
Forest Land Enhancement Program Gives Private Forest Owners a Boost

The 2002 Farm Bill has authorized the Forest Service to launch a multimillion-dollar forestry program to assist private forest landowners in what will be known as the **Forest Land Enhancement Program (FLEP)**. FLEP will replace the Forestry Incentives Program (FIP) and the Stewardship Incentives Program (SIP). The program has proposed \$20 million to be distributed in 2003 through state forestry agencies.

FLEP is a new incentives program that encourages the long-term sustainability of private forestlands by providing financial and technical assistance and educational assistance by state forestry agencies to assist private landowners in actively managing their land. The financial component will be delivered through cost-share programs that support implementation of stewardship practices. The technical assistance will come from management planning from state and private foresters. The educational component will provide workshops, publications, on-line information and other resources from the Maryland Forest Service, Cooperative Extension, and other partners. This will also include technical training for natural resource professionals.

Who is eligible for financial assistance?

To be eligible for cost-share assistance, an owner of private forestland must develop and implement a forest stewardship plan (addressing certain criteria) that provides for the treatment of no more than 1,000 acres. However, up to 5,000 acres may be treated if the additional acres will result in significant public benefit. A landowner must have at least one (1) acre of private forestland to be eligible. The forest stewardship plan must be no less than

10 years old and must be approved by a State Forester. All private forestlands are eligible for technical and educational assistance. Landowners must agree to maintain FLEP practices for a minimum of 10 years. Landowners failing to do so may be required to repay the cost-share plus 10 percent. If the property is sold and the practice is not maintained, the original landowner is liable for the repayment. Cost-share funds will be available on a first-come, first-served continuous basis until all funds are depleted.

The role of the State Forester

The State Forester, in coordination with the State Forest Stewardship Coordinating Committee, will implement FLEP in Maryland. The State Forest Stewardship Committee is made up of representatives of natural resource organizations and agencies in Maryland. Applications for FLEP will be accepted at any Maryland Forest Service Office. A listing of offices by county can be found at www.dnr.state.md.us/forests/phonelist.html.

The landowner will have 12 months to complete an approved FLEP practice, but a 6-month extension may be granted. Upon completion of the practice, participants return their receipts and payment will be rendered. Maryland Forest Service representatives will have the right of access to the owner's property to inspect practices for the duration of the practice maintenance period.

What practices may I receive funding for?

There are numerous practices and components that are approved for cost-share assistance in Maryland. The following are approved FLEP practices. If your desired

practice is not listed, please contact your local State Forester to see if your project may be approved for FLEP funding.

FLEP 1 - Landowners Forest Stewardship Plan

Development - You may hire a professional private forester to develop a forest stewardship plan.

FLEP 2 - Reforestation and Afforestation - Allowable practices include: site preparation and tree planting for pine and hardwood, tree shelters for hardwoods, pre-commercial thinning and release of pine trees.

FLEP 3 - Forest Stand Improvement - Control of competing trees and undesirable plants such as invasive species, fencing to keep cattle from hardwoods, noncommercial thinning and timber stand improvement practices (crop tree release, thinning, cull tree removal, cut undesirable residual trees after a harvest.)

FLEP 4 - Agroforestry Practices - Purchase and installation of plant material. Allowable practices include: site preparation, labor, planting stock, tree shelters, weed barriers and fencing (to exclude cattle from hardwood).

FLEP 5 - Water Quality Improvement and Watershed Protection - Includes plant material purchases and installation for hardwoods. Allowable practice include: site preparation, tree shelters, weed barriers, fencing to exclude cattle, control of competition and undesirable species, controlling surface water through reshaping, and streambank stabilization.

FLEP 6 - Fish and Wildlife Habitat Improvement - Purchase and installation of plant material. Allowable practices include: site preparation, tree shelters, weed barriers, and fencing to exclude cattle, construction and placement of habitat improvement and stocking structures, modification of habitat for threatened and endangered aquatic species, repeated prescribed burning on the same acreage, control of competition and undesirable species, noncommercial thinning, creation of forest openings, wildlife water facilities, wildlife corridor establishment, artificial cavities, nest boxes, roost poles or platforms, spring development, establishment of threatened and endangered species of flora, and modification of habitat for threatened and endangered species of flora or fauna.

FLEP 7 - Forest Health and Protection - Practices are under consideration, but will not include gypsy moth spraying in residential areas.

FLEP 8 - Invasive Species Control - Control of competition and undesirable species.

FLEP 9 - Fire and Catastrophic Risk Reduction - Creating defensible space, removal of vegetation within 100 feet of structures, creating a firebreak, repeated prescribed burning on the same acreage, fire line stabilization and stabilization of burned areas that are critical

erosion hazards.

Educational Assistance

The Maryland Forest Service and a number of the partners that make up the State Forest Stewardship Committee provide educational assistance that will help private forest landowners better understand forest stewardship and the practices that are available for cost-sharing. Maryland Cooperative Extension has a variety of publications and online resources that can be found at www.naturalresources.umd.edu. This website should be your first stop for learning about forest stewardship education. Educational workshops are offered each year, such as the Mid-Atlantic Forest Stewardship Seminar that is held the first Saturday in November at Frederick Community College. Contact Terry Poole at 301-694-1594 or tp8@umail.umd.edu, to get on the mailing list. The Delmarva Forestry Seminar is held on the Eastern Shore in cooperation with Delaware and you can contact Dot Abbot-Donnelly at dotad@udel.edu.

For forest landowners interested in more in-depth learning, MCE offers a forest correspondence course at a nominal fee, as well as a 3-day forest volunteer training program called the Coverts Project. The Coverts Project provides a combination of classroom and outdoor sessions to teach forest landowners how sound forest stewardship practices can enhance wildlife habitat and other forest benefits. These landowners then agree to share this information with friends, neighbors, and relatives in their communities. More information on the forest correspondence course and the Coverts Project can be found at www.naturalresources.umd.edu.

Have a plant, insect or disease problem?

Check out the Plant Diagnostics website at the Maryland Cooperative Extension Home and Garden Information Center. It offers photographic keys to diagnose and solve plant problems using integrated pest management principles. Go to www.agnr.umd.edu/users/hgic/diagn/home.html

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Maryland Center for AgroEcology

Recently, the Maryland Center for AgroEcology held 15 listening sessions around the state that generated five major themes and significant messages. Their Board of Directors also provided recommendations on actions the Center might take in response to the issues.

The Maryland Center for Agro-Ecology, Inc, represents the culmination of over a year of cooperative discussions between the University of Maryland (UM), leaders of the agricultural, forestry, business, educational, government communities and other diverse interest groups throughout Maryland. For more information, log onto their website at <http://agroecology.widgetworks.com/links.html>.

#1 Long term economic sustainability of working landscapes. It is believed that the general public has no concept of price structures within the agricultural or forestry arenas and no knowledge of how farmers and foresters are affected by weather, competition, regulations and markets. Also, Maryland does not do enough to help make working farms and forests sustainable.

Recommendations: The Center will take an educational role in explaining working landscapes and success stories. The Center will also conduct policy discussions between appropriate state agencies and legislative leaders.

#2 Land Conversion. The rate of land protection exceeds the rate of conversion statewide.

Recommendations: The Center will publicize the findings and conclusions of a study on agricultural land conversion to local governments, land preservation groups and elected officials. They will also work with policy makers and stakeholders to establish a goal for farm and forestland acreage to be conserved as working landscapes.

#3 Assistance Programs. Voluntary, incentive-based programs are universally liked and used; the only shortcoming with them seems to be lack of adequate staff to deliver the programs.

Recommendations: Communicate to State policy makers the concerns the Center has about the current form of the CREP program. Work with the UM to assure that Extension programs are more in step with policy directives and supportive of needs expressed by farmers and foresters. Also, the Center will work with the Maryland Department of Agriculture to develop and publicize new business models for alternative types of agriculture.

#4 Environmentalists vs. Agriculture. There is a gulf between environmental organizations and agricultural and forestry ones. Environmental organizations seem to "get the votes" while agricultural organizations do not.

Recommendations: Conduct a series of one-on-one meetings with leaders of environmental and forestry

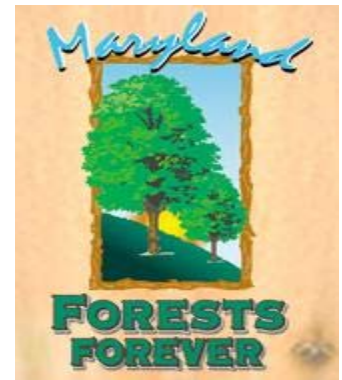
groups to seek areas of mutual concern, as a means of initiating policy dialogues on these issues. Organize briefings and educational activities for state legislators to improve their knowledge of issues. Also, sponsor field trips for legislators to see working farms and forests.

#5 Land Conservation Programs. Landowners need to be educated on how conservation programs make economic sense, but at the same time the programs need to be more flexible and less confusing.

Recommendations: Develop a policy paper on the economics of various land protection programs. Advocate for additional resources for land preservation and conservation programs. Network with land trusts and others working to get land into conservation programs. Complete and generate dialogue on the Center's ongoing analysis of the effectiveness of downzoning as a land conservation tool.

MD Forests Forever CD

The Maryland Forests Association (MFA) is pleased to report that the *Maryland Forests Forever CD* is now available. The CD was produced to be used as a tool to educate Maryland middle-schoolers about the importance of forest management and the forestry community to our State's environment and economy. Grant monies and donations have enabled MFA to secure enough copies to place them in middle school science and social studies classrooms across the state.



Students using the CD are treated to an array of interactive games, such as the "I Would If I Could" challenge, and informational videos that will help them understand how a well-managed forest provides today's needs while ensuring the sustainability of our forests for tomorrow.

Additional copies are available while supplies last. The CD is \$10 (plus \$5 shipping and handling). Copies can be obtained by contacting MFA at 301-895-5369. For more information, log onto their website at www.mdforests.org.

New Maryland Stumpage Price Report Available Online for September through December 2002

Go to www.naturalresources.umd.edu/Stumpage_Prices.html.



Take Note

Tax Tips for Forest Landowners

There are five points for forest landowners to consider:

1. *Establish your basis as soon as possible and keep good records.* Record your cost of acquiring forestland or the value of inherited forest land as soon as possible. When selling your timber in the future, you can use these costs as a depletion deduction. A professional forester can help you establish your basis.
2. *Decide if you are going to be an active or passive participant in a business or an investor.* Generally, you get the best tax advantage as an active participant in a business because all expenses are fully deductible.
3. *If you have performed reforestation work or established significant timber stand regeneration costs, remember to review the reforestation tax credit with a 7 year amortization schedule.* You can claim a 10% investment tax credit for the first \$10,000 you spend.
4. *If you sold timber during 2002, you may be able to benefit from long-term capital gains provisions.* You can qualify for long-term capital gains treatment if you hold the timber over one year. You also do not have to pay self-employment tax on capital gains.
5. *If you had Federal or State cost-share assistance during 2002, you are obligated to report it to the IRS.* You may choose to exclude some or all of it but you must report it.

The timber tax resources below can be found at www.timbertax.org and / or

www.naturalresources.umd.edu : (publications page):

- 1) Forest Landowners Tax Guide- Agricultural Handbook 718 - the "bible" for tax preparers - buy this for your

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Please send changes of address.

See page 2 for addresses and phone number.

Upcoming Stewardship Events

- **March 22: Maryland Chapter of the Walnut Council Spring Workshop.** Topics include lumber drying and grading, crop tree selection, timber harvesting, ailanthus control and riparian buffers. Contact Vera Mae Schultz at 301-972-0848 or at atreefarmer@cs.com.
- **March 22: Agriculture & Natural Resources Business Enterprise Workshop.** 8:30 a.m., Garrett Community College. Registration is \$15 and includes lunch. Contact Willie Lantz at 301-387-3331.
- **March 25 - 26: Forestry's Role in Integrated Water Management.** Issues conference sponsored by the Penn State School of Forest Resources and will explore forest management's role in protecting, ensuring and contributing to water quality and quantity. Call 814-865-8301.
- **April 24 & 25: 10th Annual Workshop on Forest Products Marketing.** Virginia Tech, Blacksburg, VA. Topics will include pricing, promotion, marketing research and trends. Contact Bob Smith at 540-231-5876 or at rsmith4@vt.edu.

accountant; 2) Tax Tips for Forest Landowners for the 2002 - a 2-page overview that is very useful; 3) Tax Year MCE Fact Sheet 630 "Tax and Estate Planning for Maryland Forest Landowners", which provides a general overview of property, timber, and estate taxes; and 4) CPA's with timber tax training - a list of CPA's who attended training sessions on timber taxes.

New Resource Guide Available

The Landowner's Survival Guide: Resources for Agricultural Landowners in MD, VA and WV is a new 62-page, spiral bound, user-friendly guide that highlights resources on a variety of production, marketing, stewardship and conservation topics. Each chapter includes general information, grants and financial assistance, publications, and contact information of people who can help as well as web/internet resources. Guides are free for Future Harvest-CASA members and \$5 for nonmembers. Contact Future Harvest-CASA at 410-604-2681 or at www.futureharvestcasa.org.



Take Note

Web Watch

www.kentuckysnakes.org - Helps viewers identify snakes traits: poisonous, nonpoisonous, backyard variety, patterned, solid and striped. The site provides common names, species and geographic regions.

<http://www.naturalresources.umd.edu/>

Costshare.htm - Provides a listing of links to organizations that provide cost share programs for forest landowners.

