

# forest GUILD

## Position Statement:

### **Liquidation Harvesting**

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The *Maine Chapter of the Forest Guild* strongly opposes the practice known as **liquidation harvesting**.

The Forest Guild is a national organization of foresters and other natural resource professionals. The Guild's 40 Maine members manage 1.6 million acres of forestland in the state. Liquidation harvesting is in direct conflict with the mission of the *Forest Guild*, which is to promote ecologically responsible resource management that sustains the entire forest across the landscape. Accordingly, the Guild strongly supports measures to limit liquidation harvesting.

The Forest Guild believes that the well-being of Maine communities depends upon responsible forest management. The steady erosion of forest potential by liquidation harvesting is a serious and direct threat to forest management, forest industries and rural communities over the landscape of Maine.

Liquidation harvesting is a business practice that involves three distinct actions;

- the purchase of forested land
- followed closely by the heavy harvesting of the land without regard for continuing forest management,
- followed closely by the sale or attempted sale of the parcel, usually within five years of the original purchase.

The short time elapsing between these actions is the primary distinguishing characteristic of liquidation harvesting.

Liquidation harvesting is primarily a short-term, low risk, profit-driven real estate transaction that has the unfortunate consequence of removing or severely degrading the flow of forest products and opportunities for future management of the forest land that provides the tapestry into which our rural New England communities are woven. Liquidation harvesting commonly has negative effects on forest regeneration, residual stand quality, wildlife habitat, soil productivity, water quality, and aesthetics. Liquidation harvesting fosters an economic climate around forest product pricing that places those practicing long-term forest management at a competitive disadvantage.

Liquidation harvesting has been occurring for some time in Maine. The practice has become institutionalized in financial circles, with established practitioners and clear pathways developed for financing and sales of land and harvested forest products.

The specific acreage of forest affected by liquidation harvests is not clear, but the most conservative estimates indicate that the effects on forest resources, rural communities and forest industry will eventually become both significant and long-lasting. Current estimates indicate that between 16,000 and 64,000 acres in Maine are being liquidated every year. This is roughly equivalent to at least a Baxter Park every ten years. In all likelihood these liquidated acres mark a

long-term removal of land available for forest management and contribution to Maine's forest industries. Liquidation harvesting is also closely linked with development of seasonal and year-round homes, and sprawl.

The Guild strongly advocates efforts to control and contain this destructive practice including appropriate measures to reduce the financial incentives for liquidation harvesting. In addition, the Guild encourages Maine saw and pulp mills committed to the Sustainable Forestry Initiative (SFI) or to Forest Stewardship Council Certification to adhere to the principles of sustainability and stewardship in regard to the procurement of timber and pulp from liquidation harvesters.