



Oregon Forest Resource Trust

Forest Resource Trust – Forest Establishment Program

March 2009

The Oregon Department of Forestry provides an innovative partnership to help landowners with agricultural, range, pasture and other non-forested lands suitable for forest cover receive assistance to establish new forests. The Oregon Forest Resource Trust's Forest Establishment Program offers low-interest loans to establish a new forest with no 'out-of-pocket' expenses for the landowner.

The Oregon Forest Resource Trust can provide funding for the direct costs of site preparation, tree planting, seedling protection, competitive release activities, forestry consultant services and other practices necessary to achieve a "free-to-grow" forest.

Landowners that choose to participate in the Forest Resource Trust commit to establish a healthy forest and take responsibility for seeing that the work gets done. Stewardship foresters from the Oregon Department of Forestry provide technical assistance on how to complete the tree planting project and are available to provide guidance about project management responsibilities for the landowner. All sites are reviewed for their feasibility to support forest cover and whether the current condition is supporting environmental values such as oak prairies and savannas that the landowner may wish to maintain or enhance as an alternative.

Unlike most loan programs, payments are made back to the Trust only when you choose to harvest timber. If timber is harvested from forests created with Trust funding and profits are generated, landowners must repay the Trust with fifty percent of net receipts for thinning or if the land is in final harvest, repay all Trust costs plus four percent simple interest as pro-rated against the area harvested.

If you experience a catastrophic loss or suffer financial impacts from new regulations, the Trust provides risk protection for the landowner. Loan repayment obligations may be reduced, or your forest will be restored to pre-loss conditions at no expense to you.

Consider the following...

No out-of-pocket expenses.

The Trust provides up to 100 percent of forest establishment and seedling protection costs. Contractors are paid directly through a two-party check with the landowner, based on the actual cost of the work completed. Costs for a professional forester to manage your project are included in your finance package - This helps ensure work is performed correctly, on time and within budget.

Long-term contract

Landowners enter a long-term contract specifying that when the land changes ownership, Trust obligations will continue from one owner to the next.

A detailed plan guides each project.

The plan sets cost limits and identifies best practices – including site preparation, tree planting, seedling maintenance and protection measures necessary to achieve free-to-grow.

Loan payback based only on profits.

If profits are derived by harvesting timber from the forest created under the Trust, landowners repay the loan amount to the Trust plus four percent simple interest. Payments apply to principal first.

Landowner protection from risk

The Trust provides risk protection if you experience a catastrophic loss or suffer financial impacts from regulation changes.



Eligibility requirements for the program

Proposed area must be in private or local government forestland ownership; family landowners owning less than 5,000 acres of medium-to-high site Oregon forestland or less than 15,000 acres of low site Oregon forestland are especially encouraged to apply. State and federal forestlands are not eligible.

Project must have at least 10 contiguous acres of brush, crops, pasture, orchard or other use not containing a full stand of trees or seedlings. The land must be outside an urban growth boundary and capable of growing commercial forest species.

Land must be free of reforestation obligations. Projects to replant land following timber harvest to meet Oregon Forest Practices Act requirements are not eligible. Exceptions may be granted in special cases.

Forest is meant for commercial production. Riparian (streamside) and other woodland restoration projects are allowed under Trust funding when the value of the project's commercial forest area can cover the cost of establishing the non-commercial forest area.

By participating in the Forest Resource Trust program and receiving financing, **the landowner agrees to assign rights to the project's carbon dioxide emission reduction benefits (including carbon offsets) to the Trust.**

Oregon Department of Forestry
Private Forests Division



2600 State Street
Salem, Oregon 97310
503-945-7200
www.privateforests.oregon.gov

How to Apply for the Forest Establishment Program

1. On the Web –

Visit www.forestresourcetrust.oregon.gov and call a listed contact with any questions.

2. Complete an application –

The application is available on the website and can be downloaded. Mail the completed application, with a map of your property to:

Oregon Department of Forestry
Forest Resource Trust
2600 State Street, Bldg D
Salem, OR 97310

3. Free site visit –

An Oregon Department of Forestry forester or a forestry consultant will visit your site and determine if your project qualifies.

4. Qualification letter –

After the site visit, you'll receive a letter from the Department of Forestry. You will be given more information about the next steps.

5. Develop a plan –

The Department of Forestry or a forestry consultant will develop a project plan which includes the schedule of practices and the budget to establish your forest.

6. Review all paperwork –

You will review the project plan, Trust contract and other information. The Department of Forestry will answer any questions you may have.

7. Sign documents –

Congratulations! Your project gets started and you can begin to enjoy your new forest!