

Statement of Karen Serfass
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Hearing on the 2012 Farm Bill
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Thank you for the opportunity to appear before the Committee today to provide testimony on the reauthorization of the Farm Bill. The Farm Bill Conservation programs and USDA Forest Service private forest programs have been important tools for my family, leveraging our investments in our land with state and federal resources which ultimately improves the health of our forest for future generations.

My husband and I are Tree Farmers from Dafter, Michigan, certified by the American Tree Farm System®, a program of the American Forest Foundation. The American Tree Farm System helps more than 95,000 families across the U.S., who collectively manage nearly 26 million acres, by giving them the tools to keep their forests healthy and productive. The remarks I'll make today reflect the views of the American Forest Foundation.

I'm also a past-president of the Michigan Forest Association, which represents the state's family forest owners, as well as forestry professionals, forest products companies, and others interested in Michigan's forests. In addition to being forest owners, for our "day job" my husband and I run a small family pet shop.

Background on America's Forests

The State of Michigan is blessed with an abundance of forests, most of which are owned by 438,000 family forest owners, just like mine. Over 53 percent of our state is covered by forests, ranking Michigan 5th in the nation when it comes to woodland acreage. Our forests, just like our agricultural lands, are essential to our state's livelihood, supporting over 60,000 direct and indirect jobs and contributing \$1.2 billion in payroll to the state's economy. In addition to these economic drivers, our state's forests supply much of our clean water and air, wildlife habitat, places to hike, hunt, and fish, and overall, make our state incredibly beautiful and diverse.

The same is true across the U.S., where more than 10 million families, not the federal government or private corporations, own the largest segment of America's forests. Private forests filter over 25 percent of America's water supply, provide habitat for as much as 60% of America's at-risk wildlife, and supply over 90 percent of the timber harvested in the U.S., supporting over 1 million family-wage jobs.

I'd like to share how my husband and I got into Tree Farming (just another way of saying sustainable forest management), giving you a little background on how the Farm Bill conservation programs and the USDA Forest Service programs have helped my family,

just like they've helped many other family forest owners, improve their land—not just for their own benefit, but for the benefit of all Americans.

My Story

My husband, Rich, and I purchased our first piece of property in 1988 as a retreat from the retail world and a place to retire. We found 205 acres of mixed forest in the Eastern Upper Peninsula and fell in love with it. This would provide us a place to hike, observe wildlife, cross country ski, and hunt safely.

However, we had no idea how to take care of it and keep it healthy to ensure we had that wildlife and a well-managed forest. So we contacted the Michigan Department of Natural Resources service forester. The service forester walked the property with us and explained what we had on our property and what our management options were to help us accomplish our goals.

Our next step, after talking with the service forester, was to hire a consulting forester to develop a Forest Stewardship Plan. Just like a financial plan, our Forest Stewardship Plan laid out the steps to keep our forest healthy and attract wildlife. The consulting forester helped write this plan, with the support of the USDA Forest Service's Forest Stewardship Program, a program that leverages federal investment, with state dollars and our own resources, to provide landowners with technical assistance and planning tools. Both foresters we worked with also encouraged us to get involved in the Michigan Forest Association and Michigan Tree Farm Program, to help us stay informed of management strategies and other tools we needed to manage our land well. We followed his advice and became involved in the organizations.

Sustainable management is our main goal for the sake of the forest as well as the wildlife. We've invested our own resources and personal time into the land, to care for it and improve it. When we purchased the land, we found that very little had been done to manage it, to mimic natural disturbances and create the diversity that is needed for wildlife habitat. Our forester explained all this to us and helped us plan out what we could do to improve the habitat in our Forest Stewardship Plan.

One of the recommendations in the Plan was to diversify the age of our forest, so the wildlife have both younger forest with open areas to forage as well as older forests that wildlife use for dens and nests. Additionally, we had stands of aging aspen, a good species for wildlife. However, the stands were old and weren't regenerating, so we needed to do more to help these stands come back and thrive.

To create habitat for ruffed grouse, deer, bear, bobcat, and a number of bird species such as owls and hawks, we decided to do a timber harvest on 45 acres in 1995 to create openings and help our aspen stands regenerate. Our plan calls for doing this every 10 years or so, moving the harvest to different parts of our forest, to keep the forest healthy and improve the wildlife habitat. So we again harvested in 2005. Today, our forest is a

thriving ecosystem, with lots of wildlife habitat and plenty of food for wildlife such as berries, nuts, and other shrubs.

We plan to harvest again soon, so we can continue to regenerate the aspen stands. If we don't follow this management plan and just let it go, the aspen will eventually die and other species such as balsam and spruce conifer forests will replace it, which does not create the habitat we are seeking.

As I mentioned, we did these harvests, not only to make money from them, but to improve the health of our forest. We did earn some income from these harvests, and we used that income to reinvest in the land—creating more food plots for wildlife and planting other tree species that are good food sources such as black cherry and oak. We also made some improvements to our forest roads and several of our trails with this income.

Without the help and support of our forester and the Forest Stewardship Program, we never would have known how to invest our resources and how to take care of the land.

In the mid 90's, we decided that our first parcel was not conducive for a permanent retirement home, so we found an old hay farm with 160 acres. We again put together a Forest Stewardship Plan for this property, even though there are only a few acres of woods. We wanted to make sure we had planned out what we'd do with the land and how we'd create the habitat we wanted. Additionally, on this property there is a small stream running through it that we wanted to enhance for wildlife value.

This property's wildlife is much different than our more forested track. Here we have a diversity of birds, from eastern king birds to bobolinks to marsh hawks. There are some fox, coyote, deer, and beaver and there are wolves nearby as well.

Since this property is an open field with heavy winds, we decided we needed a windbreak around the property. The windbreak will not only help keep the soils intact but helps reduce heating costs for our home in the winter. To improve the wildlife habitat, we also decided to put in wildlife corridors to enable wildlife to make their way from forage to nesting sites, helping keep the wildlife on the property.

We learned about the Environmental Quality Incentives Program (EQIP) from our local conservation district, and decided to enroll in the program to help leverage our resources to improve the land, since we didn't have all the capital we'd need to make these improvements. We planted about 1,500 trees, mostly pine and spruce, with our own resources and with our EQIP funds we've planted another 1,500 trees and have another 2,000 yet to plant. These trees are creating our windbreaks and our wildlife corridors. EQIP helps cover the cost of the seedlings and the weed protection matting. By using this special matting, we don't have to apply herbicides to keep the weeds from overtaking the seedlings.

The EQIP resources enable us to get this project done more quickly than we would have been able to on our own... Perhaps, we could have done this with our own investment, but it would have taken us longer to put the funding together. Because of the EQIP cost-share, we'll be able to benefit from the energy savings for our home sooner and see the wildlife habitat, in our lifetime, since the trees are growing now.

The Story across America

As I mentioned, most of the forests that give our state and our nation so much, are owned by more than 10 million families like mine, who own 10 acres or more. Forest owners own their land for a variety of reasons, some for income and appreciation of their investment but more often they own their forests for other benefits. This is true across the U.S., where most woodland owners cite recreation and scenic beauty as a priority reason for owning land. And the household income of most family forest owners is less than \$100,000 a year, so we often have little disposable income to invest in keeping our lands healthy. This is not to say that families don't earn some revenue from their land. But just like my family, most owners invest the income right back into the land.

I would argue that our state's forests are so rich with diversity and wildlife because of the good management that families like mine are able to do. However, not every family forest owner is active in the management of their lands, since many are not fortunate to have access to the information that we have. Too many forest owners don't know that forests can't stay healthy if they are left alone. Doing nothing isn't an option, because of the prevalence of insects and diseases, invasive species, and other forest health challenges that often are brought about or greatly increased by people. In our case, if we did nothing, we not only would have forest health problems but we'd also not have a forest that we want.

Unfortunately, in Michigan only 13,000—just 3 percent-- of forest owners who own 1.1 million acres have forest management plans. Because of the assistance we received from the Forest Stewardship Program and then from EQIP, we were able to take steps to improve our lands, where many landowners have not.

Nationally, we see similar trends, where less than 4 percent of forest owners have management plans, which is a good barometer for how active they are in their forest management. This is partially why we have over 58 million acres of private forests nation-wide that are in an unhealthy condition and at risk of severe insect and disease infestations and another 400 million acres of private forests that are facing severe wildfire risks.

The Farm Bill Conservation Programs, combined with the private forest owner programs supported by the USDA Forest Service, are an incredibly valuable tool for families like mine, helping leverage our investment, to make improvements to the land that benefit all Americans. These programs help support the education, outreach, and technical and financial assistance needed to get more landowners active in their land management, which is good for the land, but also good for ensuring that the land stays a forest.

From improving wildlife habitat, that benefits more than 44 million Americans who hunt and fish at least part of the time on private forests, to improving forest health that reduces wildfire risks, saving communities expensive wildfire fighting costs, these conservation programs have become an important tool for family forest owners.

In 2008, Congress made a number of improvements to Farm Bill Conservation Programs that helped family forest owners have better access to these the programs. As a result, in 2010, through EQIP alone, 2,100 landowners were able to leverage their own resources to replant forests and more than 5,000 landowners were able to improve the health of their forests.

One might wonder, if some landowners are getting income from their forests from timber harvesting, why such a federal investment is needed. Unlike traditional agriculture commodities, forests and timber are a long-term investment, harvested once every few decades in the case of Michigan forests. So when we make investments in our land, we not only make them for ourselves, we also make them for our children and grandchildren who will see the returns.

Thoughts for the 2012 Farm Bill

As mentioned, Congress has already made a number of improvements to the Conservation Programs, so that family forest owners can access these programs. I'd like to offer a few recommendations for the 2012 Farm Bill to ensure more families like mine can have the tools to better manage their land and keep their land in forest.

First, I strongly recommend maintaining the improvements that Congress made during the 2008 Farm Bill and exploring further improvements to the Programs that will open more of these programs to family forest owners, putting us on completely level ground with agriculture producers. While forest owners are actively participating in EQIP, still only a small portion—roughly 6 percent—of EQIP nationally is being used to improve forests. This despite the fact there are 10 million family forest owners who own 10 acres or more.

Additionally, although I'm not a participant in the program, I do know that the Conservation Stewardship Program has a cap on the amount of forested acreage that can be enrolled in the program and I've heard we have reached that cap for forest owners. This program too, is another valuable tool for encouraging woodland owners, especially those that aren't currently actively managing their land, to do so.

I fully recognize the budget situation that Congress is facing, much like many of our state budgets and even my personal family business budget. Cuts are going to be made. I just hope that any cuts are made with the long-term view in mind—that we as family forest owners can't turn healthy forests on and off with a switch—it's a long-term endeavor that takes years of investment and constant care. I hope Congress recognizes this when considering where to make cuts.

As I mentioned, my husband and I would not be actively managing our forest today if not for the help of the DNR forester that visited us when we first purchased our land. In Michigan, the number of DNR service foresters has decreased from 7 to 3. However, at the same time, Michigan has seen a significant increase in the number of private consulting foresters, which is why the USDA Forest Service's Forest Stewardship Program is so important—it provides that essential technical assistance, in cooperation with the private sector, to forest owners who are just starting out and have no idea what to do with their land to keep it healthy. Michigan is not alone in facing these government reductions to our technical assistance workforce. The Forest Stewardship program has fostered the public-private partnership necessary.

In addition to the programs mentioned above, the 2012 Farm Bill can help shore up and increase the forestry technical assistance workforce, by encouraging stronger partnerships with the private sector, state agencies, forestry extension, as well as non-profit organizations like the American Tree Farm System. The American Tree Farm System in particular, can be a powerful partner, given that the program is supported by over 4,500 volunteer inspecting foresters, who could be utilized to provide technical assistance through the Technical Service Provider program.

The American Forest Foundation, which houses the American Tree Farm System, is working with a number of partners, through the Forests in the Farm Bill Coalition, to develop additional recommendations for the 2012 Farm Bill, beyond those mentioned above. I'm sure they would be pleased to offer further insights and details on these issues.

In addition to these important Conservation Programs, Congress can do more to enable new income sources and reduce the costs of managing our land so family landowners can keep re-investing in our land and keep our forests, forests. Whether these ideas should be included in a Farm Bill, or some other effort, I'm not sure, but I think all are essential if we want to help family forest owners improve their land and keep it forested. I encourage you to consider the following:

- Improve federal green building policies that currently discourage the use of wood products, meaning family forest owners who do sell timber, are left out of this important market. Chairwoman Stabenow has been a leader on this issue and USDA recently made an announcement on this, which is a great step. I hope other federal agencies do the same.
- Foster development of other market-based approaches to conservation, particularly around environmental services like carbon storage and water as well as renewable energy. My husband and I enrolled our forest in a pilot carbon market a few years ago (Chicago Climate Exchange), but since then, the market opportunity has disappeared. The forestry component was developed, in part with a USDA Forest Stewardship grant, and has formed the basis for ongoing carbon market developments.
- Reduce regulatory burdens on family forest owners, including potential new Clean Water Act regulations on pesticide applications and forest roads. The

Environmental Protection Agency is developing new regulations that could mean families like mine would need to apply for permits when we make improvements to our forest roads or apply pesticides. This could increase the cost of forest management significantly.

- Most importantly, provide a permanent fix to the estate tax, so families like mine are not forced to sell our land or prematurely harvest our timber, to pay the estate tax.

My husband and I both love being in the outdoors. Fortunately, our children and grandchildren do, too. They have a strong interest in taking over the property someday. So, they have met our forester, are becoming more involved in the decision making regarding the property and have also joined Michigan Forest Association.

Now our main concern is keeping our forest healthy and property intact so the next generation can care for it just as we have. The 2012 Farm Bill is an opportunity to provide more families like mine with the tools to do just this, and I hope Congress steps up to the challenge.

Chairwoman Stabenow, thank you for your leadership on this important issue and for inviting me to share the story of my family forest. I welcome you and any other members of the Committee who would like to see an actively managed forest come and visit.

Biography
Karen L. Serfass

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Professional experience: family forest landowner since 1988; American Tree Farm System® certified Tree Farmer; treasurer, Michigan Tree Farm Committee; member and elected, past-president, Michigan Forest Association. Host Tree Farm field days and conduct other outreach to forest owners and the public about sustainable forest management.

Secretary/bookkeeper, church. bookkeeper and owner, family pet shop located in Waterford, MI.

Personal background: life-long Michigan resident. Married with children and grandchildren.

Organization's Representing: American Forest Foundation, the parent organization of the American Tree Farm System (ATFS). AFF's mission is to work with the 10 million family forest owners in the U.S. to help them sustainably manage their land and keep the land as forest for future generations.