

Testimony of Ms. Kedren Dillard

Representing the Sustainable Forestry African American Land Retention Network and American Forest Foundation

Before

The Senate Committee on Agriculture, Nutrition, and Forestry Hearing on Federal, State, and Private Forestlands: Opportunities for Addressing Climate Change

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Good morning and thank you for this opportunity to testify on behalf of the Sustainable Forestry and African American Land Retention Network (SFLR) and the American Forest Foundation (AFF).

As you consider climate policy in this Committee and in this Congress, I urge you to create policies that recognize the important role and opportunity for forests and forest products as a climate solution and that ensure that African American forest owners like my family and family forest owners more broadly are able to participate and contribute to tackling climate change in voluntary ways that increase our land values, help us keep our land in the family and keep it forested.

My name is Kedren Dillard, and I am a fourth (4th) generation forest landowner. With my family, I own approximately 160 acres of land in three small farmland plots in Brunswick County located in Southern Virginia.

I'm here today speaking on behalf of the Sustainable Forestry and African American Land Retention Program (SFLR), one of the only African American-led and managed conservation and environmental networks. The SFLR Network helps African American landowners turn their family forests into sustainable economic assets.

SFLR's core pillars utilize managed forestry and small agricultural enterprises to address land loss and land tenure, including heirs' property resolution and climate change, in African American communities throughout the southern United States. The mission of SFLR is to create a sustainable system of support for African American forest owners that significantly increases the value of African American-owned forests, promotes land retention, creates asset development, promotes conservation and environmental protection, and educates landowners about the principles and practices of climate change mitigation.

As leading African American experts in forest conservation, the SFLR Network brings a time-tested ability to attract and support Black landowners to enhance their landholdings' financial and ecological value and act together to increase land retention and wealth creation in their communities. The SFLR network has assisted more than 1,400 landowners, who own a combined 90,183 acres, ensuring land assets remain held by historical landowner families. The foundation for the Network's success is the excellent work of African American-led community-based anchor organizations with strong connections to African American families. The majority of these landowners have owned their family forests for generations and are well-positioned to act as stewards of the land.

I'm also here today as a member of the American Forest Foundation's Board of Trustees. AFF exists to deliver meaningful conservation impact through the empowerment of family forest owners. Several

years ago, AFF and SFLR formed a partnership to further our shared goals to achieve conservation objectives by empowering African American forest owners.

SFLR and AFF are also members of the Forest Climate Working Group, a diverse forest sector coalition working together to advance forests and forest products as climate solutions. My testimony also reflects ideas developed in concert with this diverse coalition.

My Story

With respect to my family forest, the first small farm passed down from my great-grandfather is about 50 acres of forest and 30 acres of open land. The second, from my great-great-grandfather, making me a 5th generation owner in this instance is 55 acres of forest and open land. And finally, from my great-Aunt, I share ownership of an additional 20 acres of trees and 5 acres of open land. Luckily, the titles are clear on all three properties, and each is in either a corporation or LLC, owned by a set number of shareholders who are family members.

My 12 first and countless 2nd and 3rd cousins and I owe a great deal of thanks to my father and his six siblings for positioning these properties to remain whole as the land moves in ownership to my generation and through the generations that follow. We experienced first-hand the danger of heirs' property with my great-great grandfather's land. By the time we were made aware of this inheritance, the land had over 250 descendants, many of which had no idea they were tied to the property. My family absorbed the costs associated with paying the legal fees and buying out all 250 heirs to this land which took over ten years. Unfortunately, this was before the passing of the Uniform Partition Heirs Property Act in 2020 in the Commonwealth of Virginia, which now significantly reduces the amount of time it takes, and the costs associated with getting inherited land out of heirs' property.

We harvest timber on all three farms to pay for upkeep and ongoing management expenses and do so as landowners certified in the American Tree Farm System[®], a program of AFF's, which helps us manage our land to top standards of excellence. Through the guidance and support of SFLR, we have participated in USDA reseeding programs and cost-share initiatives, we have created a forest management plan for each of the three properties.

My family's relationship with the SFLR network started with the Black Family Land Trust, Inc (BFLT), an SFLR network organization and one of the nation's only conservation land trusts dedicated to the preservation and protection of African-American and other historically underserved landowners assets. We reached out to BFLT for help with technical assistance for one of our woodlots and continued to use the programs BFLT offered, such as the Wealth Retention Asset Protection Program (WRAP) that helped our family fine-tune the operation of our LLC, ultimately helping us keep the land in the family.

While the revenue from harvesting timber every 20+ years is helpful, the return does not come close to offsetting what we pay in taxes, management costs, and maintenance. This delta is paid out of pocket by family members. Doing so puts our land at risk; as younger generations become decision-makers and shareholders to the property, they are doing so without the same emotional connection and value to the land. There will come a time when fewer family members will share in the expenses. This is too much of a burden for a few to bear and will jeopardize keeping the land family-owned and whole. As a result, we are actively and with rigor looking for other opportunities to help the land pay for itself.

Carbon markets, where we can earn income for additional carbon that we sequester and store our land, have great potential to help supplement other income streams to help keep our forests healthy and as forest.

Family Forest Carbon Opportunities to Tackle Climate Change

Forests, including African American-owned forests, are essential for tackling climate change. While forests are a piece of the solution, they are an essential piece. America's forests and forest products already capture and store nearly 15% of annual U.S. carbon dioxide emissions generated from the burning of fossil fuels. With the right policies that enable voluntary action, forests can do even more.

Families and individuals, including African American forest owners, own more than one-third of U.S. forests, making these owners essential in efforts to mitigate climate change.

Taking climate action can also benefit landowners. Helping family forest owners, including African American owners, take action to capture and store carbon in our forests can have multiple benefits beyond the climate: increasing the viability of forest ownership so we can keep our forests intact and healthy and providing a whole range of economic and environmental co-benefits.

African American forest ownerships are often smaller acreages, but collectively, these ownerships make up a forested landscape that must be engaged as a natural climate solution. These ownerships are often on the frontlines in climate-impacted communities, where the impacts of climate change are felt the most. Additionally, due to significant barriers to forest conservation because of issues like heirs' property and lack of access to traditional forestry support, African American-owned forests are often the most vulnerable to conversion to non-forest use and loss.

In addition to encouraging action in forests for climate, increasing use of forest products is also a key climate strategy that family forest owners are an essential component of, given that more than half of the wood consumed in mills in the U.S. comes from family-owned forests. Strategies that create or enhance markets for forest products not only produce climate benefits as these products are used as substitutes for more fossil-fuel intensive products but also encourage and help finance climate-friendly action in the forest.

Forest Carbon Markets As Key Strategy for Empowering Landowners to Take Climate Action that Meets Our Goals as Landowners

There are many tools that can be used to help family forest owners, including African American owners, take action in their forests to capture and store carbon and produce other benefits, from USDA conservation programs to tax incentives to leverage carbon and forest products markets. While all of these tools will likely be important to fully realizing the potential of forests and forest products as climate solutions, voluntary carbon markets present a near-term opportunity to leverage significant private sector resources to enable climate action.

With some estimating carbon markets could be worth between \$90-480 billion by mid-century, these markets represent an important revenue stream for family forest owners to take forest-climate action in their forests to produce additional carbon and sell that carbon to corporations or others seeking to reduce their emissions, especially after corporations have done all possible to reduce emissions in themselves. These forest-climate actions that landowners can take for carbon markets are often the

same actions needed for other important landowner values like forest health, wildlife habitat, or clean water but are typically unaffordable. Revenues from these markets could far surpass existing government incentives for forest actions and can be leveraged with government incentives for maximum benefit.

And while there are other sectors that can produce carbon credits for these markets, estimates suggest that natural climate solutions, with forests being the largest natural climate solution, are needed to fill as much as 85% of the demand for these markets.

Barriers to Carbon Markets for Family Forest Owners including African American Owners

To date, unfortunately, carbon markets have been off-limits to most family forest owners for several reasons:

- The small size of most family-owned forests, and especially African American owned forests with an average acreage size of 63 acres, make an individual carbon project unaffordable due to the high cost of project development and verification;
- Lack of access to technical assistance that helps landowners understand the right practices to take in the forest;
- Financial barriers including the upfront costs of implementing forest-climate actions that often don't produce carbon benefits immediately to be sold in the market.

In addition to these barriers, African American owners often face additional barriers due to heirs' property issues and lack of trust in institutions and systems, fueled by centuries of inequity and systematic racism. Often organizations like the SFLR network that aim to help address these issues face similar inequities.

When family landowners are left out of these opportunities, it means rural and climate-impacted communities are left out of these important opportunities to take local climate action, to support forests and forest health, and local economies.

Rural Forest Markets Act, Other Strategies, Can Help

Fortunately, there are solutions to help family forest owners, including African American owners, overcome these barriers and access carbon markets in ways that will benefit us as landowners, forest health, local economies, and the climate.

There are organizations like AFF, SFLR, and The Nature Conservancy (TNC), which are developing solutions to help family forest owners, including African American owners, participate in these markets and generate wealth to care for their land and keep it in the family.

One such program, the Family Forest Carbon Program, developed by AFF and TNC, is designed to help family owners participate in carbon markets by providing technical and financial assistance to landowners to implement forest-climate practices in their forests, which generate measurable, verifiable carbon credits to be purchased by private sector buyers.

But these programs and others will face scaling issues, given this is an emerging, still uncertain market for both landowners and carbon buyers.

To enable these markets to work and leverage significant private sector funds for forest climate action on family forests, we recommend passage of the Rural Forest Markets Act, along with other actions. The Rural Forest Markets Act will unlock private capital by de-risking investments for private investors with credit enhancement such as a loan or bond guarantee. This is essential to enable the use of private investment capital to fund the significant upfront cost of climate-smart forestry actions that take, in some cases decades, to produce carbon that can be sold in the market. Without this private capital, carbon markets will be off-limits to forest owners.

The Rural Forest Markets Act must include a priority and capacity to support minority-led, community-based organizations that work with historically underserved groups including African American landowners. This will ensure historically underserved communities and landowners are ready for this market opportunity and have equitable access to these markets at the outset, rather than being left out for decades as has been the case in the past. Additionally, projects guaranteed through the Act must benefit landowners and help increase land values for family forests, including African American owners.

In addition to RFMA passage, other policy tools are essential for unlocking carbon markets and forests potential in ways that benefit landowners, such as policies that:

- Help build confidence in the market—both landowners and carbon buyers;
- Co-invest in the production of carbon credits, (could be with existing conservation programs or policies like tax incentives) recognizing that many forestry practices will not be paid for solely with revenues from the carbon market but have value for climate and other co-benefits;
- Invest in the forest carbon practice science, data and inventory solutions, and program development through grants and other funding support that can bring innovation, efficiency, continuity and credibility, and continuous improvement to climate-smart forestry action;
- Support landowner engagement and technical assistance, including support for African American and other historically underserved forest owners who need assistance to be ready for the market, addressing issues like heirs' property that can be barriers to market access. This should include support for capacity building within organizations like SFLR to work with landowners to support market readiness.

As mentioned above, AFF and SFLR are also members of the Forest Climate Working Group and support the policy recommendations contained in the FCWG Policy Platform noted here:

<https://forestclimateworkinggroup.org/resource/forest-climate-working-group-policy-platform-for-117th-congress/>

In conclusion, we urge swift action on the Rural Forest Markets Act and other policies noted above that will enable family forest owners, including African American owners, to contribute to climate mitigation in ways that work for these owners while leveraging the private sector.