



Partners News

Issue 1 2008

Partners in Forestry Landowner Cooperative Newsletter

Joe's Message

Now that PIF has several years of experience, it is proper to reflect on where we have been and what we have accomplished in order to set new goals for the future.

Aside from our purpose of landowner assistance and networking within the forestry community the PIF board has not been timid about taking a stand on issues of importance to the greater good of sustainable forestry. Here I reflect on several issues.



NHAL golf course:

In 2003 the Town of Boulder Junction proposed a misguided idea to clear several hundred acres of NHAL State Forest for a golf course. PIF reacted with enthusiasm, pointing out many reasons why a golf course does not belong on public forest land, most decision makers agreed and the idea was shot down.

NHAL boundary expansion:

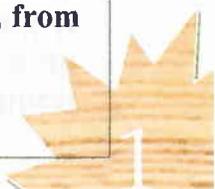
Shortly thereafter a proposal in the new Draft Master Plan for the NHAL concerning an expansion of the boundary was threatened by a Vilas county board resolution which was based on misconceptions. PIF interceded by educating the county board members and the public, making distinctions between facts and misconceptions, and over two years later in Oct. of 2005 the DNR board unanimously approved the expansion of the boundary, with and without the full master plan.

No ATVs on public forest lands:

2003 also saw threats to the Vilas County Forest from ATV trail proposals. We worked with other outdoor interest groups and this misguided idea was soundly defeated in a February 2004 referendum. Our resolution against ATV trails on public forest lands, first drafted in 2003 was reaffirmed by the PIF board in 2007. PIF is currently on record opposing the proposed ATV trails in the NHAL.

Summit "Opportunity within Crisis":

In 2005, under the guidance of board member Bob Simeone, PIF convened a summit of forest industry stake holders at Trees for Tomorrow in Eagle River. These sessions included input from private forest owners and public land managers, from foresters and loggers, from



processors, wholesalers, retailers and end users. We received attendance from political representatives as well. In short we set out to explore the common ground between all stakeholders and decision makers in the chain of custody. A summary of this summit is available to all interested parties on request. I will be happy to e mail this to anyone interested.

Local Lumber Use Bill:

Since early 2005 I have worked diligently with state Sen. Roger Breske, Wis. DNR and UWSP in the creation of a local lumber use law. I have expounded on this in these pages, and have shared my frustration that this common sense measure could be held up in two consecutive sessions by the state assembly, after flying through the state Senate unanimously.

Forest Land Conservation efforts:

PIF has partnered with the Northwoods Land for the past several years in devising conservation plans for member lands. Successful conservation easements have been placed on the wood lands of Roland Rueckert and June Wedell most recently, following an easement with Dr. Walt Thiede and the efforts of networking with the Wisconsin Board of Commissioners of Public Lands and member Gil Henderson to place a portion of his woodlands in the Public Domain.

Another 2000 acres of member land has been ranked very high statewide for the Forest Legacy Program, but dismal budget predictions have crippled that federal program. We hope for better times ahead with a federal budget more favorable to conservation. Partnering with land trusts and conservation groups we are currently working on more land conservation efforts in Wis. and the U.P. to protect working forest lands with members.

In closing the PIF board of directors wishes to reestablish our mission, and affirm our goals. At this point in the life of our organization it is imperative for the members to give us their ideas, we need to hear from you. What have we done right? What have we done that we should not have been involved in? Most important, where do you want us to go from here? Please let us know your thoughts. Do you like what we have done? What direction do we need to take to satisfy the needs of the membership? Please join us at our Friday March 14 Board meeting as we review our mission and set our goals going forward. Eagle River Library 4:30 PM. Or send your ideas to logcabin@nnex.net or call me at 715-479-8528.



HEALTHY FORESTS SUPPORT CLEAN WATER

- PIF members enjoying clean water kayaking on a wild river in the Upper Peninsula's Ottawa National Forest.
- This is a display of the vital link between a healthy forest and clean water.



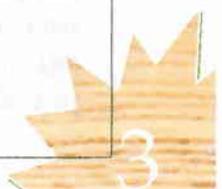
This article was summarized from the National Woodland magazine, summer 2007 issue for the benefit of PIF members to help them understand the broader picture of forestry issues. This does not necessarily reflect the issues and concerns of its members. Barb Loar, PIF Secretary.

“The National Woodland Owners Association (NWOA) is the only national organization that conducts an annual survey of their affiliate state forest and woodland owner associations for the purpose of describing and ranking the top ten private forestry issues affecting private landowners”.

National Woodlands, Summer 2007.

The survey reveals the tremendous diversity among private woodland owners, yet there is a common agreement about what concerns them most. In a nutshell:

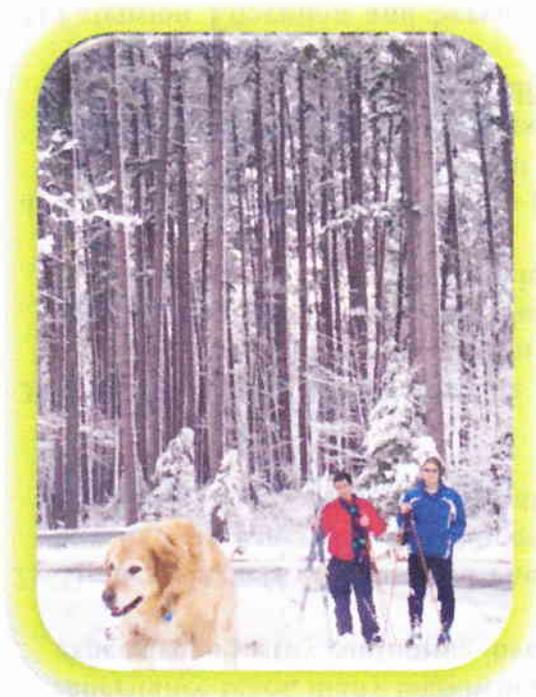
- 1) Fair Income, Inheritance and Property Taxes:** The big concern is the tax burden of passing our woodlands on to the next generation. While progress is being made on income and inheritance taxes, many landowners are finding their annual property taxes are getting too expensive to justify continuing investment in forestry.
- 2) Timber Markets, Biomass and Fair Trade:** Family woodland owners who own and produce one half of America’s home-grown wood supply are willing to work toward good log markets. Woody biomass, a forest residue, has the potential to be an alternative source of ethanol.
- 3) Private Property Rights:** Private property rights come into question most often when a public agency or utility requires private land for public purpose (roads, power lines, schools etc.) This can be done legally without landowner consent through a process called “taking”. Subtle “takings” also result from logging restrictions due to the Endangered Species Act.
- 4) Right to Practice Forestry:** This a local/state issue. Woodland owners cannot imagine a law being enacted that would prevent them from cutting their timber if they decide to do so. Once local jurisdictions have asserted their authority to regulate forest practices on privately owned woodlands, it is difficult for them to give up this control.
- 5) Extension Education and Service Forestry:** Forestry education (e.g. Master Woodland Managers) through extension Services and cooperating state and local agencies yields a good return to society through improved forest health and productivity. Cash strapped states continue to single out these programs for budget cuts.
- 6) Wildfire and Forest Health Fire:** Plus insect and disease outbreaks present a potential of destroying a lifetime of investment of work and money in forestry. Control measures must be on a landscape basis, including all ownerships.
- 7) Certification of Loggers: Foresters & Forestry Practices** Certification of loggers and foresters is a confirmation that they practice under a Code of Ethics and receive periodic training to a higher standard. Certification of a woodland practice results from a review by an independent qualified third party of actual practices on the ground. Woodland certification is important, but it rarely brings a price premium on logs.



8) **Cost -Sharing and Incentives:** Cost sharing for forestry practices as well as other types of incentives (taxes, zoning, easements) are proven programs in getting good forestry on the ground. However, these tend to benefit a small number of landowners. Emerging cost share initiatives focus on integrated resource management (water quality, wildlife habitat and stewardship plans) over tree planting and stand improvement. Conservation easements are emerging as an area of significant tax incentives.

9) **Landowner Liability:** With more people moving into rural areas, private landowners are experiencing increased trespass, dumping and unwanted public use of their property. Individual landowners may be held liable for injuries related to unauthorized as well as authorized use of their land. Low cost and high quality liability insurance is available. Check your homeowners insurance.

10) **Forestry on Wetlands--Best Management Practices:** All 50 states have adopted Best Management Practices (BMP) which when followed help assure wetlands are protected. There is disagreement and difficulty in recognizing and defining those lands which are wetlands and those that are not.



Healthy
forests
support
healthy
recreation
in all
seasons

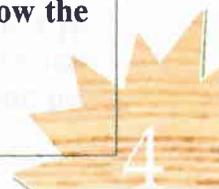


Comments by Joe Hovel relating to top Forestry issues of NWOA

Note: Many of the above issues are important to our membership. We have consistently noted that fragmentation (parcelization), invasive species threat, the potential of ATV damage to public forests and the local lumber use bill as being top priority to our members. Here are Joe's thoughts on how these issues relate to PIF members.

1) *Fair Taxation*

Property taxes are the big burden here for forest owners. The inheritance tax, of course is a concern, but can be managed by trusts and second to die life insurance policies. Few folks can be critical of a fair income tax when our country is in a fiscal mess as is now the



case. Our Wisconsin vehicle for property tax management is the Managed Forest law, but unfortunately the legislature seems determined to crumble that program.

2) *Timber Markets*

Biomass holds promise if it is utilized at local levels. I would personally like to see commercial and residential heating needs north of Hwy. 64 be satisfied to a much greater degree by forestry markets. With the high transportation costs it is unfeasible to transport wood fiber any great distance to be used as fuel. Once again we stress "Local economies", and our Wis. assembly refuses to pass a local lumber use law. That is not progress in stimulating local economies.

3) *Private Property Rights*

Recently we have witnessed an unprecedented advancement of the utility infrastructure in the North. The Arrowhead Weston power line, the pipeline updates crossing Wis. and the Conover to Eagle River and to Quinnesec Mich. power lines are all currently underway and "taking" has been a major part of landowners losing property rights.

All who witness these "advancements" have felt a loss in aesthetics as a result. Yet how many second home owners in the north desire air conditioning and how many of us have desires for travel and comfort that drive this loss.

I have never witnessed the Endangered Species act curtailing logging or management on private lands.

4) *Right to Practice Forestry*

This is wholly a symptom of a greater disease in the Northwood's and U P. Parcelization and fragmenting of the greater forest landscape (seen also in agriculture areas) for development has given the country side a suburban flavor. Certainly this practice is the greatest threat to forestry in the north land. As more folks move in more conflicts arise and the new neighbor to your wood lot was not aware you cut trees as a part of forest management.

5) *Education*

Partners in Forestry have embraced education and networks with Extension and others to provide landowner workshops and field days.

6) *Forest Health*

This is a big concern currently in our area. With alarming drought conditions so prevalent in recent year's fire and forest diseases are a serious threat. If this becomes a trend as a result of climate change we may be witnessing major changes in the way our forests produce.

7) *Certification of Foresters, Loggers and Lands.*

Certification could well be a viable opportunity, still in adolescence, and experiencing growing pains.

8) *Cost Sharing Incentives*

Cost sharing has been a component of forest management and agriculture for decades, but is problematic with budget constraints. I have hammered on Forest Legacy on these pages! PIF is proud to partner with land trusts and conservation groups to conserve working forest lands- an integral part of our mission is to maintain and enhance sustainable forestry for the economic and conservation values it offers

9) *Landowner Liability and Dumping*

Dumping is a concern I have witnessed. In Wis. we are protected for the most part from landowner liability. I am not versed on how this relates in the U.P.

10) *Wetlands*

PIF embraces Best Management practices, as do all reputable players in the industry today.



PIF Workshop Plans for 2008 by Rod Sharka

(Education Committee members: Barb Gajewski, Al Hogenmiller, Pat Indermuehl, Joseph LeBouton, Jeff Niese, Rod Sharka.)

Four workshops have been planned for 2008. The first 2 revolve around the common theme: Sustaining Healthy Forests. Since this theme encompasses such a broad concept, it will be subdivided into two separate workshops as follows:

Workshop 1: Sustaining Healthy Forests with emphasis on the Overhead Canopy (flora capable of growing over ten feet).

This first workshop will focus on requirements for successful tree regeneration and impact of diseases, insect pests, deer browse, and climate change. A morning indoor session will be held at the Trees for Tomorrow campus in Eagle River and will include a hot lunch.

After lunch, participants will have an opportunity to visit some nearby state forest lands for some hands-on application of topics covered earlier.

Date: May 10, 2008

Location: Indoor session and lunch -- Trees for Tomorrow, Eagle River, WI

Time: Indoor Session 8:30 a.m. – 12 p.m.

Outdoor Session 1 p.m. – 4:00 p.m

Workshop 2: Sustaining Healthy Forest. Emphasis: The Understory. Maintaining Ecological Integrity.

This second workshop will focus on forest ecology, impact and control of terrestrial invasives (e.g.: foreign invasive plant species, invasive earthworms, climate change impact, landscaping with natives). Again, the morning session will be held at Trees for Tomorrow in Eagle River and will include a hot lunch. Cost will be \$10.00 per person for the luncheon. Pre-registration will be necessary.

Date: June 14, 2008

Location: Indoor session & Lunch -- Trees for Tomorrow, Eagle River, WI

Time: Indoor Session 8:30 a.m. – 12 p.m.

Outdoor Session 1:00 p.m. – 4:00 p.m.

Location BCPL tracts near Eagle River. (And possibly Pat Goggin's native gardens.)

Fee: \$10.00 per person which includes a hot lunch.

Workshop 3: Wis. Managed Forest Law.

Date: July TBA

Workshop 4: Ed Drager Forest Tour

Date: September TBA.



When a person owns a tree farm you can do the accounting in three ways: as a business, an investment, or a hobby. I set up our accounting as a business using 1040 Schedule C. One year I received a letter from IRS denying my deductions along with a statement of balance due over the past two years. It was three years in resolving the problem!

Here is my story.

We purchased our 80 acres and our 160 acres of woodlands in 1984 and 1990-91. Using 1040 Schedule C I set up the accounting on both parcels as a business. I listed deductions and depreciation and had no income for several years, but always followed the Federal Income Tax Guide for Timber Owners Form #718. The larger parcel was enrolled in the MFL and scheduled for a future thinning.

In 1993 I received the letter from the IRS denying my deductions and billing me for the amount due the past two years. I rushed down to the local IRS office armed with a stack of IRS information accumulated from forest tax seminars and WWOA. I displayed several IRS forms and publications saying that, "growing trees is not the same as growing corn, you do not get income every year. After four sessions with the IRS office in Peoria, Ill., I was getting nowhere. The Problems Resolutions officer even told me I had the best records he had ever seen. Finally, in a letter from the IRS it stated, "No Income....No Deductions."

I mentioned my problem to Jeff Martin, UW Extension, at the next forest tax seminar sponsored by WWOA at it's annual meeting. He advised me to contact Attorney William Siegel, JD who wrote the book on forest taxes approved by the IRS. I did just that, and my luck began to change. Mr. Siegel coached me with a number of court cases regarding folks who have had my experience. At this point my only option was to take my case to Tax Court. He had supplied me several cases which I used to request my case to the Tax Court. The Chicago IRS office called me and we discussed my application to the Court.

While in attendance at the Tax Court in Peoria my name was called from the hallway. The IRS Agent was withdrawing his complaint and I was free to go without a hearing!

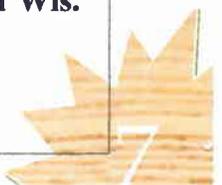
The successful conclusion of my tax problem displays the importance of a landowners careful attention to the Federal Income Tax Guide for Timber Owners, meticulous record keeping, AND the services of a legal expert on timber tax law.

Note from the Director

Many of you recently received a letter from DNR stating that it is NO longer allowed to lease closed MFL acreage.

This is jokingly called the Tigerton Law, as it is a legislative response to Tigerton Lumber Co. withdrawing substantial open MFL acreage and selling leases to high bidders, in turn infuriating hunters from the Fox River Valley who had hunted these lands for years.

What upsets me about this seemingly overdone loose canon approach is that the legislature revamped MFL in 2003. At that time John Schwarzmann and I drafted comments for the assembly forestry committee objecting to the 600 % plus increase in closed acreage tax only to be rebutted that it is justified because much closed MFL acreage is leased for seven or eight dollars annually. Apparently Tigerton pulled off a big one leasing some lands for up to forty dollars annually. Here again the private non-industrial owner carries the blunt of the big corporations shenanigans. The years ahead will be a real trial for MFL and forestry in Wis. This is another example of that.



Forestry Intern and Interim Newsletter Editor

Carlos is in this country for one year on a learn by work program through the University of Minnesota. Carlos was raised near Coban, Guatemala and intends to return there to work in forestry after his experience here. He is a graduate of the Zamorano Pan American School in Honduras, with a major in Agro-Forestry Science, and emphasis on forest management and forest investigation.

We wish to thank Carlos for sharing his computer skills by compiling this newsletter. In his first day in Wis. he not only witnessed snow for the first time, but experienced a high temperature of -10 degrees F. Two days later he was on cross country skis for the first time. Carlos can be reached by contacting Joe's family, if anyone has an interest to share with him.



Gotta be a bear

In this life I 'm a women
In my next life I'd like to come back as a bear.
When you are a bear you get to hibernate.
You do nothing but sleep for 6 months.
I could deal with that.

Before you hibernate, you're supposed
to eat yourself stupid.
I could deal with that, too.

When you're a girl bear, you birth your
children (who are size of walnuts) while
you are sleeping and wake up to
partially grown, cute, cuddly cubs.
I could definitely deal with that.

If you're a mama bear, everyone
knows you mean business. You
swat anyone who bothers your cubs.
If your cubs get out of line, you
swat them, too.
I could deal with that.

If you're bear your mate expects
you to wake up growling, he expects
you to have hairy legs and excess body fat.
Yup, gotta be a bear!



What a member says about PIF.

When someone asks me why I'm a member of PIF, I hope they have the time to listen to my answer. You see, each of us has choices as to what organizations to which we belong and the reasons often are very personal.

Partners in Forestry focuses on what's important to me...conservation and nature. The woods and waterways and all who live there are special to me.

PIF helps me understand my woods and the interrelationship between man and nature. If I had listened to the first forester who wrote a management plan for my woodlands, I would have had a clear cut. My DNR forester, Jim Baughman, walked in the woods with me and let me tell him how I felt about the land and why I didn't want a clear cut. He gave me **OPTIONS** and recommended a new group called Partners in Forestry. There I found other private woodland owners who were dedicated to conservation...and bold enough to stand up and buck the trends that are slowly destroying our woods and waterways.

PIF gave me the **COURAGE**, and led me to a forester and master logger who performed a cutting on my property. Two workshops, *Chainsaw Safety for Women* enabled me to work in the woods with greater skill and confidence. One thing for certain is that the landscape is always changing! Trees grow, they die, they fall. If you own wooded property...no matter how small or how large, you will someday be faced with tree work. For the big stuff, I hire a tree service, but it gives me great satisfaction to transplant, prune and even cut down small trees for a thinning.

I shall always be grateful to Jim Baughman for recommending that I join Partners in Forestry! And grateful to PIF for surrounding me with others who value and stand up for the land.

Barb Loar, Conover.

Special price for PIF members

Tree and garden supplements from Espoma fertilizers. 50 lb bags of Tree-Tone and Plant-Tone at \$15 per bag. Tree-Tone is a good organic supplement for seedling, orchard trees, or boosting struggling trees. Plant-Tone meets all organic gardening standards.

Deer Ration Cubes. Specially formulated for deer by Prince Feeds. 40 lb bag at \$7.

Dog Food. Diamond Maintenance. 50 lb bag \$16.50.

For more info on these products contact Joe Hovel @ 479.8528.

PIF T Shirts for sale

TShirt and sweatshirts with the PIF logo embroidered on them. T shirt are tan, pocket Ts are brown. Sweatshirts are tan. Sizes are M, L, XL, and 2XX. Ts are \$10 each + \$2.75 shipping, Pocket Ts are \$12 each + \$2.75 shipping, sweatshirts are \$15 each + \$4.60 shipping.

To order, just drop us a note telling us (1) how many, (2) what size, and (3) enclose your check. Send orders to "TShirts" c/o Partners in Forestry, 6063 Baker Lake Rd, Conover, WI 54519.



PARTNERS IN FORESTRY COOP
6063 Baker Lake Road
Conover, WI 54519



PIF MEMBERSHIP
Partners In Forestry
 6063 Baker Lake Road
 Conover, WI 54519
 Fax: 715/479-8528
 E-mail: logcabin@nnex.net

_____ \$25 Voting member (owns or
 manages 10 acres or more)

_____ \$25 Supporting member (owner of
 less than 10 acres or organization)

Name _____

Mailing Address _____

Check # _____ Date _____

Day Phone _____

PIF Board of Directors

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CONTENTS THIS ISSUE

Joe's Comments	1-2
Top Ten Forestry Issues	3-4
PIF Issues in Response	4-5
Education Events	6
Member's IRS experience	7
Meet Carlos	8
A bear	8
What a member says about PIF.	9
Items for sale	9
PIF T shirts for sale	9
Membership dues app	Back cover
Board of Directors List	Back cover