



**Northern
Forest Center**
Thriving Communities
& Healthy Forests

Generating Community Benefits

Fiscal Year 2011 Annual Report



**Northern
Forest Center**
Thriving Communities
& Healthy Forests

The Northern Forest Center advocates for the Northern Forest region and helps its communities benefit from forest-based economic and conservation initiatives.

Online @ www.northernforest.org

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Welcome to new directors for Fiscal Year 2012

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Sustainable Forest Futures (SFF), a non-profit subsidiary of the Northern Forest Center, promotes a competitive and sustainable forest economy in Maine, New Hampshire, Vermont and northern New York.

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and Executive Director, Vermont Woodlands Association

Welcome to new directors for Fiscal Year 2012

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SFF Staff

Julie Renaud Evans, Director of Forestry
Collin Miller, Director of Wood Products Initiatives
Steve Rohde, President, Sustainable Forest Futures

Online @ www.foresteconomy.org

Cover Photo:

Background: Jerry & Marcy Monkman/EcoPhotography.

Insets: Tourism development, Community Forest creation and wood product innovation programs aim to create new economic opportunities and help conserve a healthy, well managed working forest.

Photos by Kelly Short

Photo: Jerry & Marcy Monkman/EcoPhotography

The Northern Forest Center works at multiple levels to generate community benefits, encourage conservation and strengthen the economy across the Northern Forest

Working at three levels:

▶ “30,000 feet”

To improve public policy for the benefit of the region and other rural places, The Center plays a leadership role in several regional and national rural policy coalitions and acts as coordinator for Northern Forest participation and initiatives.

See pages 18 - 19

▶ “10,000 feet”

The middle level is where The Center brings it all together, coordinating numerous resource-based projects across multiple communities to deliver tangible community and ecological benefits. To support this work and create new opportunities, The Center leads collaborative efforts to create new investment tools and resources, and new systems such as markets for local carbon credits.

See pages 16 - 17

▶ “On the ground”

The Center helps communities benefit directly from the forest resource by creating Community Forests, implementing biomass renewable energy projects, supporting tourism industry employment, helping wood-product companies innovate, and more. In every case, The Center and its subsidiary, Sustainable Forest Futures, collaborate with a wide range of public and private partners.

See pages 8 - 15

Look for the ▶ symbol throughout this report to see how each story and program fits into The Center’s overall approach.

Northern Forest Center

Annual Report for Fiscal Year 2011

A multi-tiered approach to generating community benefits

It's often the case that people come to know about The Center because of one particular program, such as our Renewable Energy-Biomass program that helps communities evaluate the potential of forest biomass as an alternative to oil-based heat. When they learn about The Center's many other programs—developing opportunities for landowners to earn payment for good stewardship of their forests, helping communities create and support Community Forests, providing incentives for wood product manufacturing companies to be more competitive through innovation, supporting positive growth in the tourism industry, and more—all across a four-state region, it can be a bit overwhelming.

What ties it all together is our mission: helping Northern Forest communities benefit from economic and conservation initiatives based on the forests that surround them. The Center creates strategies that we believe will create new economic opportunities and help conserve a healthy, well managed working forest.

There is an inherent tension in trying to deliver benefits at the community level when the Northern Forest as a whole spans 30 million acres across the northern portions of four states. Here's how we do it, from the ground up.

On-the-Ground

To generate community benefits directly, The Center works “on the ground” with individual communities, businesses and organizations to help them find new ways to use and benefit from their forest resources and to make sure those resources are conserved for future generations. Center staff and partners collaborate with community leaders, business owners, and forestland owners to boost the local economy through new income from the forest, to keep more money recirculating locally, and to help them gain more direct control over how local forest resources are used. (Read stories about our community based projects on pages 8-15.)

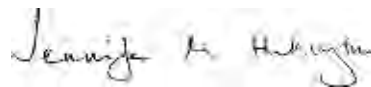
10,000 Feet

Every success is valuable, but the impact can be exponential when numerous projects reinforce each other. Working from the “10,000-foot” level, as we do in the Androscoggin Valley–Mahoosuc Region, The Center brings together multiple strategies, partners and resources to generate tangible community and ecological benefits. As part of the Northern Forest Investment Zone initiative, this area serves as a laboratory to test strategies in combination so that the most successful can be replicated in other areas of the Northern Forest. *(Read about the Androscoggin - Mahoosuc Pilot Project on pages 16-17.)*

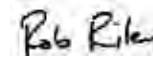
30,000 Feet

As a regional organization, The Center fills a critical niche, providing the regional leadership, coordination and strategic approach that lays the groundwork for success of a multitude of initiatives across the Northern Forest. We take advantage of the broad perspective from this “30,000-foot” level to help steer the region toward long-range solutions. We help develop new sources of investment capital, create strong networks of diverse interests, and help shape federal policies for the benefit of the Northern Forest's rural communities. *(Read about The Center's public policy program on pages 18-19.)*

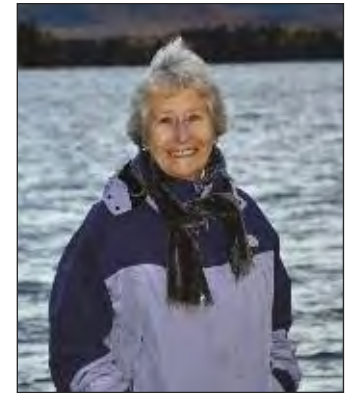
Your support allows The Center to pursue an ambitious strategy from many levels across the Northern Forest. Thank you for your investment!



Jennifer M. Huntington,
Chair



Rob Riley,
President



Jennifer Huntington, Board chair,
and Rob Riley, president



A Great Resource

The Northern Forest region of northern Maine, New Hampshire, Vermont and New York is home to more than 2 million people who live in rural communities, towns and small cities surrounded by the largest intact forest in the eastern United States.

Guiding Beliefs

The Center embraces and promotes the following beliefs to advance its mission and achieve a widely shared vision for the Northern Forest region.

- **A robust regional economy** is central to the long-term health of the Northern Forest region's communities and forested ecosystems.
- **Management and use of the region's forests** should deliver direct benefits to people in Northern Forest communities.
- **Sound forest stewardship and conservation** of natural resources lie at the heart of effective local, state and regional development efforts.
- **Leveraging the energy of networks and collaborations** is the best way for the Center to help unlock the region's full intellectual, financial and creative capacity.
- **Integrated thinking about economic, community and environmental issues** is fundamental to reducing conflicts, and uncovering new opportunities for the Northern Forest.
- **Leadership and investment in potentially transformational ideas** are essential to the region's ability to compete and succeed at the national and global scales.

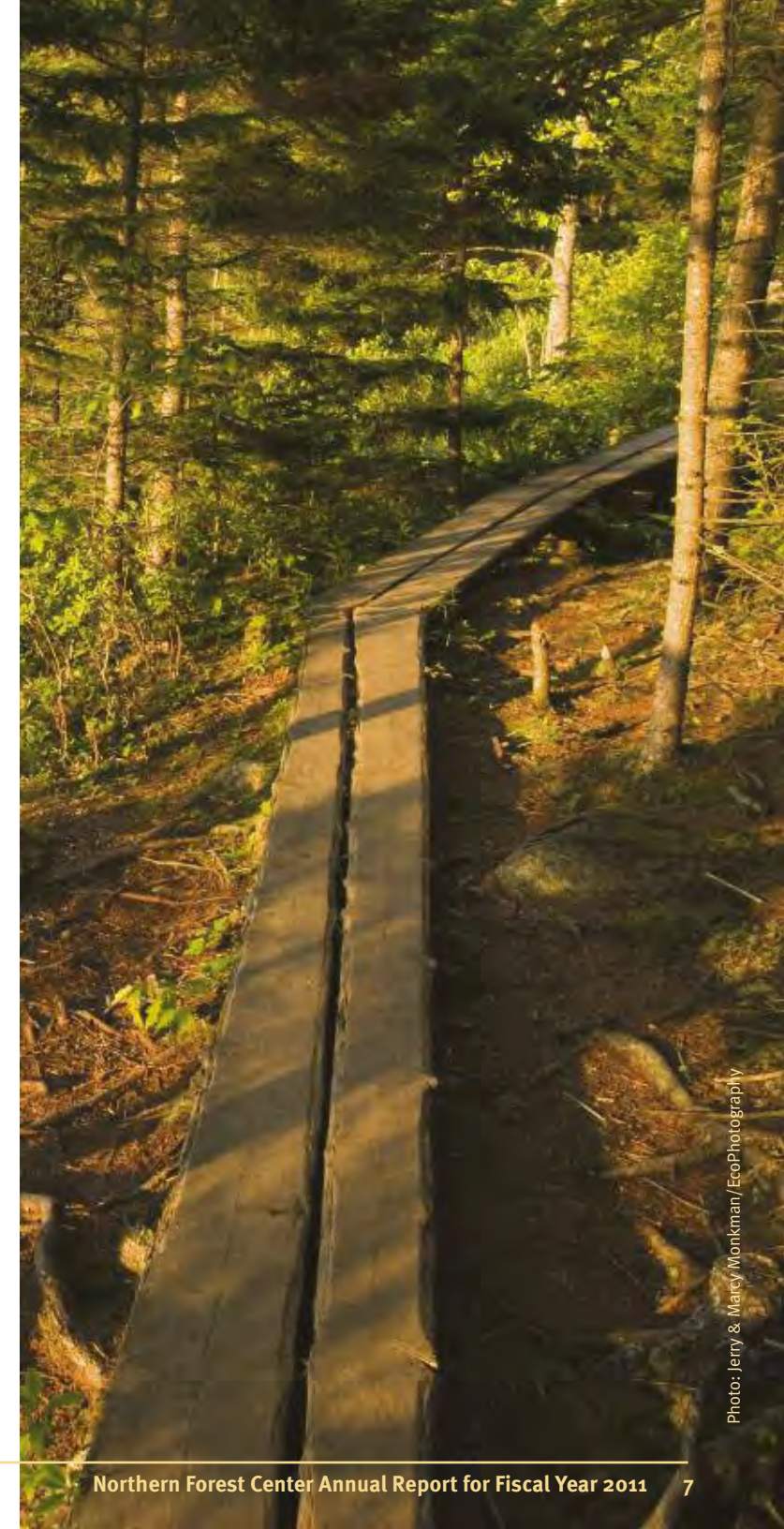


Photo: Jerry & Macy Monkman/EcoPhotography

“30,000 FEET”

“10,000 FEET”

▶ “ON THE GROUND”

Creating & supporting Community Forests for community benefit

What makes a Community Forest?

The four components of the Collaborative’s Community Forest Model are:

- Community ownership and management
- Community participation in and responsibility for management decisions
- Access to the values and benefits of the forest that can support and reinforce community priorities and economic development
- Permanent protection of the forestland’s conservation values

Online @ foresteconomy.org

Check our website for program details, updates, related news articles and a full list of partners.



WHAT

Community Forests serve a unique role in conserving productive forestland while providing community and economic development opportunities.

The Community Forest Collaborative helps communities identify opportunities to create Community Forests, and provides technical assistance to create and maintain them. Collaborative members have been working with many communities to support potential Community Forest projects, including the following:

- Canaan, VT
- Fairlee and West Fairlee, VT
- Barretown, VT
- Albany, NH
- East Hereford and St. Hermenegilde, Quebec
- Grand Lake Stream, ME

The Collaborative also published a report on the *Needs & Resources for Creating & Maintaining Community Forests*

WHY

Continuing changes in Northern Forest land ownership affect the vitality of communities whose culture has been based for generations on access to healthy and productive forests. Supporting the efforts of communities to establish, own and manage Community Forests based on the Community Forest model (see left) guarantees them access to the forest’s ecological, recreational, financial, educational and other community benefits.

WITH

The Community Forest Collaborative includes:

- The Northern Forest Center
- Sustainable Forest Futures
- The Trust for Public Land
- The Quebec-Labrador Foundation.

The Collaborative works with communities in Vermont, New Hampshire and Maine.

GOAL

Increased community ownership and management of local forest resources based on the Community Forest model that results in:

- Economic development and community development opportunities for local benefit
- Conservation of forestland and sustainable forest management
- Help in stabilizing the region’s forestland base

“Jobs around here are going to be in natural resources and tourism—working on state conservation land, for non-profits, at the Nulhegan Center, or Umbagog.”

*Chris Masson,
Superintendent of Schools
Essex North Supervisory Union
Canaan, Vermont*



Photos: Kelly Short/Northern Forest Center

Chris Masson, superintendent of schools in northern Essex County, Vermont, is leading the effort to create a Community Forest in Canaan, Vermont.

Community Forest means many things for Canaan, Vermont

The Community Forest Collaborative is helping Chris Masson and others in Canaan, Vermont, create a Community Forest that will generate many benefits for the town, its residents, and the students who come from neighboring towns to attend school.

Chris grew up exploring the woods and hunting in the 424-acre forest that was owned by the Tillotson family for generations. Now, as superintendent of schools in northern Essex County, he’s pursuing a dream that would give every kid the chance to learn in the woods.

“I’d like to start a natural resource vocational training program using the property,” says Chris. “Jobs around here are going to be in natural resources and tourism—working on state conservation land, for non-profits, at the Nulhegan Center, or Umbagog,” the nearby wildlife areas.

The town envisions using about 350 acres of the property as a permanently protected working forest that would generate income from sustainable timber harvests, allow recreational use, protect the local water supply and provide educational opportunities, while the remainder becomes a business park that taps into a nearby natural gas line to provide relatively inexpensive energy.

“We could build a good cross-country ski trail, keep the snowmobile trail open, build a sugar house for the students to run,” says Chris. The educational program he envisions would serve students who want to work in the woods with their family businesses, and those thinking about a college degree in natural resources.

“We could do some really incredible things with a Community Forest,” says Chris.

“30,000 FEET”

“10,000 FEET”

► “ON THE GROUND”

Creating better jobs in the growing tourism industry

Tourism in the Northern Forest

Tourism employs 1 in 10 Northern Forest workers, second only to health-care services. It directly generates about 7 percent of the region’s gross state product.

Many tourism jobs remain relatively low-wage, seasonal, and without benefits. The Maine Labor Market Digest (Nov. 2010) reported average weekly earnings in leisure and hospitality of \$330.48—less than half of the statewide average earnings of \$669.64.

Online @ northernforest.org/tourism.html

Check our website for program details, updates, related news articles and a full list of partners.

Tourism packages online @ mainewoodsdiscovery.com



Photo: Jerry & Marcy Monkman/EcoPhotography

WHY
Tourism is one of the few Northern Forest economic sectors to see consistent job growth in recent years. With 70 million people living within a day’s drive, and growth in recreation and destination tourism, tourism has the potential to keep growing. **Elevating the overall visitor experience in the Northern Forest will create better employment prospects in the industry, strengthen local economies, and support amenities that enrich the lives of local residents.**

WHAT
The Center has supported tourism in Maine by **coordinating the Maine Woods Consortium** and its members, which have:
• **Trained 433 people from 238 businesses** through the Maine Woods Tourism Training Initiative;
• Explored the benefits of creating a **Maine Woods Tourism Quality label**; and
• **Promoted experiential tourism packages** among multiple businesses through the Maine Woods Discovery marketing project.
The Center is helping to **coordinate a regional Northern Forest Tourism Network** dedicated to improving tourism outcomes across the region.

WITH
• **Maine Woods Consortium**, an open association of non-profit organizations, businesses and government agencies dedicated to advancing a “triple bottom line” approach to development and conservation in the Maine Woods region.
• **Northern Forest Canoe Trail**, which has led on creation of the Northern Forest Tourism Network.
• **Northern Forest Tourism Network**, a network of businesses, non-profits, universities, and individuals with a shared interest in improving tourism outcomes in the rural Northern Forest.

GOAL
Increased business success as a result of improved visitor experience results in better wages, benefits and job stability for tourism employees.

Program trains 350 people from 200 tourism businesses

In tourism, it generally costs 10 times more to attract a new customer than to bring back an old one, so there is real value in keeping current customers happy. And sometimes the smallest adjustments can make a big difference in a visitor's experience.

"As soon as we got back from the workshop, we changed how we answer the phones. We always give our names now," says Irene McGrew, who has managed the River View Resort in Bethel, Maine, for 15 years.

Irene and four of her hotel staff attended the popular "Give 'em the Pickle!" customer service training sponsored by the Maine Woods Tourism Training Initiative (MWTTI)—a project of the Maine Woods Consortium to support businesses in many of Maine's rural tourism destinations. More than a month later—in the thick of the busy summer season—they were still enthusiastic about what they had learned.

"I see the office staff now taking more time, doing that little bit extra for the customer," says Irene. "We recently got an online review that said, 'The River View has the friendliest people of any place we've ever stayed!'"

Irene's husband Chad, who attended an MWTTI workshop on social media marketing, was also able to put the training to work right away. "Chad completely redid our Facebook page. He totally took it to the next level, and we've had tons more Facebook interactions," says Irene.



Photos: Kelly Short/Northern Forest Center

"I see the office staff now taking more time, going that little bit extra for the customer. We recently got an online review that said, 'The River View has the friendliest people of any place we've ever stayed!'"

*Irene McGrew, Manager
Riverview Resort
Bethel, Maine*



Top: Business owners, staff and managers from the Bethel, Maine, area salute with their symbolic pickles after taking part in a free customer service training workshop.

Bottom: Irene and Chad McGrew, managers of the River View Resort, were able to put their training experiences to work right away for the hotel.

“30,000 FEET”

“10,000 FEET”

▶ “ON THE GROUND”

Using local resources to heat buildings and keep money local

Heating the Northern Forest

The Northeast consumes 84% of the entire U.S. supply of home heating oil, and the Northern Forest alone spends an estimated \$6 billion per year on imported fuel.

Thermal Efficiency

Biomass is at its most efficient producing heat or both thermal and electrical energy, often called “co-gen,” short for co-generation. Here’s how the efficiencies of different uses compare:

“Co-gen” 70-80%
Heat only: 70-80%
Electricity only: 25-30%

Online @

northernforest.org/renewable_energy_biomass.html

Check our website for program details, updates, related news articles and a full list of partners.

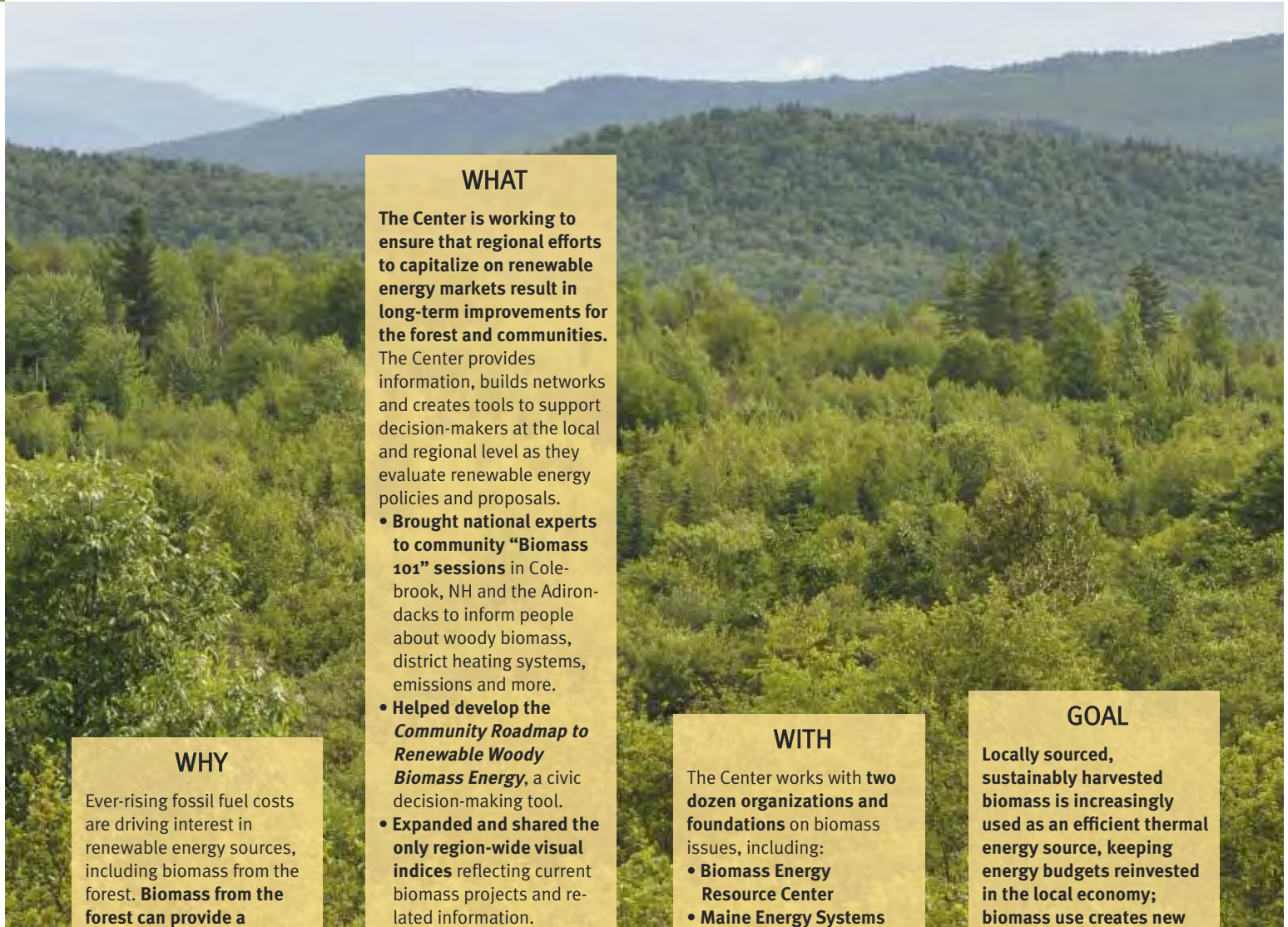


Photo: Kelly Short/Northern Forest Center

WHAT

The Center is working to ensure that regional efforts to capitalize on renewable energy markets result in long-term improvements for the forest and communities.

The Center provides information, builds networks and creates tools to support decision-makers at the local and regional level as they evaluate renewable energy policies and proposals.

- Brought national experts to community “Biomass 101” sessions in Colebrook, NH and the Adirondacks to inform people about woody biomass, district heating systems, emissions and more.
- Helped develop the *Community Roadmap to Renewable Woody Biomass Energy*, a civic decision-making tool.
- Expanded and shared the only region-wide visual indices reflecting current biomass projects and related information.
- Supported development of sustainable harvesting standards for biomass.

WHY

Ever-rising fossil fuel costs are driving interest in renewable energy sources, including biomass from the forest. **Biomass from the forest can provide a sustainable, local fuel source for community-scale heating systems.**

WITH

The Center works with **two dozen organizations and foundations** on biomass issues, including:

- Biomass Energy Resource Center
- Maine Energy Systems
- Adirondack North Country Association
- The Forest Guild

GOAL

Locally sourced, sustainably harvested biomass is increasingly used as an efficient thermal energy source, keeping energy budgets reinvested in the local economy; biomass use creates new markets for low-grade byproducts of sustainable forestry.

Adirondack Councilman sees potential of biomass

After attending an intensive “Biomass 101” session that The Center coordinated to bring expert information to leaders in Saranac, NY, town Councilman Jerry Delaney was full of ideas.

“The best things I came away with were the job creation numbers, the potential cost savings, the amount of revenue retained versus what’s sent out of the area when we buy oil, and the sustainable use of our natural resource,” he says.

“Producing energy from wood gives our traditional wood industries here a new market.”

Jerry—who owns a small logging and excavating business, works as a New York State corrections officer, and serves on several community boards—is focused on helping Saranac prosper and preserve what’s best. “I think we live in one of the most beautiful places in the world,” he says. “Everything I’ve been doing is to make it a better place to live, and hopefully a less expensive place.”

“I’m looking at this as a regional pilot project,” explains Jerry. “I’m trying to interest partners and other municipalities in biomass.” He sees great potential to use biomass heating for the fire department, schools in Dannemora, Saranac and the hamlet of Redford, the Clinton Correctional Facility, as well as Saranac’s town buildings.

“I’m hoping I can show that biomass is a better option,” he says. “If we can get this up and running and successful, I think we can show other towns how it helps remedy some of the [economic] ills inside the Park.”



Photo: Gareth Plumadore/Plumadore's Photos

“I think we live in one of the most beautiful places in the world. Everything I’ve been doing is to make it a better place to live, and hopefully a less expensive place.... I’m hoping I can show that biomass is a better option.”

*Jerry Delaney
Town Councilman
Saranac, NY*

The Center and partners are helping Town Councilman Jerry Delaney and other leaders in Saranac, NY, assess the potential for forest biomass to reduce heating costs and create markets for low grade wood.

Average winter temperatures in Saranac, NY, are 5° for the low and 27° for the high.

“30,000 FEET”

“10,000 FEET”

▶ “ON THE GROUND”

Helping wood product companies innovate for brighter future

Wood products manufacturing

The Regional Wood Products Consortium facilitates innovation and access to markets to enhance the economic competitiveness of the region’s wood products manufacturing industry.

“The workshops allow my business to get expert advice and they provide excellent follow-up resources. I encourage more companies in the region to take advantage of this unique program.”

—Peter McNaughton,
President,
Uni-Sim Corporation
Lisbon Falls, ME

Online @
foresteconomy.org

Check our website for program details, updates, related news articles and a full list of partners.



WHY
Wood products manufacturing employs more than 20,000 people in Maine, New Hampshire, Vermont and northern New York and can continue to be an important part of the rural economy if the industry adopts innovations that will give it a competitive edge. A robust wood products industry can sustain existing jobs, create new jobs, and contribute to the strength of the region’s communities.

WHAT
The Center is focused on sustaining manufacturing jobs through its subsidiary, Sustainable Forest Futures, by helping small- and medium-sized wood products companies be competitive.

- 111 wood products companies attended Regional Wood Products Consortium (see next box) workshops featuring national experts on marketing, technology, lean manufacturing, and mass customization.
- More than 30 companies are implementing specific innovations from the workshops with financial assistance from Sustainable Forest futures.

WITH
The Regional Wood Products Consortium is a collaboration between Sustainable Forest Futures and the wood products manufacturing industry in Maine, New Hampshire, Vermont and northern New York. Trade association partners include:

- Wood Product Manufacturers Association
- Empire State Forest Products Association
- Maine Wood Products Association
- New Hampshire Timberland Owners Association
- Vermont Wood Manufacturers Association

GOAL
Manufacturing and marketing innovations help wood products companies become increasingly competitive, sustaining existing well paying jobs in the region and creating new ones.

Photo: Kelly Short/Northern Forest Center

New owner revives dowel and furniture manufacturing businesses

“My vision is to expand Saunders Brothers from dowels into furniture and make it a premier wood products mill,” says Louise Jonaitis, who purchased the wood products plant at auction in 2010, after it had been closed for months.

The plant is located in the village of Locke Mills, part of the town of Greenwood, Maine, population 762. Louise and her partners have purchased three other companies, including Moosehead Furniture, which closed in 2009.

“I knew that the demise of Saunders Brothers was strictly about the economy—it’s a gem of a mill,” says Louise. “I can get this going again.” Louise’s career has included social work and a successful mining venture, but no previous experience in wood products manufacturing.

As a self-proclaimed outsider to the industry, Louise is relying on the skills of her employees and innovation expertise provided through Sustainable Forest Futures that includes an entrepreneurial coach and financial assistance that will enable her to work with an industry expert to relaunch the Moosehead Furniture line.

“It made my private lender happy to know that I have expert advice helping me out,” says Louise. “I know I can call if I have a problem, and get advice on what to do.”

“The furniture really is a brand new startup, and the grant is going to get us on the right track from the very beginning.”

Saunders Brothers reopened last fall with 8 employees and now is up to 24, with 2 new hires in the works. “I think we can get back up to 50 to 60 people in the next two years,” says Louise.



Photos: Collin Miller/Sustainable Forest Futures

“It made my private lender happy to know that I have expert advice helping me out,” says Louise. “I know I can call if I have a problem, and get advice on what to do.”

*Louise Jonaitis
Owner, Saunders Brothers
Locke Mills, Maine*

Top: Louise Jonaitis, new owner of Saunders Brothers, gets advice from wood industry expert Jeff Howe of Dovetail Partners through the Regional Wood Products Consortium.
Right: Back at work—a Saunders Brothers employee works in dowel production.



“30,000 FEET”

▶ “10,000 FEET”

“ON THE GROUND”

Investment Zone pilot project focuses on 600,000-acre region

Northern Forest Investment Zone Partners, coordinated by The Center

- Biomass Energy Resource Center
- Coastal Enterprises, Inc.
- Community Forest Collaborative
- The Forest Guild
- Manomet Center for Conservation Sciences
- Northern Forest Center
- Sustainable Forest Futures

Pilot Project Location

- 600,000 acres on the New Hampshire / Maine border
- Anchored by Berlin and Gorham, NH, and Bethel, ME

Online @
northernforest.org/northern_forest_investment_zone.html

Check our website for program details, updates, related news articles and a full list of partners.



WHAT

The Pilot Project will **develop new opportunities for income from the forest that supports sustainable forestry and forest-reliant communities.** Highlights of the work underway in the Androscoggin-Mahoosuc area include:

- **Supporting relaunch of Saunders Brothers** using innovative approaches to wood products manufacturing and marketing
- **Supporting Mahoosuc Woodworks** in launching innovative new products
- **Help existing Community Forests understand opportunities for securing payment for carbon storage**
- **Providing training for 35 tourism businesses in Oxford County**
- **Helping Androscoggin Valley Hospital and Berlin High School assess potential biomass heating projects**

WHY

While The Center and partners are applying Northern Forest Investment Zone strategies broadly across the 4-state region, **the Androscoggin Valley - Mahoosuc Region Pilot Project serves as a laboratory where multiple strategies can be used in combination to test their ability to deliver tangible community and ecological benefits.**

WITH

- Northern Forest Investment Zone partners
- Maine Energy Systems
- Maine Woods Consortium
- Regional Wood Products Consortium
- Mahoosuc Initiative
- Trust for Public Land
- 13 Mile Woods Community Forest
- City of Berlin

GOAL

Demonstrate that landowners, businesses, and communities can benefit from new conservation and economic development tools that support sustainable forestry.

Photo: Jerry & Marcy Monkman/EcoPhotography

Investment Zone integrates projects like pieces of an economic puzzle

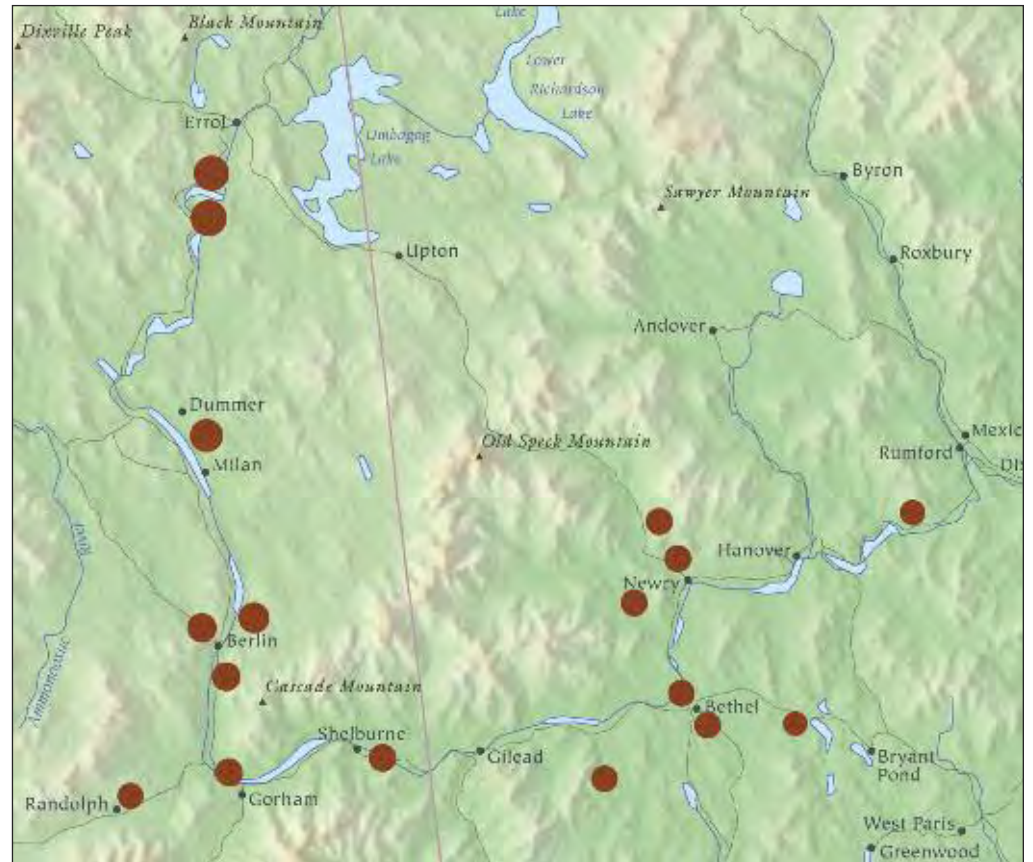
“The Androscoggin Valley–Mahoosuc region is a proving ground for us,” says Joe Short, policy and program director for The Center and coordinator of the Northern Forest Investment Zone initiative. “The opportunities for success increase when we bring multiple projects close enough together that they can connect and support each other. And the pilot project is large enough that its success will be felt regionally.”

The Center and its Northern Forest Investment Zone partners are testing ways to generate income and positive economic impact through new business opportunities that are based in conservation and sustainable forestry.

“For example,” explains Marcy Lyman of the Community Forest Collaborative, “we’re looking for opportunities for Community Forests in the pilot area to provide some of the biomass supply for local public buildings, like schools and municipal offices.”

That effort is reinforced several ways in the pilot project area, says Joe. “We’re making small grants to help businesses and communities transition from oil to wood for their heating, and our partners have developed guidelines for sustainable harvesting of biomass to make sure that forest health is maintained.”

“Through the Investment Zone pilot, we’re able to fit together multiple pieces of the economic puzzle using a variety of investment and technical assistance tools,” says Keith Bisson, director of the Northern Heritage Development Fund at Coastal Enterprise, Inc. (CEI), an Investment Zone partner.



“The opportunities for success increase when we bring multiple projects close enough together that they can connect and support each other. And the pilot project is large enough that its success will be felt regionally.”

*Joe Short,
Policy & Program Director
Northern Forest Center*

The Center and its partners in the Northern Forest Zone initiative have numerous projects—including conversions to biomass for heating, tourism development, Community Forests and innovation in the wood products industry—underway or in development in the Androscoggin Valley–Mahoosuc Region.

▶ “30,000 FEET”

“10,000 FEET”

“ON THE GROUND”

Developing policy for the good of forest-based communities

Organizing for good policies

Last winter The Center and partners presented a letter with more than 180 signatures to US Dept. of Agriculture (USDA) Secretary Tom Vilsack. The letter expressed concern that the agency’s Biofuels Strategy did not recognize the Northeast’s potential to generate thermal energy from wood sources and requested flexibility in meeting the renewable energy goals set forth in the policy. Staff from The Center, the Northeast Biomass Thermal Working Group and other partners delivered the letter to USDA officials in Washington, D.C.

Online @ northernforest.org/public_policy.html

Check our website for program details, updates, related news articles and a full list of partners.



Photo: Jerry & Marcy Monkman/EcoPhotography

WHY

A rural region as vast as the 30-million-acre **Northern Forest** needs to speak with a **coordinated regional voice to be heard in Washington, D.C.**

Working together, the Northern Forest states can enlist the attention of four governors and eight U.S. senators with influence across parties. For visibility and funding, this bloc can be of much greater value than the representatives of one state alone seeking backing for a limited goal.

WHAT

The Center coordinates regional outreach and advocates for the Northern Forest’s needs in Washington D.C. Priorities include:

- Ensuring that Northern Forest interests are represented in the **2012 Farm Bill**, which will directly affect the type of federal forestry and conservation programs available in the region.
- Urging changes in **federal energy policy** to allow the region to use biomass for thermal energy toward meeting renewable energy goals.
- Aligning the work of the new **Northern Border Regional Commission** with regional priorities set out in the Sustainable Economy Initiative, and securing ongoing funding for the Commission.

WITH

The Center works with **40 organizations** in the region to coordinate regional outreach and advocacy and also works with national networks to align our strategies on mutual interests. These include:

- **The Coalition for Eastern Forests and Communities**
- **The Rural Voices for Conservation Coalition**
- **The Forests in the Farm Bill Coalition**

GOAL

Public policy supports sustainable forest-based enterprise and increases public investment in Northern Forest communities.

Coalitions work to put forests in the Farm Bill

The Northern Forest: 30 million acres and only 2 million people. That's a region the size of Mississippi and that contains less than the population of Houston, Texas.

In Washington, DC, where federal programs are shaped to deliver funding and policy support, sparsely populated rural areas like the Northern Forest can have a hard time being heard. That's why The Center plays a leadership role in several rural coalitions and has made it a priority to work with federal agencies to align the programs that serve rural America within today's context and strategies.

The Center plays a leadership role in the Coalition for Eastern Forests and Communities (CEFC) and chairs a working group of the national Forests in the Farm Bill Coalition. Both coalitions are focused on ensuring that forest interests are front and center in the next Farm Bill, which is the single most important federal legislation for providing funding and policies that support healthy working forests.

"The Northern Forest Center has a regional focus and a countrywide impact," says Rebecca Turner, policy director for American Forests, a nationwide nonprofit conservation organization and coordinator of CEFC. "The Center does an exceptional job leading diverse coalitions and bringing the local perspective to the federal debate."

Key goals for the Northern Forest are increasing funding for thermal biomass projects and expanding the new Community Forests program.



In The Center, the Northern Forest has a strong advocate working on its behalf. The Center's work in Washington, DC, is bringing new elements to the table. A regional perspective with tangible, local projects is helping decision-makers shape programs that will more effectively serve forested places.

*Jameson French, President & CEO
Northland Forest Products
Kingston, NH*

Northern Forest ambassadors visit U.S. Sen. Susan Collins (center) in D.C. to discuss Northern Forest issues in December 2010. From left: Jameson French of New Hampshire, president and CEO of Northland Forest Products, Inc., and chairman of the Hardwood Federation; Rob Riley, president of the Northern Forest Center; Sen. Susan Collins; Tom Leonardi of New York, then-chairman and CEO of Northington Partners, Inc.; and Peter Stein of Vermont, managing director of Lyme Timber Company. Robin Zinchuk of Maine (not pictured), executive director of the Bethel Area Chamber of Commerce, also attended.

Delivery & Impact

A Scorecard of The Center's recent accomplishments

"We invest in people. Peter and I have a bias toward the environment and land protection and community sustainability. The Center is aligned with our interests and it allows us to go further—to address what it takes to have a viable community in a rural landscape.

*—Lisa Cashdan
Norwich, Vermont*

1	Summit for the Northern Forest, engaging more than 100 leaders in tourism, ecosystem services, regional investment, public policy, Community Forests and higher education
1	new website with continuously updated program information and RSS feeds to keep you informed
3	"Biomass 101" sessions, in Colebrook, NH and Tupper Lake and Saranac, NY
6	new Community Forest projects underway
20	local stakeholders and organizations engaged in the Androscoggin Valley – Mahoosuc Region pilot project, part of the Northern Forest Investment Zone
24	partners collaborating on increasing regional investment from public and private sources
28	presentations provided to conferences, workshops and annual meetings
31	practitioners in regional Ecosystem Services Network
34	wood products companies assisted financially to pursue manufacturing and marketing innovations
45	people informed about biomass options at Adirondack "Biomass 101" sessions
50	people informed about biomass options at Colebrook, NH "Biomass 101" session
90	watershed landowners engaged in Crooked River project, which seeks payments to landowners for the natural services provided by their land (part of Northern Forest Investment Zone, project led by Manomet Center for Conservation Sciences)
111	wood products companies served through workshops with industry experts in marketing, technology, lean manufacturing and mass customization
238	businesses and 433 people trained in customer service and marketing to enhance tourism businesses and support job creation in Maine
468	subscribers kept informed via the weekly Northern Forest News Digest
\$303,700	committed to fund Community Forest projects through the Community Forest Fund of the Open Space Institute
\$1,442,571	invested in Northern Forest communities, forests and economic development

Investment in the Northern Forest

Individual donors, foundations, corporations and government support

The Northern Forest Center is grateful to all the individuals, businesses, foundations and government donors who so generously supported our work. Every gift, at every level, supports our work: advocating for the Northern Forest region and helping its communities benefit from forest-based conservation and economic development. We could not do this important work without your continued investment.

Thank you.

In Memoriam

We wish to recognize with sadness those individuals who died this year and who brought their personal passion and commitment to the Northern Forest.

In fond remembrance of:

- Governor Walter Peterson
- Mary Newmann.

Key

President's Council (donations of \$1,000 or more)

§ Board member

‡ Employee

Gifts from Individuals

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Dorothy Peterson and the late Gov. Walter Peterson
Arthur Porter and Katie Hooper

Continues on next page

Investment in the Northern Forest

Individual donors, foundations, corporations and government support, *CONTINUED*

The list of donors reflects gifts received from May 1, 2010 to April 30, 2011, including payments on multi-year pledges. It is our intention to recognize all of our generous supporters. Please let us know if we have made any errors in compiling this list.

Please call Pallah Stimpson at 603-229-0679, ext. 108, or email her at pstimpson@northernforest.org, to notify us of any errors.

Gifts from Individuals continued

Ellen Pope[§] and Patrick Welch

Avery Post
John and Dianne Reed
Martha and John Richards
Isabel Riley

Rob Riley[§] and Tabitha Deans Riley

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David and Linda Rockwood
Steven Rohde[‡]
Keith Ross

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Rebecca Saunders
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Theodore Smith and the late
Mary Newmann

Stuart and Jean Smith
Pallah J. Stimpson[‡]
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Robin Zinchuk

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**Adirondack Community Trust
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Government

USDA Rural Development

Northern Forest Heritage Society

Genevieve Howe
Jan Eastman and John Marshall
Jacquelyn L. Tuxill

Tribute Gifts

Charlotte Belser, In memory of
Peter Ruttenberg who loved
Vermont's Forests
Rebecca Lovejoy, In honor of
Mike and Jean Smith
Sarah Riley, in memory of
Robert A. Riley, Sr.

In-kind Support

Ciborowski and Associates
Devine, Millimet & Branch

Report Underwriter

The Center thanks Public
Service of New Hampshire for
underwriting this Annual
Report.

Financial Report: FY2011

The Northern Forest Center is proud to earn consistent and strong praise from independent external auditors that monitor our internal systems and fiduciary management. We've achieved this success through a strong staff and committee team that carefully reviews all facets of The Center's financial and organizational management.

In Fiscal Year 2011, several emerging projects created opportunities to engage significant new corporate and foundation supporters, contributing to the year's sound financial performance. The Center continues to invest a high percentage of its total budget in programs that benefit the region, both through direct implementation and by supporting partner organizations to advance shared programmatic objectives.

To request a copy of complete audited financial statement for The Center or for Sustainable Forest Futures, please contact Jane Fink:
jfink@northernforest.org or
 603-229-0679, ext. 103.

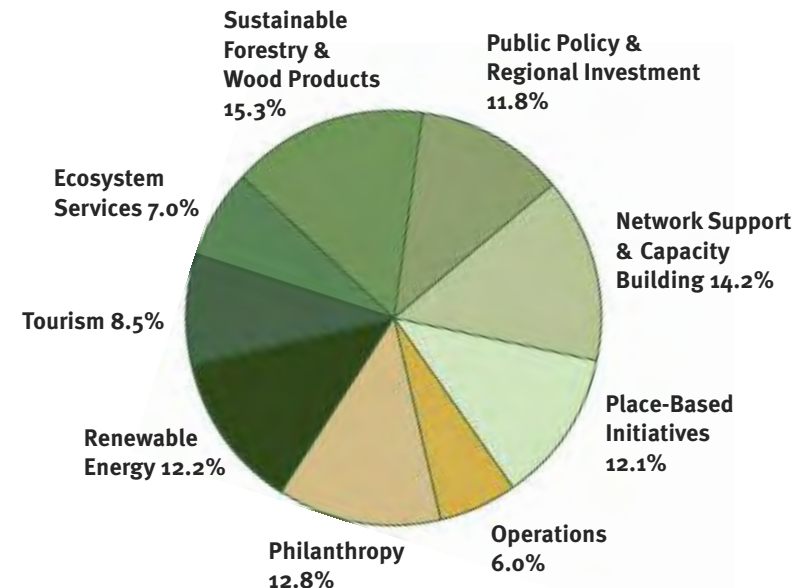
Statement of Activities Fiscal Year 2011

(May 1, 2010 – April 30, 2011)

Audited statement for The Northern Forest Center, comparison of Fiscal 2011 to Fiscal 2010

	FY2010	FY2011
Income		
Individuals	311,552	312,212
Foundations & Corporations	451,406	887,999
Program Income	38,180	22,437
Miscellaneous Income	928	2,681
Interest	1,806	7,391
Loss on disposal of assets	(3,583)	(13,768)
In Kind Support	9,371	0
Transfer from Reserve	82,263	0
Total Income	727,397	1,218,952
Expenses		
Program	693,498	934,455
Operating	89,013	69,158
Fundraising	116,912	147,354
Total Expense	899,423	1,150,967
Net Assets		
Beginning of Year	860,029	777,766
End of Year	777,766	845,751
Change in Net Assets	(82,263)	67,985

FY2011 Expenses by Area





The Center advocates for the Northern Forest region and helps its communities benefit from forest-based economic and conservation initiatives.

With partners across the region, The Center is creating a new generation of conservation tools that can provide economic incentives for good forest stewardship and reinvigorate the region's economy.

Our Programs

Generate Returns for communities, businesses, and landowners using the forested landscape sustainably for:

- Wood Products
- Renewable Energy from Biomass
- Ecosystem Services
- Tourism

Build Capacity across the region through:

- Coordinated Public Policy
- Targeted public and private investment
- Strong, collaborative networks

Demonstrate Success through specific place-based projects that integrate multiple strategies:

- Community Forests
- Androscoggin Valley–Mahoosuc Region Pilot

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www.northernforest.org

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