

Forest Resources in the Watershed Communities

The Newfound Watershed Master Plan



Newfound Lake Region Forest Management

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Forestry and the forest products industry have, and continue to be, an important part of the history, culture, economy and environment in the Newfound Lake Watershed. Since settlement in the 1600 and 1700s, trees remain an important resource that provides lumber for building, firewood for heating, fiber for papermaking and for the generation of electricity. The history of timberland management and land use in the Watershed is not unique from what has occurred throughout New Hampshire. Settlement brought with it the removal of most timber for use as building materials and firewood for homes. This land clearing was also necessary for the development of agriculture (clearing for crop and pastureland). It is estimated that by the end of the 1800s, as much as eighty percent of New Hampshire's landscape was cleared. With the Civil War in the mid 1800s and westward expansion around the same time, many farms, homesteads, and, in some instances, entire communities were abandoned and in their place grew trees.

Current Use Land-Base and Taxation

Using current property tax data from the New Hampshire Department of Revenue Administration (NH DRA), 64% of all the acreage within the nine watershed communities is assessed as timberland or forestland in the Current Use tax assessment program. The amount of total forest cover is much greater because to qualify for the Current Use timber or forestland assessment the parcel must be greater than ten acres. But, using this data remains a good indicator of productive forestland as conducting a commercially viable timber sale on a parcel smaller than ten acres is difficult.

Within the Current Use tax assessment program, landowners can opt for an additional reduction in their tax assessment if their property has a management plan that has been developed and approved by a professional forester licensed in New Hampshire. Although the presence (or absence) of a management plan does not guarantee the timberland is being managed to its fullest potential, the fact a landowner took the time and made the financial investment to develop the plan is a good indicator that the property is being managed. Currently 47,216 acres within the nine watershed communities qualifies for this reduction.

In addition to their economic value, these lands also provide aesthetic and environmental benefits as well as recreational opportunities. Similar to the Current Use assessment reduction for management plans, landowners can also receive a reduction in their tax assessment if they agree to keep their land open for foot traffic and other non-motorized recreation. Currently 57,220 acres within the nine watershed communities receive this reduction, or 55% of all the land assessed under the Current Use program (farm and forest). It is safe to say a portion of these 57,220 acres also includes some of the 4,504 acres of agricultural land assessed under the Current Use program in these communities.

Forest Products Industry

The forests of the Newfound Watershed provide significant economic activity. Based on 2007 data published by the North East State Foresters Association, on average each acre of timberland annually provides \$475 of economic activity; \$252 from forest-based manufacturing value of shipments and \$2

from Christmas tree and maple product production. The remaining \$221 comes from forest-related recreation/tourism.

Multiplying the forest-based manufacturing value of shipments and Christmas tree and maple product production annual economic activity factors by all the acres within the watershed assessed as timberland or forestland in the Current Use program shows these lands annually generate \$48.6 million in economic activity. The following is a rough breakdown of how the economic activity is distributed throughout the supply chain:

Forestry and Logging jobs

Not all individuals licensed as foresters under New Hampshire's forester licensing law actively practice forestry. If an individual has gone through the effort to maintain their license, there is a strong likelihood they have a career connected to forest or natural resource management. Based on the New Hampshire Joint Board of Licensure online roster of foresters licensed in New Hampshire, twenty-three individuals licensed to perform forestry reside in the watershed and abutting communities.

Understanding the number of individuals who derive their livelihood from the harvesting or transporting of forest products is more difficult since a segment of the logging and trucking community work seasonally or part-time. Using data from the New Hampshire Timberland Owners Association's (NH's landowner, logger and forest industry trade association) data base, currently 152 individuals in the watershed and abutting communities derive some portion of their livelihood from the harvesting or transporting timber.

Based on the 2006 New Hampshire Department of Resource Administration (NHDRA) timber tax data from the watershed communities this activity produced:

- 3.3 million board feet of softwood timber for lumber production,
- 1.9 million board feet of hardwood timber for lumber production,
- 28,863 tons of wood chips for electricity production,
- 7,003 tons of softwood pulp for paper manufacturing,
- 14,208 tons of hardwood pulp for paper manufacturing,
- 2,157 cords of firewood for home heating.

Wood Processing

New Hampshire law requires all wood processors (portable and stationary) to register with the New Hampshire Department of Resources and Economic Development (NH DRED). NH DRED's 2008 registry data shows 24 wood processors registered in the watershed and abutting communities. Ten of the processors are either portable chippers, portable sawmills or portable firewood processors while the remaining 14 are stationary sawmills. Stationary sawmills ranging from small firewood processors to the large sawmills, like the ones located outside the watershed on NH Rt. 25 in Rumney, are capable of processing as much as 25 million board feet of lumber annually and employing dozens of individuals.

In addition to sawmill jobs, there is currently one biomass (wood to energy) power plant operating in the Newfound Lake region - Bridgewater Power in Bridgewater. Based on 2002 data from the NH DRED report entitled, "Identifying and Implementing Alternatives to Sustain the Wood-Fired

Electricity Generating Industry in New Hampshire”, this power plant consumes 229,320 tons of wood chips producing 15 megawatts of electricity annually. Based on the same data the Alexandria Power Plant (which is seeking to come back online sometime in 2009) will also produce approximately 15 megawatts of electricity. This same report estimates that for each megawatt of wood-fired energy capacity using forest-derived fuel, there is a direct annual economic impact of roughly \$400,000 or \$12,000,000 annually. But, some industry experts estimate that direct economic activity derived from these facilities will generate \$18,000,000 in economic activity (wood purchases and payroll).

The forests within the watershed also produce pulp used in the papermaking process. Pulp wood grown in the watershed travels as far away as upstate New York and Western Maine. Based on timber tax records gathered by the NHDRA the watershed produced 21,211 tons of pulp wood.

In addition to direct economic activity, the forest management and wood processing activity also provides indirect economic activity. This includes money paid to communities in the form of timber and property taxes and economic activity generated from dollars circulating through the local economy. Because most of the work occurs locally, the indirect economic activity from this industry is significant. Based on NH DRED’s 2002 report, the “economic multiplier” is 2.95 for timber harvesting and 3.83 for sawmilling, meaning for each dollar generated its economic benefit to the local economy can be multiplied 2.95 or 3.83 times.

In summary, forestry and the forest products industry have and continue to be an important part of the history, culture, economy and environment in the Newfound Lake region. The benefits of responsible forest management include healthier forests, wildlife habitat and water supply, recreational opportunities, and substantial economic value to the landowner and surrounding community. By understanding and caring for our forest lands we can expect to be rewarded with these benefits for years to come.