

RURAL FOREST MARKETS ACT

Boosting rural economies by protecting and restoring family forests

Voluntary carbon markets can offer family forest owners a stable source of income, but high up-front costs can prevent their participation in these markets. The Rural Forest Markets Act would help landowners overcome this barrier.



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Families and individuals own 39% of U.S. forests — more than any other ownership group, including the federal government.

These forests offer clean air and water, provide habitat for wildlife and store vast amounts of carbon. With the right actions to restore forest health, family forests can capture an additional 267 million metric tons of carbon dioxide, the equivalent of taking 57 million cars off the road.

The overwhelming majority of family forest owners want to keep their land forested. But with one in three living on less than \$50,000 a year, financial need can be a major driver of land use conversion and other actions that threaten long-term forest health.

Voluntary carbon markets provide one solution to this problem, via carbon projects that pay landowners to sustainably manage their forests. However, costly barriers to entry can lock small-scale forest owners out of these markets. Through a financial guarantee program, the Rural Forest Markets Act would make it possible for families to participate in the voluntary carbon market — all at no cost to taxpayers.

WHY CONGRESS SHOULD SUPPORT RFMA

This bipartisan legislation would establish the Rural Forest Markets Investment Program, which would provide loan guarantees of up to \$150 million for state agencies, nonprofits and companies to help family forest owners participate in the voluntary carbon market.

The Rural Forest Markets Act offers:

- **Big benefits for climate, water and wildlife:** This voluntary incentive program helps small-scale landowners adopt science-based practices that increase how much carbon their forests capture and store. By improving forest health and longevity, the RFMA also improves water supplies and wildlife habitat.
- **A boost for rural economies:** RFMA enables a steady source of income for landowners in addition to sustainable harvesting of timber and other forest products. This helps them build generational wealth and keep their forests in family hands.
- **An attractive option for investors:** RFMA reduces financial risk for the private investors that contribute upfront financing for carbon projects. This unlocks billions of dollars in green investment that companies need to meet their net-zero climate goals.
- **A commonsense political choice:** The U.S. Department of Agriculture already operates guarantee programs for other important markets in rural America. RFMA simply expands these guarantees to carbon and other emerging environmental outcome markets.



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HOW RFMA WORKS ON THE GROUND

Picture a typical American family forest owner. The family owns 67 acres, the national average for forest owners of this type. With major expenses on the horizon, they're considering logging their land for additional income. Due to a variety of reasons — lack of access to professional forestry advice, the higher monetary value of mature trees on the timber market — they are on the cusp of harvesting more trees than their forest can sustainably support, leading to a decline in the long-term health of their forest.

While the family has heard that the voluntary carbon market can provide an additional financial benefit to cover forest ownership costs, the process is expensive at first and requires special expertise. There's the matter of surveying the land to establish a carbon storage baseline, and the difficulties of drafting a forest management plan. Then there's implementation — carrying out practices to help the forest store more carbon, such as removing invasive plants and setting prescribed burns. For this family, participating in a carbon project seems to be something that's only possible for large-scale forest owners.

Thanks to RFMA, however, this isn't the case. Financial guarantees mean that state agencies, nonprofits and companies can unlock private investment dollars to shoulder the up-front costs of the family's entry into the voluntary carbon market. Services that RFMA's funds would help make possible include:

- Land surveys to establish how much carbon their forest stores, and to track how stored carbon changes over time.
- Access to professional foresters and forestry advice, which most family forest owners have never before received — all at no cost to the family.
- The creation of a science-based forest management plan.
- Access to a network of like-minded landowners to share knowledge, best practices and build community.

HOW DOES CLIMATE-SMART FORESTRY WORK?

Climate-smart forestry improves the long-term health of forests by using science-based practices to increase the carbon that trees capture and store, all while benefiting water supplies, soil health and wildlife habitat. These methods vary by region and forest type, but can include:

- **Protecting large, older trees**, which contain more carbon and are more resistant to drought and wildfire.
- **Removing small, overcrowded or sickly trees** to improve the health of remaining trees.
- **Using prescribed fire to clear overgrown underbrush**, reducing the risk of out-of-control wildfires.
- **Promoting the growth of climate-resilient, longer-lived species** such as oaks.
- **Controlling vines and invasive plants** that threaten native species.
- **Protecting young trees from deer and other herbivores.**