



# Quarterly WRC Connection



## Capturing Value for Forestlands

Stewardship of the working landscape is the heart of Wallowa Resources. Our work demands we explore every opportunity for land owners and managers to be rewarded for good stewardship. To this end Wallowa Resources just became a North American representative for Soil Association Woodmark, a British company accredited by the Forest Stewardship Council (FSC) to provide audits leading to FSC certification for both forest management and forest product businesses worldwide. Woodmark's niche in certifying organized groups of small, private forest owners, as well as community forests, is appealing.

The certification process requires independent, third party auditors. Wallowa Resources Forest Certification Services is led by Larry Nall, who has been through the training and supervised audits necessary to become a lead auditor. He will lead audits and train other professionals to carry out certification audits. Wallowa Resources conducts this certification work through its for-profit Wallowa Resources Community Solutions, Inc (WRCSI).

It may spin off a new company if this business grows sufficiently.

Approximately 25 million acres of forestland are FSC-certified in the U.S and nearly 65 million acres are certified in Canada. The FSC standard aims to ensure "environmentally appropriate, socially beneficial and economically viable" forest management. Third party certification is considered the highest level of assurance you can achieve, and is particularly valuable where the claims being provided are fairly complex.

Typically, forest certification involves evaluating a single operation, a single landowner, land manager, or forestry company. There are also situations where a certification assessment involves a number of landowners, managers, or businesses. The certification of more than one independently owned operation under a single shared certificate is called group certification.

Group certification is a mechanism for achieving economic and operational efficiencies by issuing

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a single certificate for a pool of participants. An example of forest management group certification is when a consulting forester holds and manages a certificate on behalf of a group of clients. With chain-of-custody group certification, small business owners share a single certificate that collectively applies to their individual operations and products.

Certification of family forests is a way to help deliver the wood supplies that the marketplace is increasingly demanding, to recognize and reward the practice of responsible forestry on more acres, and to give family forest owners an opportunity to make a public statement about their values. Group certification can be a flexible and useful tool for engaging family forests and small forestry enterprises. It may also be an entry

point for groups of landowners to access emerging ecosystem service markets for carbon, water, native wildlife (e.g. salmon), etc.

New opportunities are developing that will provide payments to landowners managing to sustain diverse values. Group Certification is one method to aggregate land, ensure, measure and value these services. Private companies now calculate the overall change in ecosystem services from restoration and management that offsets losses from extractive management or development. Forest owners are being paid for implementing particular practices on their land, including afforestation, reforestation, rotation extension, etc.

The value of FSC-labeled products appears to be increasing faster than the growth in certified forest area or chain of custody certificates. The value of labeled products estimated to have risen

from US\$5 billion in 2005 to US\$20 billion in 2007.

The American Institute of Architects (AIA) reported that the number of U.S. cities with green building programs reached 130 by the end of 2008, an increase of 418 percent since 2003. On the homebuilding front, according to a recent survey of the National Association of Home Builders (NAHB) conducted by McGraw-Hill Construction, "By the end of 2010 more than half of NAHB's members, who build more than 80 percent of the homes in the U.S., will be incorporating green practices into the development, design and construction of new homes."

Good stewardship requires money. New markets are emerging. Increasing the value of stewardship is Wallowa Resources' goal with the Forest Certification Services business initiative.

## Small Scale Renewable Energy

Small scale renewable energy can reduce annual operating costs across many applications. Residences, farms, ranches, other home-based businesses, schools, hospitals and public administration could all benefit. State and federal tax incen-

tives make these investments more appealing, and accelerate positive cash flow. A new company formed in Enterprise, Oregon in 2008 is assisting regional clients to take advantage of these opportunities.

businesses that generate benefits to the community and the environment. RES is the second start-up business that Community Solutions has launched; the first being a small log processing company located in the city of Wallowa.

Renewable Energy Solutions develops energy and business solutions for rural communities. RES has experience in business development, facilities design, integrated biomass utilization strategies, micro and small scale hydro, solar thermal, solar electric, passive solar, and oilseed conversion to biodiesel. RES projects have a small environmental footprint, with large economic and social benefits. RES evalu-

Renewable Energy Solutions (RES) was founded by Ben Henson, LD Perry Construction, and Wallowa Resources' Community Solutions Inc.

Community Solutions is the for-profit subsidiary of Wallowa Resources. Its mission is to provide capital, business services and technical support to



Lou Perry and Jonathan Monschke

# Diversifying Income Opportunities on Small Woodlands Workshop

## Island City, June 24, 2009

Over the last 30 years, the forest sector has changed dramatically. Global competition has increased, resulting in a drop of plywood, lumber, and paper prices by 31% to 45% since 1980 (adjusted for inflation). Eastern Oregon's manufacturing base has contracted, further impacting prices, while the costs associated with forestry regulations, risk management and other social demands have risen.

If working forestlands are to retain value, traditional markets must be stabilized and strengthened. New markets need to be created. These combined values need to equal, or surpass, the economic values of

non-forest land use. These issues will be explored at a workshop in Island City on Wednesday, June 24, 2009. The event is co-sponsored by OSU Forestry Extension, Sustainable Northwest and Wallowa Resources.

Speakers from the public and private sector will explore the future for forest product markets, assistance programs available to woodland owners, emerging markets in certified forestry and ecosystem services (e.g. carbon), and income opportunities from recreation programs. New markets for biomass, driven by demand for renewable energy, will also be discussed. Participants will discuss the benefits from woodland owner cooperation in forest management operations, in marketing forest products, and in accessing new markets for ecosystem services and recreation.

Small woodland owners in NE Oregon control an important proportion of the working forestlands. Analyses conducted by the co-sponsors identify the potential annual average harvest from small woodland owners in Baker, Union and Wallowa counties to be 31 million board feet. Strategic cooperation by these woodland owners is essential to secure the future of the remaining saw mills, and to stimulate investments in new markets.

Additional information on the workshop is available on both the OSU Forestry Extension (Union County) website and the Wallowa Resources website. Pre-registration is required and is due by Friday, June 19.

ates the available resources and selects technologies that are environmentally appropriate, that match the capacity of project owners, and that have strong market potential.

In Wallowa County, RES is working on 9 different hydro projects, several small and one large solar project, and is completing the business plan for a biomass-based combined heat and power plant. The first solar projects are already being installed through a partnership with another new Wallowa County company, Sun Storage. Within NE Oregon, RES' initial work has helped create nine new jobs. By the end of the summer, we expect to exceed 25 new jobs for the region.

**“If a tree is healthy then it doesn't make sense to cut it down.”**

**—Leo Goebel**

## In Memory of Leo R. Goebel

Leo R. Goebel, 77, died March 28, at his home near Joseph. Leo was buried March 29 on the family property on Bear Creek near Wallowa.

Leo was a founding Board Member of Wallowa Resources and helped guide the organization through its formative early years. He was well-known for his dedication to forest management. He and Bob Jackson spent more than three decades practicing and teaching forest stewardship on their Alder Slope tree farm near Enterprise.

The two men were named “Oregon Tree Farmers of the Year” in 1984 and 1991, and “Western Regional Outstanding Tree Farmers” by the American Forest Council in 1992. Leo and Bob hosted students from all over the U.S. and several foreign countries at the tree farm. Many of these tours were coordinated by Wallowa Resources.

Leo Goebel's family is involved in the management of the tree farm—his work will continue past his lifetime. Memorial contributions may be made to the Kate Johnson Goebel Scholarship Fund, in care of the Wallowa School Foundation, 179 Highway 82, Lostine 97857, or any other Wallowa County nonprofit organization.

2009 marks our 5th annual

## Watershed Festival on Friday, June 26th

at the Wallowa County Fairgrounds in Enterprise. The festival is a celebration of our local natural and cultural resources and their importance to our community. Visitors will enjoy fun educational exhibits provided by many of our partnering organizations, and will learn about the County's mountains, rivers, forests, wildlife and more. Free local grass-fed beef hamburgers will be served up again, along with live music provided by the Wallowa Valley Music Alliance. Enter our Pie Baking Contest or join in the Pie Eating Contest this year! Over 550 visitors last year enjoyed this free event and we look forward to seeing you there this summer!

For more information, call Wallowa Resources at 541-426-8053 or visit [www.wallowaresources.org/watershed07.htm](http://www.wallowaresources.org/watershed07.htm).



**Please explore and enjoy our updated Website at [www.WallowaResources.org](http://www.WallowaResources.org)**

In addition to the articles presented here, Wallowa Resources is working on a broad variety of educational, range stewardship, natural resource, policy and watershed restoration projects throughout Wallowa County.

To find out more about what is happening at Wallowa Resources, just go to [www.WallowaResources.org](http://www.WallowaResources.org) or call us at 541-426-8053 today!

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the Idea, the Practice & the Jobs**

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