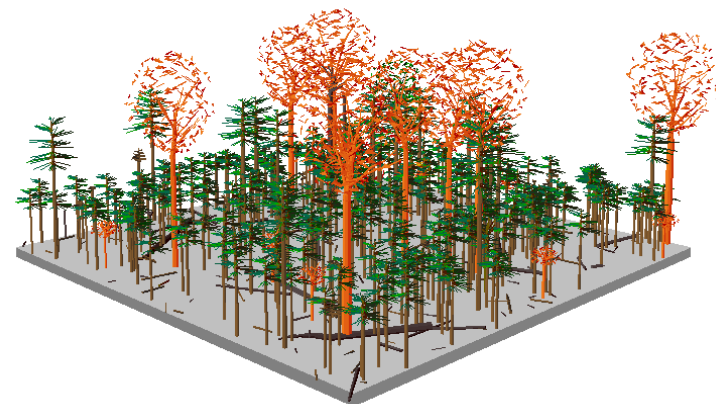


PRESENT



High quality plan

- FSC certification and sales
- Ecologically-based forest management
- Ecosystem service sales
- Protected investment



- Healthy forest
- High quality timber
- High quality habitat
- High carbon storage

Fundamentals



Maintain working forest landscapes for the production of high quality ecologic and economic values.

LONG-TERM FOREST PROTECTION

- Working forest easements
- Working forest agreements

CERTIFIED FOREST MANAGEMENT

- Inventory
- Assessment and plan
- FSC certification

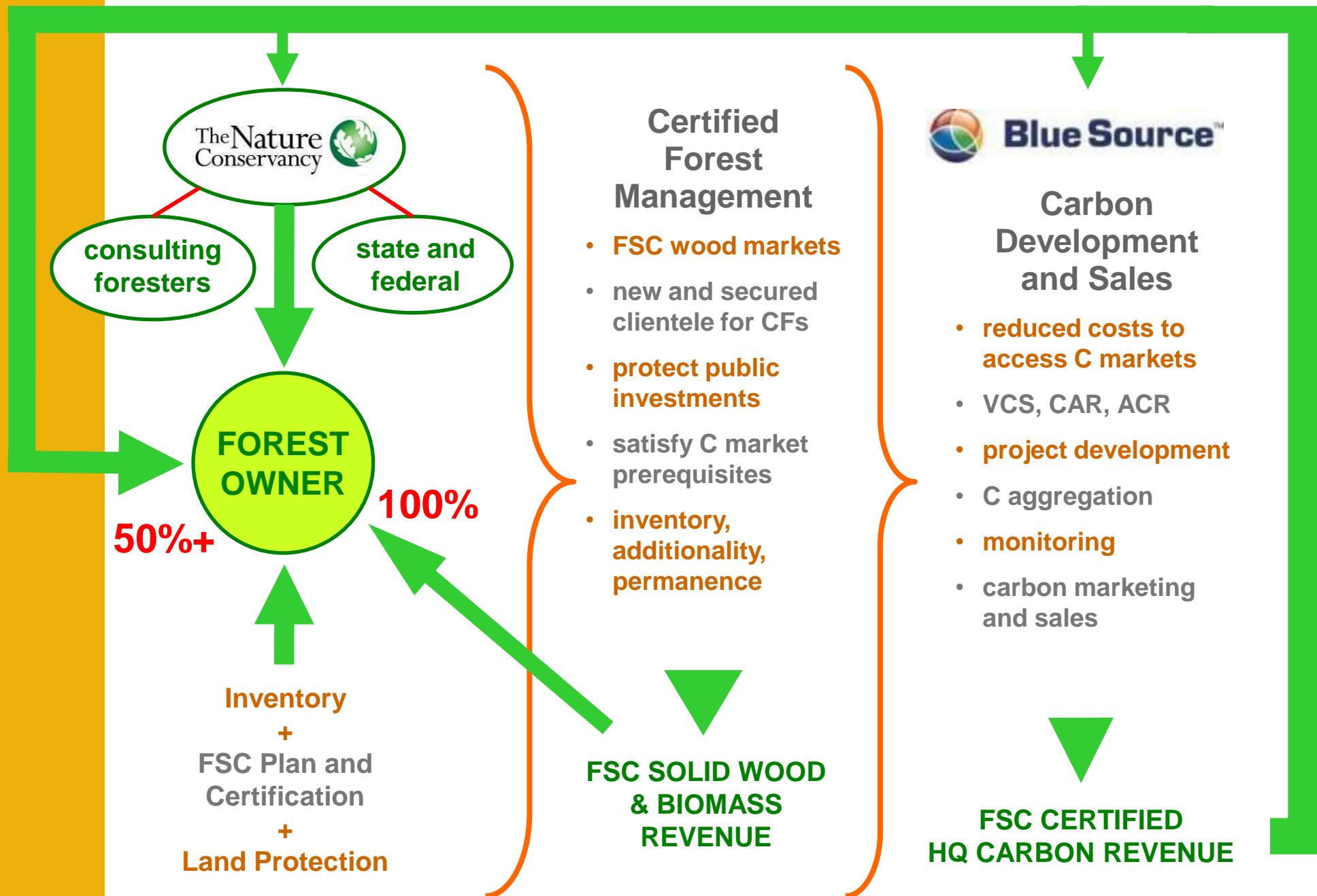
ECOSYSTEM VALUE MONETIZATION

- IFM + AC carbon offsets
- Nutrient trading
- Habitat mitigation

**Institutional
and contractual
framework**

**Credible
and feasible
value proposition**

Business Model



Landowner Benefits

- No up-front, out-of-pocket costs
- Full inventory
- FSC plan and certification
- 100% FSC-certified wood product revenues
- 50%+ forest carbon revenues
- Income tax deduction for easement donation
- Plan implementation
- Ecological health => product diversity => economic stability

PROPOSITION:

Ecologic
Economic
Social

Reduce or eliminate
transaction costs

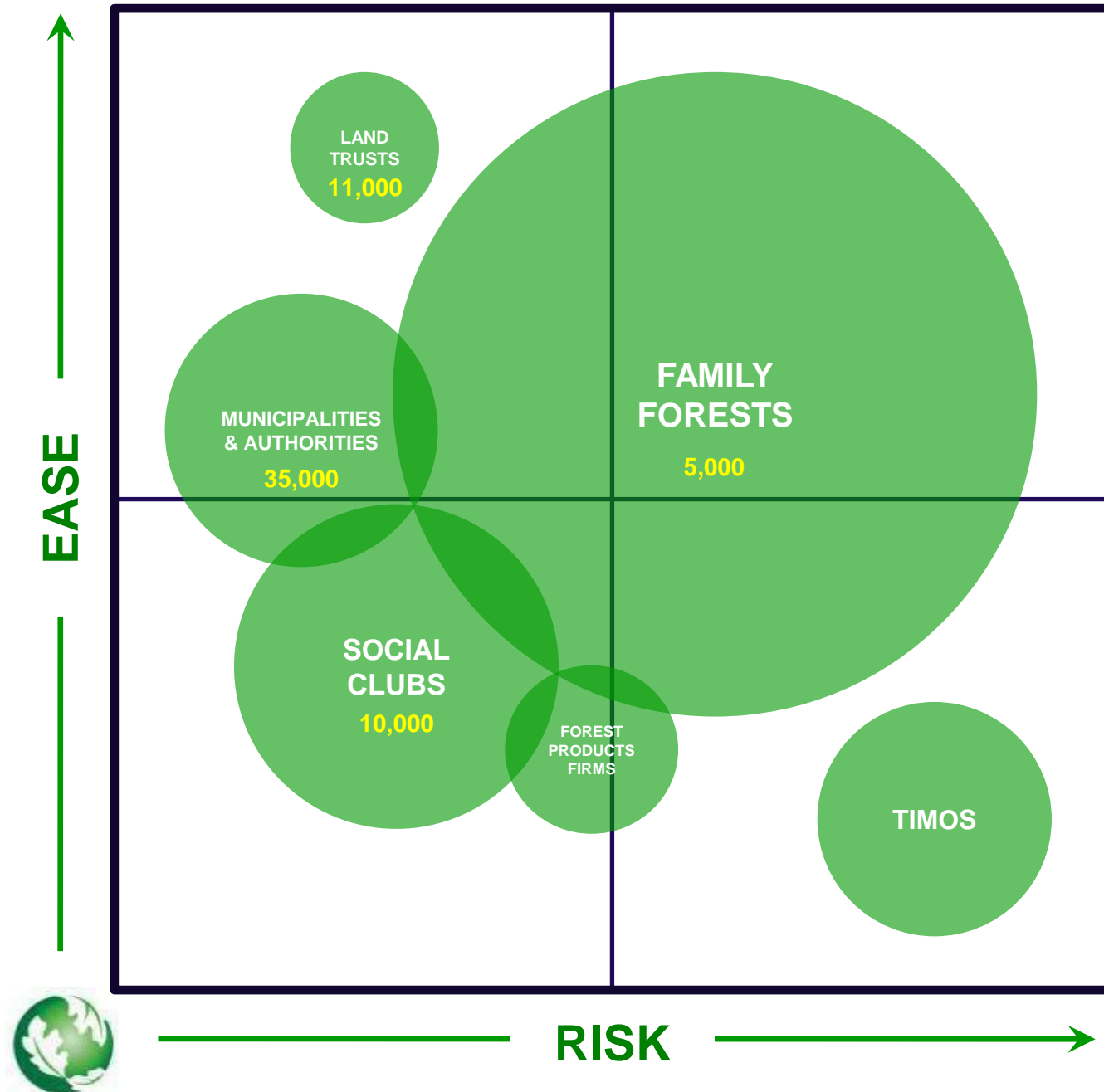
Shared
risk-reward model

Long term
relationship

Public Benefits

- Focus and protect public/private investments
- Active and engaged landowners
- Repair degraded forests; maintain desired conditions
- Keep working landscapes working and in private ownership

Portfolio Development



Early Lessons

Market segments

- Family forests
- Social clubs (hunt/fish, BSA, religious)
- Sawmills, other corporate
- Water authorities
- TIMO
- Land trusts and other TNC chapters

**Institutional
and contractual
framework**

**Credible
and feasible
(revised) value
proposition**

**Messaging, goals,
barriers, values and vision**

Financials

- Income assumptions sound
- Cost assumptions steady
- USFS SPF grant (\$500k)
- Competing propositions understood
- Carbon protocols maturing, soft \$\$
- Quality, credibility

Better messaging

**Greater confidence in
value proposition**

Strategy replication



Thank You!

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nature.org/workingwoodlands