

Annual Report 2003

VFF IS ABOUT HEALTHY FORESTS

We live in a place where a temperate forest really wants to grow. The rich soils, ample and well-timed rainfall, and diverse flora and fauna all conspire to blanket our landscape with a northern hardwood forest that is very capable of constant self-renewal. We can help it stay that way.

Vermont Family Forests exists to help us be better stewards of our forested home. First, VFF offers educational programs, newsletters, and publications that increase our understanding of how the forest keeps itself healthy. VFF also shows us how we can obtain products from the forest without compromising the ecological functions and values by which the forest maintains itself as a healthy ecosystem.

Second, VFF has developed forestry tools and products that encourage the practice of ecologically sustainable forestry. The tools—including checklists, forest management plan templates, inventory systems, natural community mapping, and monitoring protocols—have been independently reviewed and approved by the Forest Stewardship Council. VFF continually upgrades these and makes them available to landowners. VFF also sells products such as scale and grade sticks, water-based boundary marking paint, non-petroleum bar and chain oil, and more to help forest stewards tend their forests well.

Finally, VFF has identified ways to improve the economic returns that landowners receive from ecologically sustainable forestry. Selling timber as stumpage, based on mill scale into an undifferentiated commodity market, simply does not pay the bills of forest ownership and stewardship. Through its many demonstration projects, VFF has repeatedly shown that wood from carefully tended forests can be harvested and converted into high-quality products through local value-adding services and that more value can be returned to the forest and the stewards of the forest.

Through its demonstration projects, VFF has identified some real opportunities for improving the connections between the supply of ecologically sustainable forest products with the market demand for them. However, it is now up to commercial entities—existing or forming—to build on the learning of these demonstration projects. An interested subset of VFF's landowners is starting to look into this.

So, what will VFF's function be in connecting wood from healthy forests and the marketplace? In the



near-term, VFF will help assemble a portfolio of what forests in its certified pool “want to yield.” This portfolio will likely consist of marked trees ready for harvest according to VFF guidelines. Eventually the portfolio may include maple

products and recreational opportunities.

Another long-term role for VFF in the forest product marketplace could be marketing of Family Forest® brand products. This might one-day be accomplished through licensing of the brand to a commercial entity or entities. Much work needs to be done before this can become a reality.

During the 2003 fiscal year, VFF initiated many activities to help further our mission to conserve the health of the forest community and, when appropriate, to promote the careful cultivation of local family forests for community benefit. This report outlines those activities. We give our heartfelt thanks to all who have helped in our efforts throughout the past year. We should be especially grateful to the VFF staff—Sandra Murphy, Laura French, and Netaka White—for all of their efforts in moving VFF forward. They have done outstanding work. And their achievements are even more remarkable knowing that each of them works on VFF tasks only 2 days per week!

Thanks, too, to Deb Brighton—who brings beautiful flowers and boundless energy to every VFF meeting—for all of her innovative and groundbreaking work on Community Equity. Deb's work is gaining the attention it deserves from many

conservation organizations across America and beyond. And finally, we are deeply grateful to the VFF Board of Directors—Paul Ralston, Jonathan Corcoran, John Elder, and Chris McGrory-Klyza—for their continued commitment to the mission of VFF.

"May the forest be with you!"

David Brynn
VFF Founder and Addison County Forester

EDUCATION AND OUTREACH

Education is at the core of VFF's mission. Through our workshops, publications, website, newsletters, ecological forestry merchandise, and one-on-one outreach, we act on our belief that well-informed forest stewards are the key to maintaining healthy private forests.

Workshops

In 2003, VFF offered more workshops than ever before. More than 150 people took part in 13 workshops.



Tree Identification

Winter and Summer sessions

VFF's Director of Forestry, Laura French, guided participants in identifying trees by bark, twigs, habitat, and—when available—leaves.



Conducting a Biological Inventory in Your Family Forest: A Case Study of Lincoln's Colby Hill Town Forest

Twenty-five participants joined herpetologist Jim Andrews, ecologist Marc Lapin, and mammalogist Jan Decher to learn techniques for assessing biological



Game of Logging

VFF offered three sessions of Level I and two sessions of Level II of this excellent training course for chainsaw users, all of which were filled

Snag and Down Log Inventory Techniques

VFF Director of Forestry, Laura French, showed landowners how to collect data to update their forest management plans.

Appraising Timberlands Subject to Conservation Easements

Bret Vicary, PhD, led this workshop, part of VFF's Community Equity project. Participants from many Vermont conservation organizations learned how timber land subject to a conservation easement should be appraised and how easement



Wood Identification

Instructor Roy Whitmore taught 17 participants how to identify various woods by their structural characteristics.

Other Education Outreach Projects

VFF hosted the 2nd Annual VFF Landowner Gathering on March 5, 2003, during which 32 landowners joined VFF staff and directors to enjoy a potluck dinner and discuss VFF's work to date and plans for the coming year.

VFF also hosted the three-day Ford Community-Based Forestry site visit, **Marketing and Brand Development**, which showcased VFF's work in this area.

VFF staff participated in:

- Shelburne Farms Harvest Festival
- Shelburne Farms Certification Forum
- Middlebury College Wood Celebration
- Forest Stewards Guild Annual Meeting
- Ford Foundation Community Based Forestry Annual Meeting
- 2nd Annual WoodNet Sustainable Woods Workshop



Natural Community Mapping

Ecologist Eric Sorenson led three sessions of this course, teaching landowners and natural resource managers how

Colby Hill Ecological Project

The Colby Hill Ecological Project monitors the biological diversity—plants, amphibians, reptiles, birds, mammals, invertebrates, lepidoptera (butterflies), and odonates (dragonflies)—of 680 acres of private land in Lincoln and Bristol, Vermont. Now entering its sixth field season, CHEP is accumulating information that will help provide baseline

ecological data against which the biodiversity, biological integrity, and water quality of other properties in this region can be measured.

An exciting development in 2003 was our collaboration with CHEP to provide both managerial assistance and education outreach for the Project.

VFF coordinated a workshop, *Conducting a Biological Inventory in your Family Forest*, that highlighted CHEP's efforts to promote ecological assessments to inform forest management on private lands. VFF also created a two-page section devoted to CHEP in its quarterly newsletter, and published its first newsletter in this format.

Left: Ecologist Marc Lapin explains to workshop participants how he goes about identifying and mapping ecological features and communities.

Right: Because white-footed mice (*Peromyscus leucopus*) and deer mice (*Peromyscus maniculatus*) are so similar in appearance, mammalogist Jan Decher must test a saliva sample to accurately identify this *Peromyscus* trapped during CHEP monitoring on Lincoln's Colby Hill Town Forest.



Ecological Forestry Merchandise

VFF added new products to its line of merchandise promoting ecological forestry practices.

- **Maple tree fertilizer.** Because sugar maple decline is a significant problem in Vermont, VFF began carrying a custom-blended organic fertilizer to boost the health of maple trees.
- **Bar and Chain Oil.** This year, we added a ½-gallon size to introduce new users to this excellent product at lower cost.
- **Wooden pens.** These beautiful pens, made by a local craftsman from scrap wood from VFF demonstration projects, help tell the VFF story of local wood from carefully managed forests.

Publications

- *Conserving Our Forests and Our Community: A Report on VFF Research and Demonstration Projects 2001-2002*
- *Introductory Information for Forest Landowners* Information Packet
- *A Landowner's Guide to VFF Forest Certification* Information Packet
- *A Natural Resource Manager's Guide to VFF Forest Certification* Information Packet

Newsletters:

May 2003, August 2003, CHEP 2-page newsletter mailed to all Lincoln residents.

Website

VFF continued to update and expand its website, www.familyforests.org.

SUSTAINABLE FORESTRY

VFF provides forest landowners with affordable access to third-party “green” certification as part of our commitment to encouraging sound economic returns from ecological forestry. We provide resources and guidance to both certified and non-certified landowners interested in ecological forest management.

In FY 2003, VFF:

- **Hired** Laura French to coordinate the process of management plan updates and additions.
- **Added** 805 new acres to certified pool, bringing the certified pool to 8,064 acres, 6489 of which is currently forested.
- **Refined** VFF’s management plan template to make the process of creating VFF certified management plans as easy as possible for consulting foresters.
- **Created** an information packet for landowners wishing to certify their forestlands through VFF. The packet explains the steps involved in certifying land and offers resources to facilitate the process.
- **Created** an information packet for consulting foresters to explain VFF’s certification system and offer tools and resources for developing plans and maps that meet VFF’s certification templates.
- **Streamlined** FOREX data collection process and developed protocol for using NED data collection system.
- **Hosted** a workshop for landowners interested in learning how to collect forest data needed to update their forest plans.

SLIMF Certification

One of our most significant certification achievements in 2003 was our application to, and subsequent acceptance into, the Forest Stewardship Council’s SmartWood certification program for Small and Low Intensity Managed Forests (SLIMF).

Our previous SmartWood certification was proving unsustainably costly, causing us to question continued participation in independent certification. SmartWood managers recognized the problem of

high annual costs to small landowners, and developed a pilot program that would require a less costly auditing process for participants meeting program qualifications.

VFF applied to be part of this program and in September, 2003, became one of 10 applicants worldwide certified through the SLIMF program. We anticipate that participation in this program will lower our annual certification fees considerably.



“Seeing good forest management on the ground while having a discussion about stewardship and the philosophy of owners is helpful to an understanding of the challenges and rewards of responsible family forest ownership...”

—VFF certified landowner Pete Parker

Landowners Pete and Julie Parker added their forestlands to VFF’s certified pool during 2003.

Left: Ecologist Eric Sorenson shows the Parkers how to assess soil pH as a tool to help determine natural community types on their property.

COMMUNITY EQUITY

In New England, forestland is becoming increasingly fragmented, with forestland ownership shifting to higher income, often non-resident property owners. VFF's Community Equity Project offers nothing short of a new model for forestland ownership. In the traditional forestland ownership scenario, when a large tract of land goes on the market, it's often sold at top dollar for development. In better case scenarios, local land trusts purchase the development rights on large forested tracts while remaining rights shift to an individual who can afford to buy them. Such an arrangement neither insures that the undeveloped land is managed ecologically nor addresses the current inequities in land ownership that deny poorer community members access to forestland ownership and stewardship.

VFF's Community Equity Project offers another option: **community-ownership conservation**. Under this model, a conservation group purchases a conservation easement on the property that not only buys development rights, but also establishes ecological management on the property in accordance with VFF's Forest Management Checklist.

Working through VFF, individuals can then purchase shares in this property, thereby buying rights to participate in this management, harvest timber, recreate, hunt, and so on. Members would share the costs of management as well as the returns.

Combining conservation and joint ownership has the following benefits:

- The land would be managed according to strict, ecologically sound principles.
- Community members who currently can't buy land would be able to do so without dividing the land into small, independently managed pieces.

- More community members would be connected to the land, and its stewardship, through ownership.
- Large tracts of land would continue as forestland in perpetuity. This is beneficial for conservation purposes; it also adds economic stability for forest-dependent industries, including tourism.
- Community members of limited means could afford to hold the land. Because the cost of the underlying rights would reflect the income-producing potential of the land as managed according to VFF principles, it should produce a return on the investment, after deducting the costs of taxes and management.

If this model can be successfully demonstrated locally, VFF will seek to establish other community-ownership conservation initiatives throughout the state, facilitated by a non-profit organization established specifically for that purpose.

In 2003, VFF made great strides in developing this ownership model.

Under the direction of project leader Deb Brighton, VFF:

- **Facilitated** several meetings with local conservation organizations to introduce this idea and establish collaboration.
- **Identified** the parcel of land on which to launch the Community Equity ownership model, and began to develop a conservation partnership with the current owner of this property.
- **Conducted** a forest inventory of the parcel and developed a management plan in accordance with VFF's management checklist and plan template.
- **Worked** with conservation organizations to:
 1. develop new language for conservation easements that clearly protects forest health in addition to limiting development.
 2. develop standards for appraisal of forestland subject to conservation easements.
- **Began** to identify marketing strategies for eventual selling of shares to community members.
- **Established** criteria governing share ownership, including maximum number of shares per household, number of shares



VFF Director of Marketing Netaka White rests by a sugar maple snag on the parcel with which we hope to launch the VFF community equity project.

reserved for qualified low-income households, and minimum number of shares for community residents.

MARKETING AND BRAND DEVELOPMENT

Since 1998, when the fledgling VFF organization plunged into the arena of facilitating the flow of independently certified forest products from local family forests into the marketplace, we have—through many high-visibility, local projects—researched and demonstrated possibilities for value-adding processes and the forest products marketplace. In 2003, we took time to review and assimilate the learning from those efforts and to build upon them with new initiatives.

During FY 2003, VFF:

- **Published** *Conserving Our Forests and Our Community: A Report on VFF Research and Demonstration Projects 2001-2002.*
- **Hired** Netaka White as Sales and Marketing Director to investigate the feasibility of creating a commercial entity to manage and market Family Forest® brand products.
- **Drafted** a business proposal for the commercial entity and held a planning meeting with interested landowners to solicit their input.
- **Developed** Summer Flooring Feasibility Study to test the business model for the commercial entity, which we later tabled due to lack of landowner participation. The learning from this project has helped further refine VFF's Community Supported Forestry model (opposite).
- **Coordinated** the formation of a landowner-led work group to research and develop guidelines for licensing of the Family Forest® brand.
- **Sold** VFF Hardwood flooring inventory to Rokeby Museum and Hanover Shambhala Meditation Center, and to an assortment of local homebuilders, woodshops, and furniture makers.

Jenn Staats, educator at Rokeby Museum, sits on their newly installed Family Forest® red oak



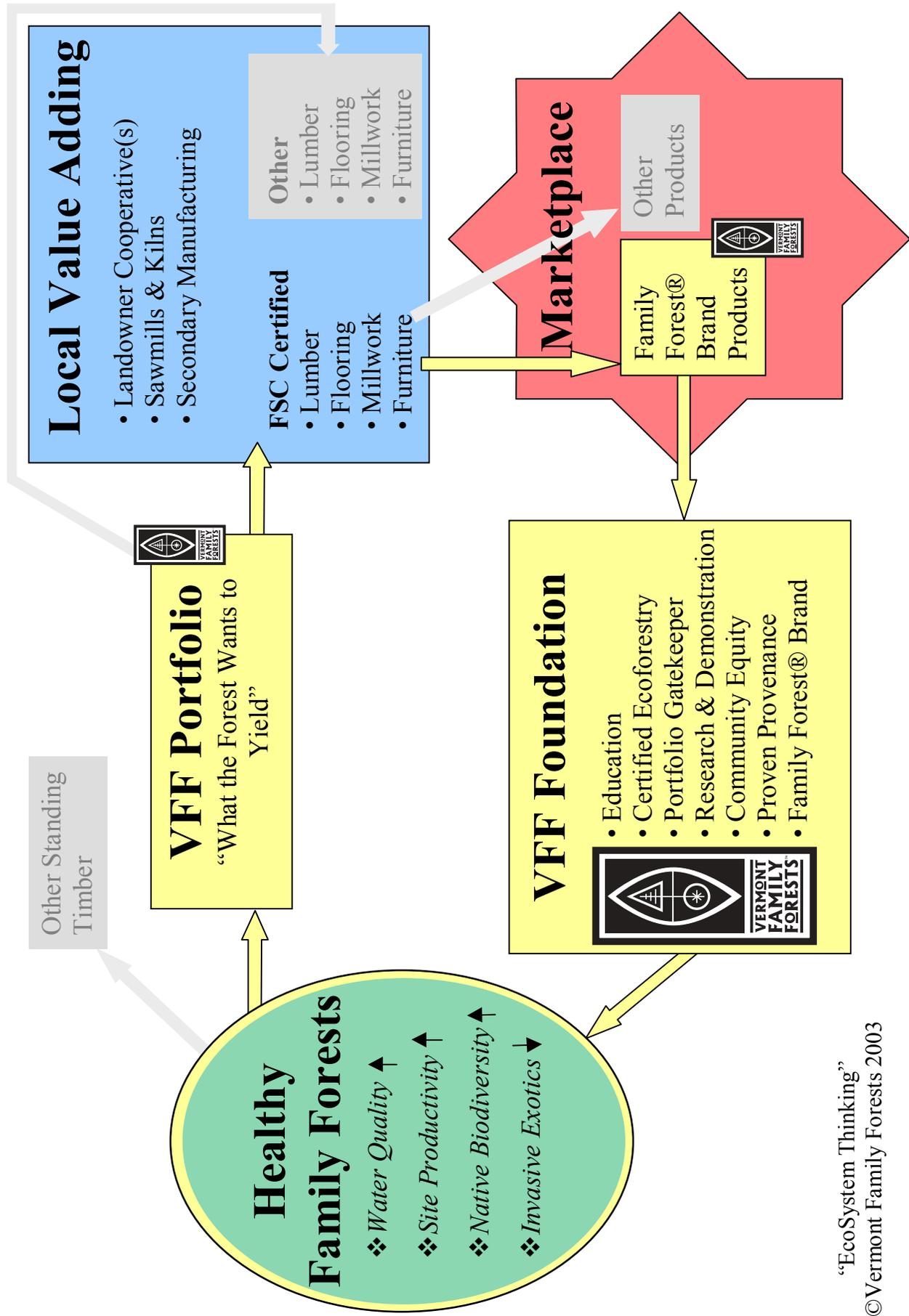
Our market research and demonstration projects have yielded these understandings:

- People value face-based, place-based forest products.
- The wood products value-adding process is ecologically, socially, and economically complex. Our challenge is to respect and conserve landowner options, while encouraging their organization so that they are in a better position to respond to market opportunities.
- Our early and intense involvement in high-profile building projects has created a misperception of VFF as a non-profit lumber company. Our work this year has largely centered on clearly delimiting the Foundation's roles and responsibilities, while identifying and assigning those roles and responsibilities that belong in other sectors, as detailed in VFF's Community Supported Forestry Model.

VFF's Community-Based Forestry Model

VFF's Community Supported Forestry Model (opposite) has evolved along with our organization, and captures our current understanding of how wood products from healthy forests can move into the marketplace and return economic benefits to forest stewards.

VFF's Community Supported Forestry Model



ORGANIZATIONAL ADMINISTRATION

In 2003, we were delighted to welcome **Netaka White and Laura French** to the VFF staff.



Netaka White

Netaka White, of Salisbury, Vermont, is VFF's Director of Sales and Marketing. He has taken on the exciting challenge of translating VFF's evolving market vision into reality.



Laura French

Laura French, of East Wallingford, Vermont, is VFF's Director of Forestry. She facilitates all VFF work relating to forest management and certification. She meets with landowners, oversees compliance with VFF's certification standards, streamlines our certification paperwork, prepares for our annual certification audit, and networks with consulting foresters.



Sandra Murphy

Sandra Murphy, of Lincoln, Vermont, continues her role as Director of Education, conducting outreach through workshops, newsletters, information packets, website, and ecological forestry products, and managing the VFF office.

We bid a fond farewell to **Len Schmidt**, our Director of Operations. Our loss is Winooski's gain as Len is now a full time teacher at Winooski Middle School.

Len is still a VFF landowner and will continue to be actively involved in VFF forest management and value-adding projects. **Devon Brynn**, our Administrative Assistant, also left VFF in 2003 to study physical therapy at the University of Vermont.

Vermont Family Forests Board of Directors

Paul Ralston, President

Chris McGrory-Klyza, Treasurer

John Elder

Jonathan Corcoran

Many, many individuals and organizations helped to move VFF forward in 2003. We are grateful to each and every one of them. We are especially grateful to:

Deb Brighton
Colby Hill Ecological Project
Ford Foundation
Forest Stewardship Council
Gund Institute
Lewis Creek Association
Middlebury College
National Wildlife Federation
Northeast Woodland Training
Otter Creek Audubon
Eric Sorenson

The Watershed Center
Vermont Department of Fish and Wildlife
Vermont Dept. of Forests, Parks, and Recreation
Vermont Land Trust
Vermont Sustainable Jobs Fund
Bret Vicary
Mary Virtue
Roy Whitmore
WoodNet
Barbara Wyckoff-Baird

VFF's work in 2003 was made possible, in large part, by a generous grant from the Ford Foundation.

Vermont Family Forests

Revenue & Expenditures

October 1, 2002-September 30, 2003 (With comparison to FY 2002)

	<u>Oct '02 - Sep '03</u>	<u>Oct '01 - Sep '02</u>
REVENUE		
Grant Proceeds	\$96,351.35	\$26,266.49
Donations	172.64	2,433.46
Education	7,706.50	4,577.50
Demonstration Projects	24,365.72	70,796.66
Certification	422.50	-222.80
Non-cash Contribution	0.00	342.30
Merchandise	2,276.99	1,086.20
Interest	545.93	803.77
Total Revenue	131,841.63	106,083.58
EXPENDITURES		
Education & Administration	40,396.65	23,795.61
Demonstration Projects	22,914.79	82,647.51
Certification & Community Equity	23,588.04	12,991.26
Merchandise	694.01	316.50
General Expenses	20,512.39	39,911.77
Total Expenditures	108,105.88	159,662.65
EXCESS OF REVENUE OR (-)EXPENDITURES	\$23,735.75	-\$53,579.07

Vermont Family Forests

Balance Sheet

As of September 30, 2003 (with comparison to FY 2002)

	<u>Sep 30, '03</u>	<u>Sep 30, '02</u>
ASSETS		
Checking/Savings	\$53,140.87	\$8,599.30
Accounts Receivable	2,066.36	6,044.99
Inventory Asset	1,824.64	913.46
Undeposited Funds	221.00	0.00
Fixed Assets	2,015.95	991.94
Security deposit	560.00	560.00
TOTAL ASSETS	\$59,828.82	\$17,109.69
LIABILITIES & EQUITY		
Liabilities		
Payroll Liabilities	896.20	1,139.54
Sales Tax Payable	0.49	325.18
Equity		
Fund Balance Unrestricted	947.44	0.00
CHEP Fund Balance, Temp. Restricted	18,603.97	0.00
Retained Earnings	15,644.97	69,224.04
Net Income	23,735.75	-53,579.07
TOTAL LIABILITIES & EQUITY	\$59,828.82	\$17,109.69

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