

Ecosystem Services: The Texas Response

Changing the value of forests through ecosystem services

Presented to
Washington, D.C.
May, 2007

Tom Boggus, Associate Director,
Texas Forest Service

Conservation without

\$\$\$ CASH \$\$\$

... is just conversation!

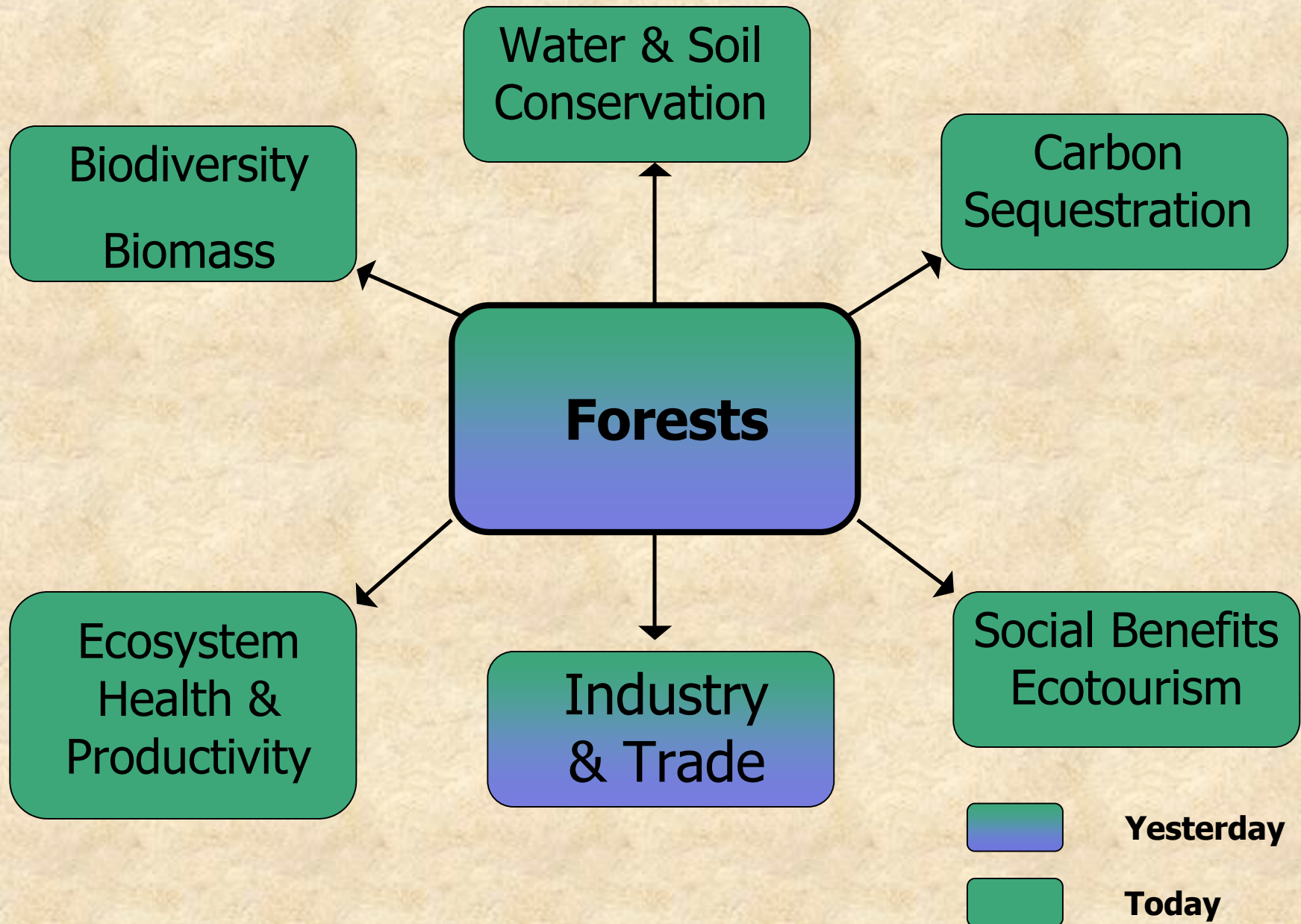
Ecosystem Services Marketing



Common ground for

- Foresters
- Society
- Environmentalists

20th Century Forestry



Global competitiveness of forest industry ... *21st Century*

↓ Labor costs

↓ Taxes

↓ Transportation

↓ Raw product

↓ Recycled material

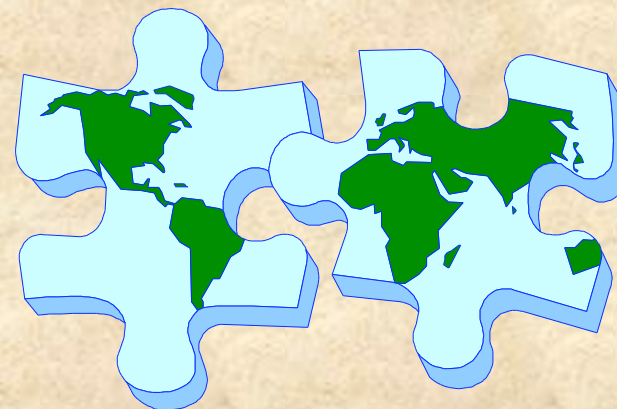
↓ Energy

↓ Mill efficiency

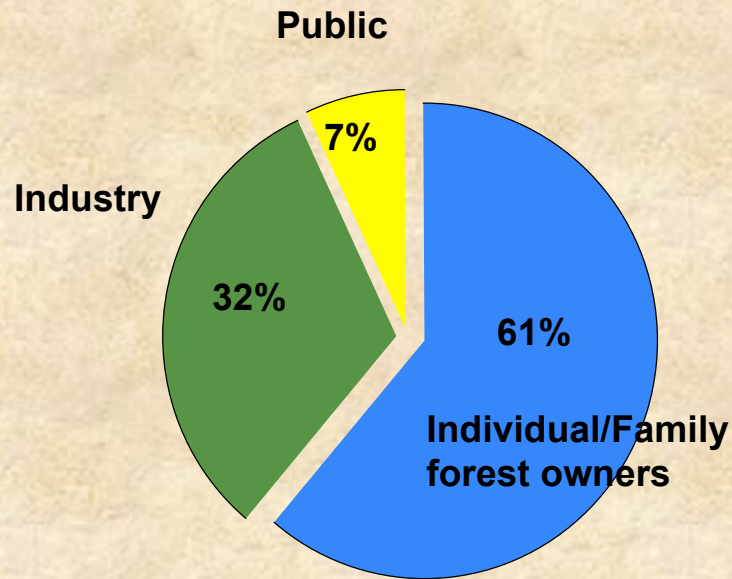
↓ Capital investment

↓ Public opinion

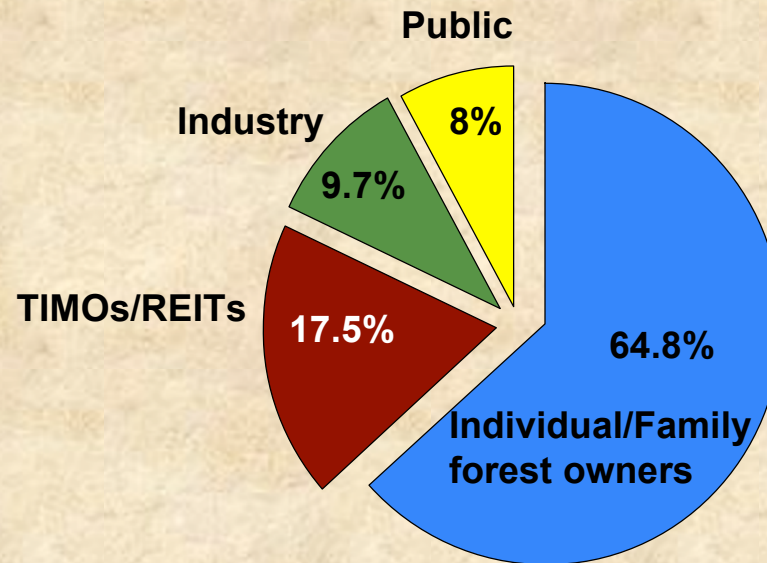
↓ International trade



Forestland ownership in East Texas



Prior to 2000



2006

On Feb. 26, 2007, the last remaining timber company in East Texas announced its intention to divest all of its forest land holdings, bringing the remaining 1.1 million industry-owned forest land acres in Texas to zero.

“Twenty years from now there won’t be a single tree in Texas harvested for the usual wood products!”



Ecosystem Services—Key Points

- The inherent benefits of keeping trees in the ground produce the tangible products of clean air, sparkling water
- Today's sustainable forest management can combine the best of both worlds:
 - Utilizing the resource for its **products** (lumber and biofuels)
 - Managing other parts of the forest for ecosystem **services** (clean air, water quality, wildlife habitat, aesthetics, etc.)

Trees are the answer, now what was your question?

Marketing Ecosystem Services

Ecosystem Services 101

Putting a willing buyer in touch
with a willing seller.

Sounds simple enough

Ever tried to nail Jell-O to a tree?

Keeping forests in forests creates opportunities

Buy TIME for Texas and the South!

- **Increased revenues**
- **Protected landscapes**
- **Enhanced land management**
- **Rural community viability**



Why is Texas Forest Service involved?

- Fragmentation & challenge of keeping forests in forests
- TFS in unique position to assist forest landowners in maximizing the value of their forests while sustaining the state's forest resources
- TFS is the trusted, objective source of accurate, scientific data and information

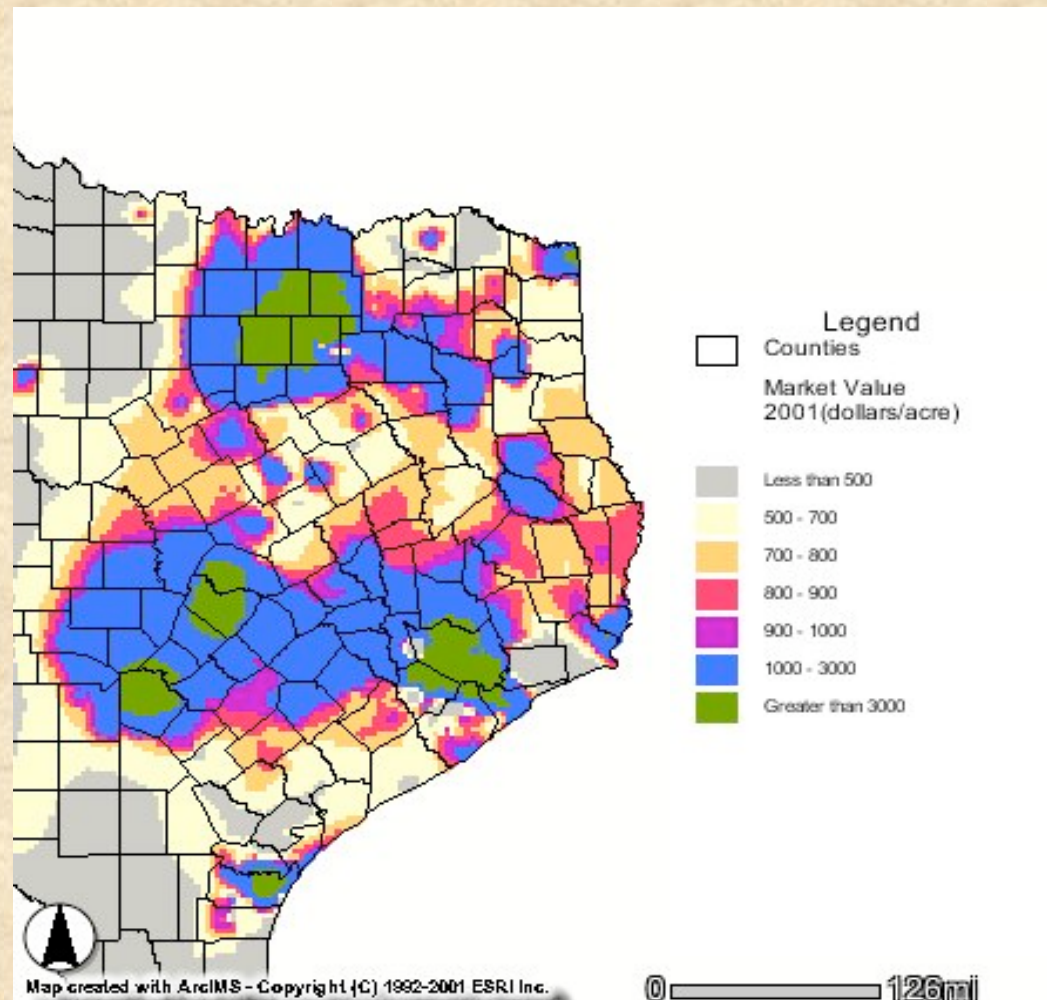
Because NOW we have no choice!

TEXAS
FOREST SERVICE



Since 1915, protecting and sustaining the natural resources of Texas

Why is Texas Forest Service involved?



Ecosystem Services – *the TFS response*

- Started slow, but emphasized quality and excellence
- Studied, researched what Ecosystem Services Marketing is all about
- Explored
 - carbon sequestration credits
 - watershed protection services
 - biodiversity protection
 - anything anyone might be willing to buy & sell!

... primarily at staff level

Objectives: Texas Ecosystem Services Marketing Pilot Program

First year -- 2005

- Identify landowners with potential to develop ecosystem business opportunities
- Identify corporate partners needing ecosystem services for mitigation
- Become the source of ecosystem service market information
- Facilitate knowledge and put sellers and buyers together to participate in the free market system

2005 Accomplishments

- Developed primer introducing the project
- Developed and distributed questionnaire to buyers, sellers
- Identified 70 potential buyers
- USDA Forest Service, Southern Forest Research Station compiled information on CO2 registries

2006 Work Plan

Internal

- Build capacity of all TFS foresters
- Survey and report existing ecosystem market activities already occurring in Texas
- Select an intern from Bush School of Government & Public Service, Texas A&M University

2006 Work Plan

External

- Develop a series of short “how to” pieces on ecosystem services marketing for the forest community
- Develop ecosystem services markets presentation(s)
- Hold informational and training seminars to increase awareness of ecosystem services marketing – ACF, TCE, NRCS,
- Continue to monitor national carbon registries

2006-07 Accomplishments

- **Ecosystem Service Markets: Everyone's Business**—Houston conference drew national attention, 25% of attendees from other states
- **Ecosystem Services Taskforce**—formed to develop next steps, how to make this work in Texas
- **Changing Roles**—40-hour professional development program for TFS Foresters and soon for other natural resource agencies
- **Coordination with NASF and USDA Forest Service**—to incorporate ecosystem services into the 2008 Farm Bill
- **Participate in reviews and roll-out of biomass projects**

Current projects receiving the most attention



- Water quality and quantity
- Carbon sequestration
- Sanctuary / "Peace of Mind" factor / Recreation

Iowa Farm Bureau Carbon Credit Pilot Project

- Under a pilot project involving the Chicago Climate Exchange, Iowa Farm Bureau and local aggregators, East Texas forest landowners may now have the opportunity to participate in a carbon off-set project and sell sequestering carbon on the open market.



TFS Role in Carbon Credit Pilot Project

- Working collectively with Chicago Climate Exchange to define forestry offset practices across the South
- Texas Forest Service has applied to Chicago Climate Exchange to become the verifier for this project and future forestry practices offset projects

Defining TFS Role:

An Ongoing Adventure

- What it's like as a state agency, trying to break into "the market" – *some experience with traditional practices*
- TFS trying to get on the radar screen with the Chicago Climate Exchange
- Credibility Matters! – Our name is on the line.

CCX: Questions?

- Agriculture economic models do not directly overlay forest management models
- Definition of “degraded” in the South
- Afforestation/Reforestation in the South
 - natural regeneration can yield 250/stems per acre without management
- Proof of long term commitment
- Expectation of sustainability on non-project lands

Questions?



<http://texasforests-service.tamu.edu/>