I believe Missouri is similar to most states in the Midwest and East when it comes to land ownership patterns. The vast majority of our state’s forested land is controlled by private landowners. In Missouri over 85% of the forest land is owned by individuals. With nearly 14 million acres of forest land statewide, that puts over 11 million acres in the hands of a wide variety of people with an equally wide variety of interests, expectations, and goals for their property. It also drives home the importance of working with the private landowners if we want to make any significant impacts upon the sustainment of the state’s forest resources.

Before I talk about Missouri’s private landowners, I would like to give you some insight into the events that have shaped the resource we are currently working with, and our agency’s historic efforts at private land management.

The Missouri Department of Conservation has been in the business of providing assistance to the private landowners of the state for over 50 years. The early years focused primarily on fire control activities. From the turn of the century to the late 1940’s, nearly every acre of the state’s forest resource was on fire from late September to early May. In addition, most of the region known as the Ozarks had been harvested and was now open range, so cattle and hogs grazed freely throughout the area. As you might expect, it was a tough job just trying to stop the further degradation of a resource that was already grossly overabused. In the late 1940’s, with fire becoming less of an issue, our attention began to turn to the management of the resource itself. However, with such poor quality timber, the results of the fire, and woodland grazing, about the only management tool the resource managers of that era had was harvesting. A lot of low grade wood was removed from private land at this time. The removal of the low quality stuff allowed the forest to naturally regenerate so that now, at least in those areas where we have managed to keep fires under control and cows out of the woods, we have some pretty good forested stands.

It has only been in the last 30 to 35 years that we have actually made what could be termed a concerted effort to work aggressively with the private forest landowners of the state. Now you might think with that much experience we would have discovered the keys to enhancing forest productivity on all private lands. But we are probably no closer today to making a significant impact on private lands then we were when we only controlled wildfires.

Over the past 30 years or so, we have tried a number of approaches in working with private landowners. We have conducted several surveys to determine landowner attitudes. We have doubled our field staff. We have even provided our field staff with numerous training opportunities on the social and psychological aspects of working with private forest landowners—this in an attempt to provide them with a better understanding of the state’s landowners. But, in my opinion, our track record in dealing with the private forest landowners of the state in is not overly impressive.

A lot of time and effort has gone into finding out what actually motivates landowners to do what they do on their property. Many will say that landowner motivation is no big mystery. They maintain that most, if not all, of today’s landowners base their land management decisions on economics. For instance, if it’s more economically beneficial to run cows in the woods, then they will probably run cows in the woods; if they feel they can make more money by converting their forest land to some other use, then they probably won’t hesitate to do that. And if it’s not economically advantageous to manage for long-term forest productivity, then they probably won’t consider it. But, I believe this oversimplifies the situation. While many of the landowners’ decisions may be based solely on economics, I believe we have proven it to be far more economical to grow trees than to convert to pasture in many cases. Yet a certain segment of today’s landowners prefers to convert their woodlands to grassland, or to allow cattle to graze their woodlands. I believe it’s a personal choice. Some, for example, just prefer cows to trees.

So, today we are still struggling to find the magic potion that will get all landowners to care more about the long-term health and productivity of their forest resource. Even though we may suspect what their primary motivation is, we still need to find out what other factors may influence their land management decisions. We need to know what, if any, long-term goals and objectives landowners may have for their property. What, if any, role do they see themselves playing in the long-term forest health of the state and the nation? What does forest productivity mean to them? Do they even care if they
have healthy and productive forests? If we can get answers to at least some of these questions, we may be able to meet the landowners’ immediate needs and still provide for the long-term health and productivity of the resource.

One thing we, as resource managers, must understand is that private forest land productivity is not about harvest regimes, or stand manipulation, or having a wide range of size classes, or of species composition, or any of those other components we as professional land managers look at. Private forest productivity is about understanding the fact that each landowner is different. They have different reasons for owning their land, they have different family commitments, they have different financial responsibilities, and they each view their forests and other natural resources differently.

Before we go on, let’s take a brief look at the forest resource of today and the people who own it. According to the latest forest inventory, the majority of our forest resource is in the sawtimber size category, most of it is considered small sawtimber 11-12 inches dbh and, currently annual growth exceeds removals. I say currently because there have been some recent industry-related developments that many feel could adversely impact the resource. And finally, the last forest survey also indicated that the state as a whole gained about a half million acres of new forest land over the preceding survey.

A Missouri Department of Conservation landowner attitude survey conducted in 1993 and again in 1996 provides some insight into the private landowners of the state. About 21% of Missourians own forest land; 92% of the forest landowners live in rural regions. The average size of ownership is 80 acres. According to the 1996 survey, the average landowner is 50 years old. The majority of our forest landowners live within 12 miles of their forest, and the average length of ownership is 7-10 years. Also, according to the survey, they place a high value on forest “products”, most consider themselves to be environmentalists, they don’t like land-use regulations, they haven’t sold timber, and they don’t use resource management professionals. The survey also asked landowners what they felt were important benefits of their forest land. In order those benefits were: O₂ production and CO₂ storage, wildlife habitat, clean streams and lakes, scenic beauty, recreation, lumber and wood production, and finally, people earning a living from the forest.

Now let’s look at some of the implications of this information and its effect upon the forests. We have found that landowner age has a lot to do with their willingness to implement long-term forest management activities. The survey shows that we are now dealing with, for the most part, the so called baby boomers. Many at this stage in their lives have significant financial needs such as children in college, or they want to build larger homes, or purchase sport utility vehicles, or any number of other financial considerations. They are, therefore, more likely to think in the short term and want to obtain an immediate gain by harvesting available timber rather than investing in long-term management practices. We live in a fast-paced world, and things that take a long time to mature, such as forests, are not what people want to invest in. So, for most of today’s landowners, their forests seem to have, what we term, occasional relevance. In other words, landowners don’t think about their forests until they have a need for them. For the most part, they really don’t seem to be very interested in investing money or time in their forests.

It seems that those landowners who are the most interested in improving their forest resources for the long term, and those we most like to work with, are retired and have a lot of time to work on the land. They know they will more than likely never reap the rewards of their efforts, but they like to work with the resource and feel they are making a real difference.

Perhaps the most significant statistic brought out in the survey is the length of ownership. We knew that land in general was changing hands fairly rapidly, but I don’t believe any of us thought that the overall length of ownership was of such short duration. The implications of this are fairly obvious: how can we possibly expect to make any appreciable impact upon the long-term productivity of the forest when we are dealing with such short periods of ownership? In fact, in light of this information, it is only by luck that we are able to get any management accomplished at all, much less long-term activities. This current trend is significantly different from what it was just 20 years ago when land ownership was usually passed down through generations of the same family. This would allow implemented practices time to really have an impact. In addition, and the survey points this out, we now have many first-time landowners who, for the most part, own smaller parcels of land. Many of these new first-time landowners look at land strictly as an investment opportunity and are not really concerned about the long-term management of the land.

A good example of this length of ownership shift is in a Missouri program that has been in existence since 1946. Called the Forest Cropland Law, it provides landowners with a number of benefits such as first priority for management assistance, annual inspections of their property, first priority for fire control, and finally a partial relief on their property taxes. The landowners make a commitment to enroll their land for 25 years and agree to follow the management recommendations made for their property. They also pay a 6% yield tax whenever they harvest timber. In the mid-1970’s enrollment in this program was at its peak with over 400,000 acres enrolled.
statewide. Today enrollment is at a record low of about 155,000 acres. Much of the land has changed hands over the last few years, and those long-time traditional cooperators, the ones we really liked to work with, are no longer in the program. Now, even though there is a penalty for removing the land from the program before the 25 years are up, the new owners are willing to pay the penalty just so they are not committed to a program that in their minds is of such a long duration. They also don’t want to be committed to paying a yield tax when they harvest, which most ultimately do soon after the land is removed from the program.

Another question we need to ask is just what does forest productivity mean to a landowner? We as resource managers may have our own interpretations, such as more fiber being produced, or a greater abundance of forest-dwelling wildlife. But this may not be what landowners envision at all when they think about forest productivity. For example, many may see their forests as a place to hunt, so as long they are able to harvest wildlife occasionally, they figure their forests are productive. If they use their forest simply as a place to get away from it all, and their forest land provides them with the solitude they desire, they probably consider their forests productive. And the list may go on. The point is that there are probably as many meanings of forest productivity as there are landowners. So we cannot necessarily put our labels on what makes a forest productive and expect landowners to agree.

Not all of the challenges associated with private land management are the result of landowners and their attitudes. Those of us who work with and try to manage the resource must take responsibility for some of the problems. Many of us, including me, have at times found dealing with private landowners to be a complex and frustrating experience. For years, we had the attitude that we know what is best for the resource, and therefore the owner of the resource, because, after all, we are trained professionals. We tended to make resource management recommendations without taking the time to find out what the landowners’ goals and objectives were for their land. Needless to say, many of the long-term management recommendations were not given much serious consideration by landowners because those recommendations really didn’t address their immediate concerns. This lack of action was perceived as a lack of commitment, so the resource managers became disenchanted.

Even today, a certain part of our field staff would prefer not to work with private landowners. They would much rather work exclusively on our state-owned forest land where all they have to do is inventory the resource and then implement management practices. They don’t have to spend the time finding out about goals and objectives, or motivations, and they don’t have to spend the time it takes to sell the landowner on the advantages of good forest management.

In addition, the amount of time our field staff currently has to devote to private land management must be worked in with a whole host of other activities; state land management, fire prevention and control, community assistance, annual leave, holidays, all require time commitments. Additionally, compared to the resource itself, we have limited field staffing. We have only about 110 professional forest resource managers statewide; 70 of those work for the Department of Conservation and 40 are consulting foresters. This seems like quite a staff to some states, but when you compare the number of resource professionals with the number of resource owners—some 284,000—the job can seem somewhat daunting.

In all fairness to the private landowners, there is currently little incentive to manage forest land for long-term productivity. Until just recently, federal tax policies have been more of a disincentive to the long-term investment in forest land than an incentive. Cost-share incentives have traditionally provided some much needed assistance for landowners, but the current trend is to put a lot of money into wildlife-friendly programs and pretty much disregard what we would term hard-core forestry activities. This year, Congress totally eliminated funding for one of the best landowner cost-share incentive programs—the Stewardship Incentives Program. Other forestry related programs such as the Forestry Incentives Program have received only token funding, while programs like the Wildlife Habitat Incentive Program have received increased funding amounts.

As a state, we aren’t much better at providing incentives for private landowners. We have never been very enthusiastic about providing forest landowners with sufficient incentives to help them carry out long-term forestry activities, and thus enhance long-term forest productivity. So what can we do to ensure our private forest lands will be managed for their long-term health and productivity? To ensure that they will continue to provide the many amenities that we have come to expect from them?

What specifically are we in Missouri doing to address the concerns we have over the long-term productivity of our forest resource? One thing I feel we have come to realize recently is that if we, as a management assistance agency, continue to do things as we have traditionally done them, then we are going to get traditional results. And I believe we have already determined that we need to do a better job and not settle for traditional results.

To begin with, we feel that the key to long-term forest management is in the education of the people who own the resource. If they don’t know the importance of their
forests to both the state and the nation, and how their land fits into the overall forest health picture, and if they don’t understand the implications of their decisions upon the resources they own, they will probably never change.

Like many states, we have developed a landowner education course. We call ours the “Master Woodland Stewards Course.” This course covers a wide range of topics including Missouri’s forest history, tree and plant identification, wildlife habitat manipulation, stream protection, and modern forest management techniques. Our target audience is, of course, landowners themselves, but the course also attracts people who are simply interested in finding out more about Missouri’s forests, and other naturally occurring resources, as well as how to properly manage them. Many of the people who have gone through the course now serve as volunteers to work with their neighbors in pointing out the significance of their forested resource. We have found that some landowners feel more comfortable talking to their neighbors and peers than they do to some government employee.

In addition to the “Master Woodland Stewards Course,” we are currently working closely with the Missouri Forest Products Association to provide educational opportunities to the loggers who harvest from private lands. It is a somewhat startling statistic, but in Missouri less than 10% of all private land timber sales have a professional forester involved. This means that 90% of the forest management decisions on private land are being made with a chainsaw. It is imperative that for the health and well-being of the forest resource that we educate the loggers as well as the landowners.

Whenever landowners are asked what is the most valuable service the Missouri Department of Conservation provides, the number one answer is always one-on-one technical assistance. Landowners rate this above incentive payments, educational efforts, and all of those other things we do. They like the one-on-one contact. However, as an agency we are kind of in a catch 22 situation. In just the last month, we have received legislative front. In just the last month, we have received legislative support to make some major changes to our current State Forestry Law. What we are proposing is to make the program a tax credit program rather than a tax relief program. Under the new law, landowners who enroll in the program would be able to take a tax credit on their state income tax. For example, if landowners enroll in the program, they would receive a tax credit of let’s say $3.00 per acre per year for the first 5 years. For years 6 through 10, the tax credit would go up to $3.50 per acre per year, and this incremental increase would continue all the way up to $5.00 per acre per year for year 20 to 25+. In addition, we are proposing to have a yield tax placed on all timber sold in the state. If you were a participant in the Forest Cropland Program, you would receive this money back if you implemented best management practices before, during, and after the sale. Or, money would be returned to you if you agree to do followup management activities.

The hope is that we would be able to get a better handle on how timber is being harvested and that landowners would have an incentive for harvesting their timber properly and with the assistance of a professional forester. The legislature favors this proposal because currently the state is penalized if it takes in too much revenue from taxes, so they see this as a way to help balance out tax receipts.

One thing the landowners have told us loud and clear is that whatever we do needs to be non-regulatory and voluntary. So we have not even considered anything that would lead to regulations on private land.

These are some of the approaches we are taking in Missouri, but another key player in private forest land management is the federal government. Just exactly what is its role in helping to enhance forest productivity on private land?
Some of the ways I envision the federal government assisting the private forest landowner is: First, continue to provide cost-share incentives, and make them easily accessible. In Missouri, both the landowners and the resource managers find cost-share incentives very beneficial. I realize that there continues to be concern about the effectiveness of cost-share programs. The biggest question is whether or not landowners will implement management practices on their own without public assistance. There also seems to be concern that the landowners who are most able to afford to implement management practices without cost-share assistance also seem to be the ones who use the bulk of the funds. I will be the first to admit that there are those who can well afford to manage their resources without financial assistance, and who indeed take advantage of the federal programs. But, in my opinion, incentives do what they were designed to do: help get management practices on the land while at the same time helping to defray some of the cost the landowner incurs when installing the practices.

As I mentioned earlier, one of the better cost-share incentive programs, the Stewardship Incentive Program or SIP, was not funded this fiscal year. SIP is one of those rare federal programs that both the landowners and the resource managers really like. While the amount of money Missouri receives each year for SIP is not significant, only about $60,000 a year, it is perhaps one of the most comprehensive and useful cost-share programs we have ever had. SIP is multi-resource focused and, therefore, we are able to take care of a lot of associated resources while at the same time benefiting the forest.

A good example of this multi-resource aspect in Missouri is that one of the big problems we have in managing our private forest land is the practice of letting cattle graze in the woods. Through SIP and its fencing component, we have been able to help landowners get the cows out of the woodlands. This has provided a double benefit to the landowner. It keeps the cows on the pasture land where they make the most weight gain, and it protects the forest and its associated resources; this allows the forest to regain its natural structure and to become more productive. Before SIP, we never had such a complete package available for the landowners to take advantage of.

Since most cost-share incentives are federally funded and state implemented, they are usually designed so that one program fits all states. We would like to see this changed so that each state would be able to take the basic program and design it to best fit its specific needs and requirements.

As I mentioned, until recently the tax laws of both the federal government and the state have not been favorable for the long-term investment required to enhance forest productivity. The 1998 report of the National Research Council, “Forested Landscapes in Perspective: Prospects and Opportunities for Sustainable Management of America’s Nonfederal Forests,” hit the nail on the head so to speak when they said: “Investment needs of well-managed forests are different from many other businesses: the investment must be held for long periods of time before any financial return is realized; interest costs on the invested capital must be paid for long periods of time; the capital (trees) is subject to risk because of fire, insects, disease, and disaster weather events; forests have a low degree of liquidity; and the investment is subject to a low return rate compared with alternative capital investments.”

The report goes on to say that “At a minimum, tax policy should promote savings and long term investments, foster equity with nonforestry investments, be easy to administer and understand, and remain stable over long periods of time so as to encourage long-term investments.” The report also says that “from a federal perspective, concerns over taxation are rooted in policies concerning estate taxes, capital gains, and passive loss. From a state perspective, the concern often surfaces from the application of property taxes.”

Estate taxes can be such a financial burden on the heirs of forest landowners that many are forced to liquidate their entire holdings or at the very least to fragment their holdings to pay for the taxes. Recent revisions in the federal tax law may help to alleviate some of the problems associated with estate taxes.

Growing trees is a long-term undertaking. Income tax on capital gains from forest income can be a major disincentive for long-term forest productivity. The Tax Reform Act of 1986 had the effect of discouraging landowners from extending timber harvest rotations and managing older forests. The Taxpayer Relief Act of 1997 made some important adjustments in the tax treatment of capital gain income from investments in timber. For example, for timber sold after May 1997, the tax rate on long-term capital gains dropped from 28 to 20% for most owners. For timber held 5 years beyond December 2000, the capital gains rate will drop another 2%, from 20 to 18%.

Perhaps the best assistance the federal government could provide would be to eliminate the complexity of its current tax structure and design programs that landowners and those of us who manage the resource can understand. Make changes in the tax code that will help foster investment in private forests and have equitable taxation policies that allow landowners to manage their lands for long-term forest benefits.
So, to briefly summarize, forest productivity on private lands is dependent upon us, as resource managers, taking the time to understand what motivates landowners. We need to be willing to take the time to find out just exactly what they want and expect from their land. It is also imperative that both state and federal governments provide sufficient incentives so that landowners are willing to make the long-term investment necessary to have a positive impact upon the overall forest resource of the nation.