HELPING RURAL FOREST OWNERS ACCESS MARKETS AND HUNDREDS OF MILLIONS IN PRIVATE DOLLARS

- FAMILY FORESTS ARE ESSENTIAL:
  These families provide the majority of wood consumed in the U.S. while also cleaning our air and water, reducing carbon in the atmosphere to help mitigate climate change, protecting fish and wildlife habitat, and providing places to hike, hunt, and fish. With 1 in 4 rural Americans owning forests, family forests are integral to our rural economy.

- CARING FOR A FOREST CAN BE EXPENSIVE:
  Especially since for most families, income from timber harvesting, if they harvest at all, comes as infrequently as once a generation. Yet these forests still need regular care and maintenance to continue providing the many services all Americans appreciate.

- SOME MARKETS ARE OFF LIMITS TO SMALL LANDOWNERS:
  Despite the fact that carbon markets could help families generate regular income from the land to cover maintenance costs, they are currently off-limits to small family-owned tracts due to the high cost of entry. In particular, most of these markets require landowners to take an action, and the landowner won’t recoup the value (in carbon, water or other credits) for years after the action.

- OPENING CARBON AND OTHER MARKETS BRINGS BILLIONS IN PRIVATE SECTOR FUNDING TO RURAL AMERICA:
  The voluntary carbon market alone could generate as much as $5.6 billion in demand for carbon credits in the next few years, private finance that could support rural economies if markets are open to small forest owners.

- FAMILY FORESTS CAN CONTRIBUTE SIGNIFICANTLY TO CLIMATE MITIGATION:
  Opening carbon markets to family forest owners will mean that forests can contribute roughly 14 billion in carbon emissions reductions, a significant global contribution.
The Rural Forest Markets Act will:

- Give the U.S. Department of Agriculture (USDA) the authority to issue up to $150 million in guarantees for loans and bonds that help UNLOCK THE UPFRONT CAPITAL INVESTMENT NEEDED to help landowners participate in these markets. USDA already issues such guarantees for traditional agriculture markets, and this would expand authorities to nontraditional markets like carbon and water markets.

- Help small family landowners access markets for carbon and other values by UNLOCKING ADDITIONAL REVENUE STREAMS to support the ownership and stewardship of their forest.

- ELIMINATE THE FINANCIAL BURDEN to landowners by helping them secure the upfront private capital needed to invest in land management that will eventually generate value in the form of a carbon, water, or other similar commodity that can be sold in a marketplace.

- Allows the U.S. to achieve the necessary scale of climate impact as well as BRING PRIVATE FINANCE FROM LARGE CORPORATIONS to rural America.

HOW A USDA GUARANTEE CAN UNLOCK REVENUE STREAMS

A USDA loan or bond guarantee will unlock money from private investors for the upfront capital needed to implement stewardship practices on the ground. Investors need this added assurance provided by a guarantee to confidently invest in these less traditional programs. This capital is then used to pay forest owners for practices that can be turned into carbon credits sold on the voluntary carbon market to interested, corporate buyers. The revenue from carbon sales is then used to pay back the investors with interest.

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