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TRUST

Valuing Private Working Forests

Ecosystem Markets: Making them Work
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The Pacific Forest Trust

Sustaining the Public Benefits of Private Forests

- Aligning ecological needs with economic realities
- Working Forest Conservation Easements
- Leaders in raising awareness of forest as a climate solution, local and national policy
- Incentive based solutions
- Own and manage lands



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Forest Ecosystem Values

Incentives to protect ecosystem values beyond regulatory levels

- Incentives are voluntary, but often framed by regulation
 - Endangered Species Act
 - Greenhouse Gas Regulation

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Evolving Markets

Direct vs Indirect Pricing

- Indirect Pricing
 - Valuing impact of conservation-based management on market priced commodities

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Evolving Markets

Direct vs Indirect Pricing

- **Direct Pricing**
 - **Carbon Emission Reductions**
 - **Certified Forest Products**

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The Van Eck Forest

A Model for Forest Ecosystem Services

- **2,200 acres second-growth redwood in Humboldt County, CA**
- **Owned by Fred M. van Eck Forest Foundation, Managed by Pacific Forest Trust**
- **Protected by a Working Forest Conservation Easement**
- **Forest Carbon Project Registered under Climate Action Reserve**
- **Meets Forest Stewardship Council Certification standards**
- **Operating under a USFWS Safe Harbor Agreement**

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The Van Eck Forest

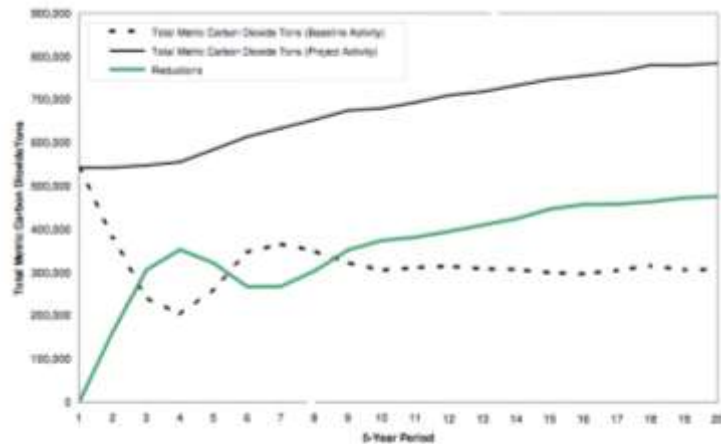
A Model for Forest Ecosystem Services

- Carbon project results in 500,000 mtCO₂e emission reductions over 100 years
- Currently harvesting 1 mmbf annually under FSC Standards
- Northern spotted owl activity center

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Forest Carbon Stocks



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Forest Carbon Sales

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- **Market Response:** CAR project is yielding 3-5X value of forest offsets of other standards
- **Buyers:** Investment funds, utilities, corporate sustainability, web-based retailers, policy leaders, etc.
- **Sales:** \$2,000,000 on 185,000 mtCO₂e ERs, most of available tons for 2005 – 2011
- **Cost:** Estimated \$100,000 for first decade

Multiple Opportunities

Allowing Values to Support Each Other

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- **Monetization of conservation values through easement**
 - Harvest volume
 - Development rights
- **Carbon Emission Reductions**
 - Prices reflect quality
 - Buyer confidence
- **Certified Forest Products**
 - Viable market during collapse of conventional log market
- **Regulatory Assurance/Safe Harbor Agreement**
 - Operational stability

Lessons

Forest Ecosystem Values

- Indirect and direct pricing may exist in managed forest
- Markets reward quality of services
- Pre-compliant market considers regulatory implications
- Multiple services add efficiency and value
- Multiple values can lead to multiple revenue streams
- It's not easy

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Thank You!

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