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## Profit Center

# Carbon offsets keep forests profitable

*Project provides revenue for small, family-owned woodlands*

By MITCH LIES  
Capital Press

In 2007, at the peak of the housing market, Mike Barnes, director of Woodlands Carbon, said he could have sold development parcels on his Newberg, Ore., tree farm for between \$20,000 and \$50,000 an acre.

As a tree farm, conversely, the land was worth a fraction of that.

"Nobody would buy it as a tree farm," he said.

The reality that tree farms multiply in value when transformed into development property is making it hard for small woodlot owners to justify keeping farms in trees.

Enter Woodlands Carbon.

The nonprofit organization that Barnes helped form when he was president of Oregon Small Woodlands Association pays small woodlot owners for storing carbon dioxide.

"We're not getting paid for providing wildlife habitat and for clean water," Barnes said. "So if we can monetize some of these ecosystem services that we provide, we can help keep generations on the landscape."

"This isn't going to make any landowner rich," Barnes said. "It is just going to give them a steady stream of income."

Woodlands Carbon was one of three carbon-offset pilot programs formed by the American Forest Foundation in preparation for potential passage of na-

### Workshop

Woodlands Carbon will host a workshop Oct. 21 to discuss carbon sequestration projects on private forest land.

The workshop goes from 9 a.m. to 5 p.m. at the Oregon State Forestry Cabin and Cameron Forest, near Corvallis, Ore.

Registration is \$35 and includes lunch.

Topics will include measuring carbon in a forest, converting those measurements into a carbon credit, and finding buyers in the voluntary carbon market.

Woodlands Carbon, a subsidiary of Oregon Small Woodlands Association, provides private forest owners in Oregon access to the carbon offset market.

Information: 503-588-1813 or [www.woodlandscarbon.com](http://www.woodlandscarbon.com)

tional cap and trade legislation.

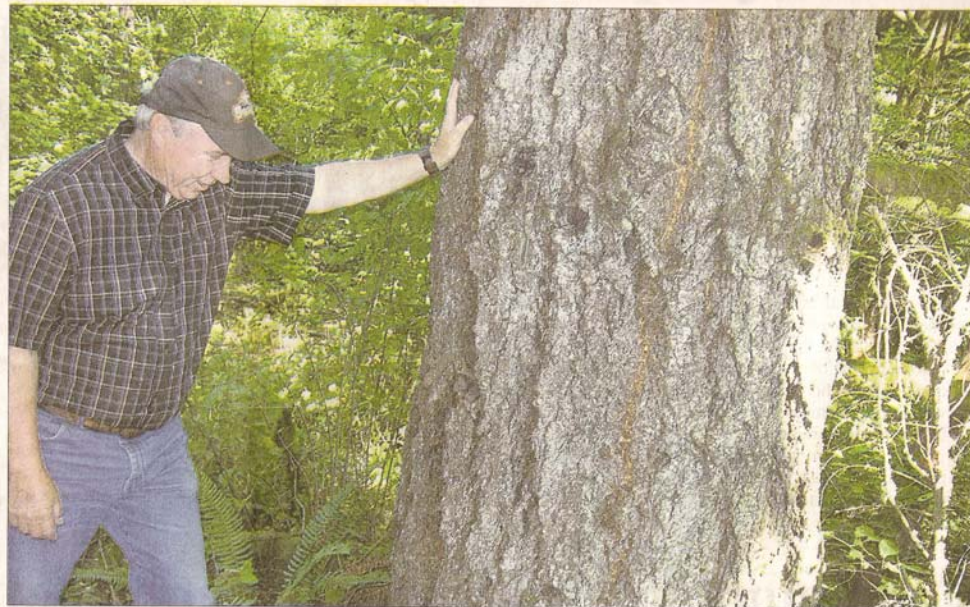
The legislation, which passed the House, never cleared the Senate. Three years later, two of the three pilot programs have shut down, leaving only Woodlands Carbon.

Under Woodlands Carbon, a landowner receives 70 percent of the value of carbon offsets in monthly cash payments for four years. Thirty percent goes to Woodlands Carbon for brokering and administering the contracts.

Woodlands Carbon today has about 50,000 metric tons of carbon offsets for sale at between \$6 and \$10 a ton.

On average, a tree farmer in the Willamette Valley can soak up about 100 tons per acre, Barnes said.

Woodlands Carbon, a wholly owned subsidiary of the small woodlands association, works



Mitch Lies/Capital Press

Mike Barnes, director of Woodlands Carbon, eyes a tree on his tree farm near Newberg. Woodlands Carbon, which pays small woodlot owners to store carbon, was one of three carbon-offset pilot programs formed by the American Forest Foundation, and the only one still in existence today.

exclusively with small woodlot owners.

"If a large consumer of energy came to us and said, 'We want to buy your carbon,' they would eat all of ours up," Barnes said. "We're going after a niche market, and we're helping real people stay on the land."

Woodlands Carbon recently sold carbon offsets to the Bend, Ore., data-collection center BendBroadband. It was the company's first sale.

"Family forests in Oregon are attractive to BendBroadband because they are touchable, seeable," Barnes said.

"It's an Oregon business supporting an Oregon landowner," said Ed Cummings, operations manager for Woodlands Car-

bon.

Globally, carbon trading has become big business. More than 130 million tons of carbon offsets were sold in 2010, up from 100 million tons in 2009. Adapting carbon sales to the small family forest was untried, however, before Woodlands Carbon entered the pilot project.

"Nobody was doing it on a scale we are doing it, of small family forest owners," Barnes said. "So we had to invent this."

"It took a couple of years to get our feet on the ground so we could sell carbon," he said.

The organization today has eight landowners in the program, including Barnes.

Woodlot owners in the program agree to follow American Tree Farm System standards for 15 years. Under ATFS standards, harvest is capped at a farm's tree growth in any one year.

The eight tree farmers in Woodlands Carbon Oregon all produce more growth than they harvest, Barnes said, which allows them to bank additional carbon credits.

Barnes said Woodlands Carbon will exist in some form after the American Forest Foundation's \$600,000 startup grant expires at the end of this year.

"At what level we exist remains to be seen," he said. "Our expectations are to sign up additional landowners and to sell

additional carbon credits."

Cap and trade regulation would spur the market, Barnes said, but Oregon small woodlot owners are split on their support for the legislation.

"We don't have consensus by any means," he said. "But if (carbon emissions) are regulated, we want a seat at the table, which is why American Forest Foundation initiated the pilot project."

Despite the fact his 70-acre Parrot Mountain tree farm is worth far more as development property, Barnes said he has no desire to sell.

"It's a lifestyle," Barnes said. "With a lot of family forest owners, that's what it is. It's a rural lifestyle."