



# Income Opportunities

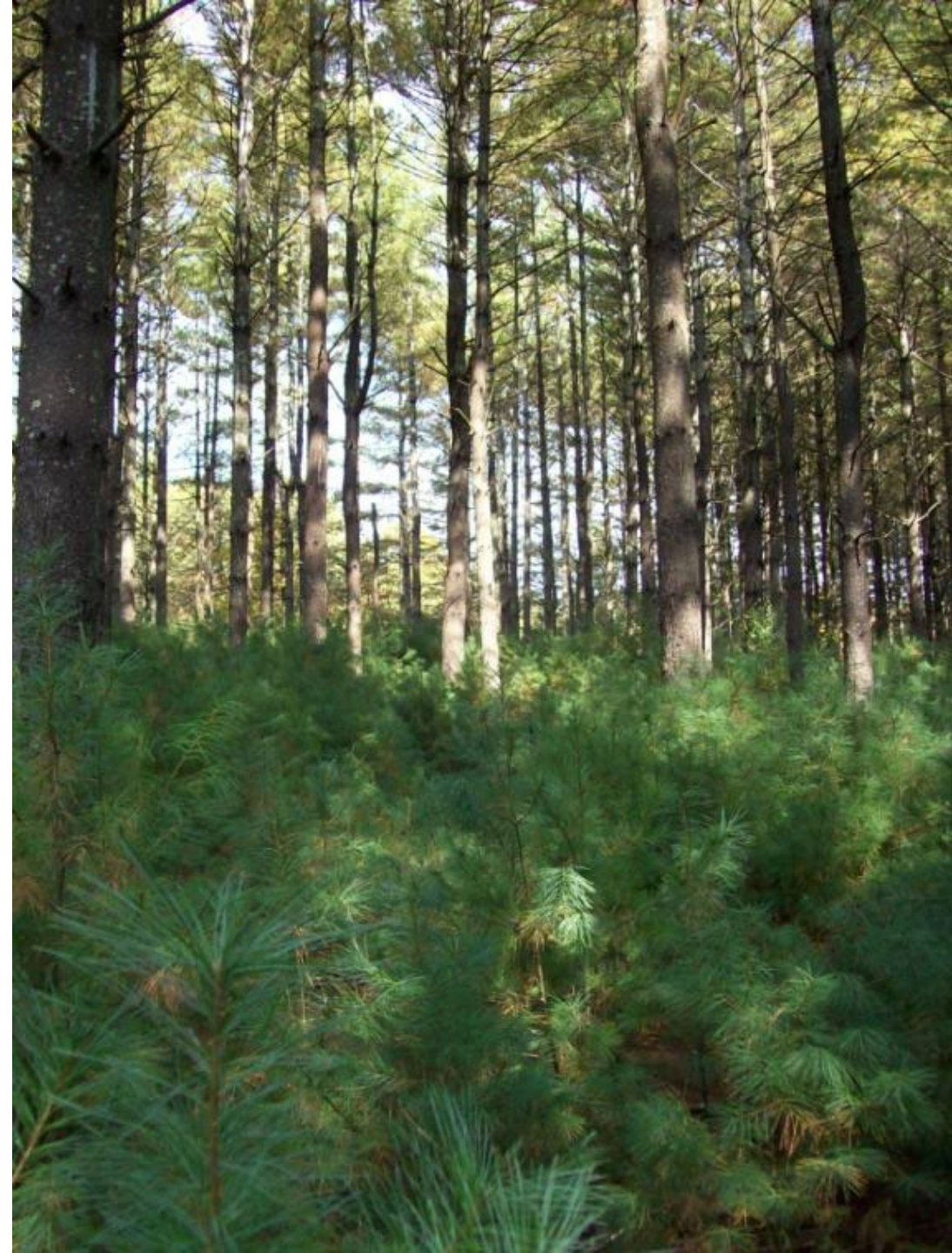
How woodland owners can make money from their forest





# Income Opportunity Overview

- Tax assistance programs
- Cost share programs
- Sources of income
  - Hunting leases
  - Ecosystem services
  - Non-timber forest products
  - Timber





# Tax Assistance



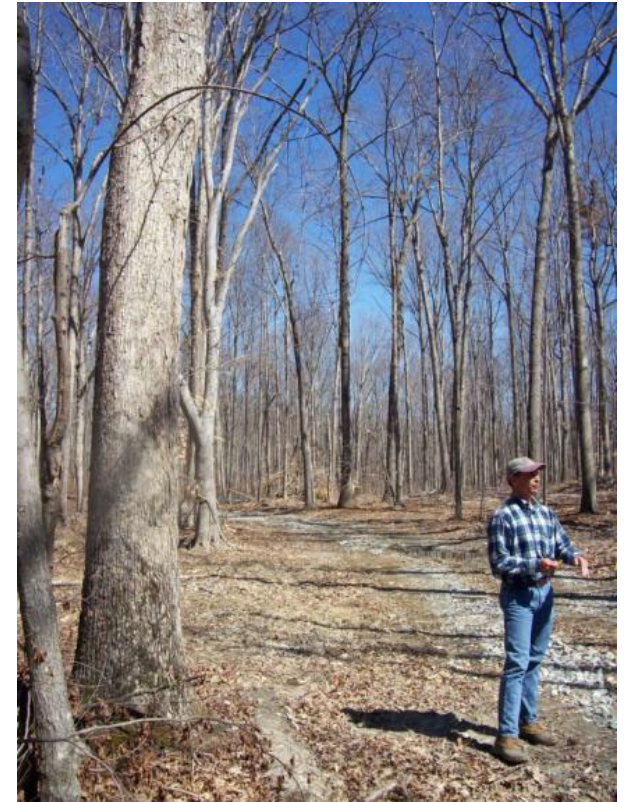
- Use-value taxation (Land Use)
- Lower property taxes for rural land – forest, agriculture, horticulture, or open land.
- Land is taxed at current use, versus highest and best use value
  - Rural landowners use fewer services per dollar of taxes paid
- Provides incentive for keeping land in rural use





# Tax Assistance: use-value taxation

- Use value taxation
  - Forestland
  - Minimum of 20 forested acres
  - May also qualify with land in agriculture, horticulture and open space
  - Contact your county tax assessors office





# Tax Assistance: conservation easements

- Restricts some uses – typically subdivision & development – in perpetuity
- In theory, keeps the land in rural use forever
- Usually donated in exchange for income tax credits
- Some localities have purchase of development rights (PDR) or transfer of development rights (TDR) programs
- Property taxes are assessed at use-value.



# Cost-Share Program Overview

- Provide financial assistance for projects (such as tree planting, creation of buffers along waterways, etc.) on private lands which enhance:
  - Environmental protection
  - Water quality
  - Wetlands
  - Wildlife habitat
  - Woodlands



# Cost-Share Programs

- Programs are funded through a variety of agencies & non-profits
  - Natural Resources Conservation Service (USDA/NRCS)
  - Virginia Department of Forestry (VDOT)
  - Soil & Water Conservation Districts (SWCD)
  - Others
- A list of current programs is available at:  
[www.dof.virginia.gov](http://www.dof.virginia.gov)



# Cost-Share Program Examples

Popular programs include:

- RT: Reforestation of Timberlands
- Hardwood Initiative
- PBBPP: Pine Bark Beetle Prevention Program
- CREP: Conservation Reserve Enhancement Program
- EQIP: Environmental Quality Incentive Program





# Sources of Income: hunting leases

- Landowners provide limited access to their land for the stated purpose of hunting
- Can generate enough income to cover property taxes
- Hunters may agree to help improve wildlife habitat
- Can help maintain boundaries and prevent trespass



# Sources of Income: ecosystem services

“Nature’s benefits”

- Aesthetics
- Carbon storage
- Nutrient cycling
- Climate mitigation
- Wildlife habitat
- Clean air
- Clean water



# Ecosystem Services: forest carbon

- While trees are growing, they take in carbon dioxide and store that carbon in their wood and other tissues.
- Companies that want to offset their carbon emissions are willing to pay woodland owners who increase carbon uptake and storage.



# Sources of Income: non-timber forest products

- All useable parts of the forest besides timber (wood)
  - Florals and seasonal greens (pinecones)
  - Food (mushrooms, nuts)
  - Medicine (ginseng)
  - Dietary supplements (ginseng, black cohosh)





# Sources of Income: non-timber forest product information

- Your local Extension agent
- The Appalachian Forest Farmer Coalition
  - <https://www.appalachianforestfarmers.org/>



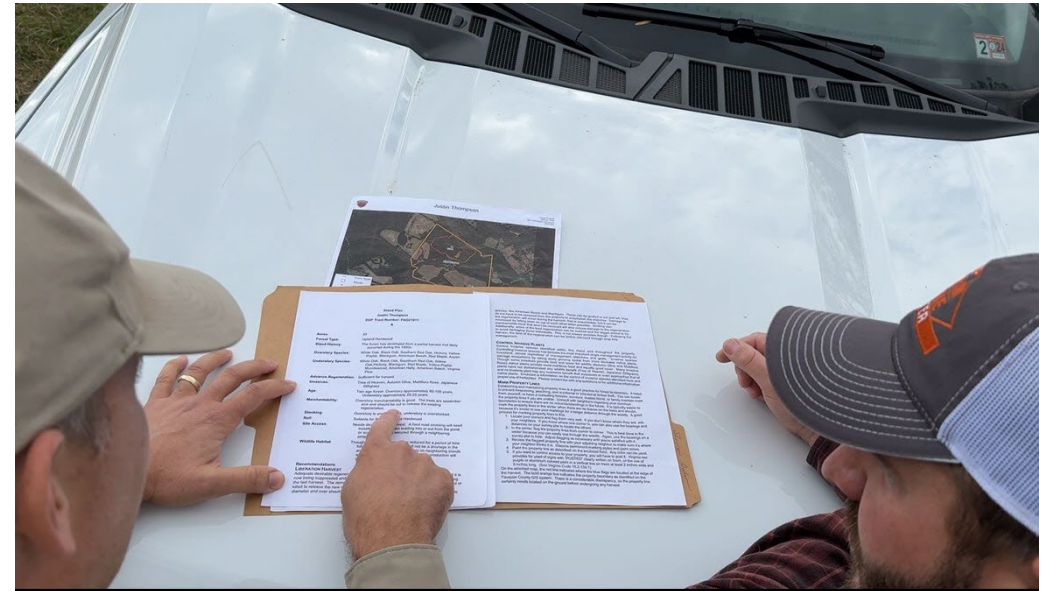
# Sources of Income: timber

- Traditional forest product
- Hardwood or pine
- Many different products
- Rotation length varies depending on species and desired product
- Most landowners only harvest once or twice during their lifetime



# Sources of Income: selling timber

- If done correctly, can provide a significant source of income and improve the health or wildlife value of a forest
- Should work with a professional forester
  - Virginia Department of Forestry
  - Consulting forester





# Summary

- Many opportunities to defray expenses
  - Tax assistance programs
  - Cost share programs
- Many income producing opportunities
  - Hunting leases
  - Non-timber forest products
  - Timber production





Discussion?

